

It should also be remembered by those in other sections that we in the West have contributed our proportionate share of the appropriations made by the Federal Government for flood control and rivers and harbors. While there have been great economic values arising from such projects, it is still a record that is far from equal to the record under reclamation because none of that money has been returned to the Federal Government.

The present session of Congress is about to make the worst record on reclamation of any since World War II. There are several conditions which have brought this about, due primarily to the bitterness over the civil rights issue.

But the West and the population explosion cannot wait on the civil rights issue, or any other disagreement. The fact remains that each and every year progress must be made in reclamation development or the troubles will pyramid. A crash program would be necessary which would be much more expensive and far behind the needs of the people.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, April 20, 1960, he presented to the President of the United States the following enrolled bills:

S. 634. An act for the relief of Grace C. Ream;

S. 1856. An act for the relief of Frank Podany;

S. 2434. An act to revise the boundaries and change the name of the Fort Laramie National Monument, Wyo., and for other purposes;

S. 2804. An act to donate to the Keweenaw Bay Indian Tribe, L'Anse Reservation of Michigan, a certain tract of Federal land with improvements located thereon; and

S. 2877. An act to authorize the reconveyance of tribally owned lands by the Muckleshoot Indian Tribe of the State of Washington to the original allottees, their heirs, devisees, or assigns.

ADJOURNMENT

Mr. GORE. Mr. President, under the order previously entered, I move that the Senate stand in adjournment until noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 42 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Thursday, April 21, 1960, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 20 (legislative day of April 19) 1960:

U.S. COURT OF CLAIMS

James R. Durfee, of Wisconsin, to be associate judge of the U.S. Court of Claims.

UNITED NATIONS

Louis Wellington Cabot, of Massachusetts, to be the representative of the United States of America to the 15th session of the Economic Commission for Europe of the Economic and Social Council of the United Nations.

DIPLOMATIC AND FOREIGN SERVICE

Leland Barrows, of Kansas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the State of Cameroun.

HOUSE OF REPRESENTATIVES

WEDNESDAY, APRIL 20, 1960

The House met at 12 o'clock noon.

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

Psalm 119: 130: *The entrance of Thy words giveth light.*

Almighty God, who art always speaking unto us through Thy Holy Word, may this verse of Sacred Scripture, with its message of comfort and assurance, be unto us a revealing light and a sustaining power during all the hours of this new day.

Grant that the thoughts of our mind and the meditations of our heart may daily be tempered and disciplined by the entrance of Thy words, giving us the spirit of charity and kindness, of tolerance and patience, as we seek to solve the difficult problems of human relationships.

May Thy divine words illumine and transfigure our loftiest aims and aspirations with spiritual insight and understanding and bring them in tune with a great faith which will enable us to meet the unknown tomorrow, however dark, without fear or confusion.

Humbly we offer our prayer in the name of the Christ, our Lord, in whom Thy word became flesh. Amen.

THE JOURNAL

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

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 47]

Allen	Ford	Norblad
Andersen,	Gavin	Powell
Minn.	Grant	Prokop
Barden	Hollifield	Rogers, Tex.
Bonner	Horan	Rooney
Boykin	Jackson	St. George
Brewster	Kelly	Short
Brock	Keogh	Sisk
Buckley	King, Utah	Taylor
Burleson	McGovern	Teague, Tex.
Carnahan	Mack	Teller
Celler	Meador	Thompson, La.
Coffin	Merrow	Thompson, N.J.
Cooley	Metcalf	Utt
Davis, Tenn.	Mitchell	Willis
Derounian	Montoya	Withrow
Diggs	Moorhead	Young
Farbstein	Morris, N. Mex.	Younger
Fenton	Morrison	
Fisher	Moulder	

The SPEAKER. On this rollcall 373 Members have answered to their names, a quorum.

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

INDEPENDENT OFFICES APPROPRIATION BILL, 1961

The SPEAKER. The unfinished business is the further consideration of the bill H.R. 11776, which the Clerk will report by title.

The Clerk read the title of the bill.

The SPEAKER. The question recurs on the amendment adopted in the Committee of the Whole on yesterday which, without objection, the Clerk will report.

There was no objection.

The Clerk read as follows:

On page 34, line 23, after the word "Code", strike out "\$39,100,000" and insert "\$75,000,000".

The SPEAKER. The question is on the amendment.

Mr. PELLY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 218, nays 155, not voting 57, as follows:

[Roll No. 48]

YEAS—218

Adair	Dooley	Lafore
Addonizio	Dorn, N.Y.	Laird
Alexander	Dorn, S.C.	Landrum
Alger	Dowdy	Langen
Anfuso	Dulski	Lankford
Arends	Dwyer	Latta
Aspinall	Edmondson	Lestinski
Auchincloss	Fallon	Lindsay
Avery	Farbstein	Lipscomb
Ayres	Fascell	Loser
Bailey	Fino	McCulloch
Baker	Flynn	McDonough
Baldwin	Flynt	McDowell
Barrett	Foley	McFall
Barry	Forrester	McGinley
Bass, N.H.	Fountain	McIntire
Bates	Frazier	Machrowicz
Baumhart	Frelinghuysen	Mailliard
Becker	Friedel	Martin
Beckworth	Fulton	Mason
Belcher	Garmatz	Matthews
Bennett, Fla.	Gathings	May
Bennett, Mich.	George	Michel
Bentley	Gilbert	Miller, N.Y.
Berry	Glenn	Milliken
Betts	Goodell	Minshall
Blatnik	Granahan	Moore
Bolton	Gray	Morgan
Bosch	Green, Pa.	Mumma
Bow	Griffin	Nelsen
Bray	Griffiths	Nix
Breeding	Gubser	Norrell
Broomfield	Hagen	O'Brien, N.Y.
Brown, Mo.	Haley	Osmer
Brown, Ohio	Halleck	Ostertag
Broyhill	Halpern	Pelly
Burdick	Hargis	Pfost
Byrne, Pa.	Hays	Pillion
Byrnes, Wis.	Healey	Pirnie
Cahill	Hemphill	Poff
Canfield	Henderson	Qule
Cederberg	Herlong	Ray
Chamberlain	Hess	Reece, Tenn.
Chenoweth	Hiestand	Rees, Kans.
Chiperfield	Hoeven	Rhodes, Ariz.
Church	Hoffman, Ill.	Rhodes, Pa.
Clark	Hoffman, Mich.	Riehlman
Collier	Holland	Rivers, Alaska
Conte	Holt	Robison
Cook	Holtzman	Rodino
Cooley	Hosmer	Rogers, Colo.
Corbett	Huddleston	Rogers, Fla.
Cramer	Jackson	Rogers, Mass.
Cunningham	Jennings	Saund
Curtin	Jensen	Saylor
Curtis, Mass.	Johansen	Schenck
Curtis, Mo.	Johnson, Calif.	Scherer
Dague	Johnson, Md.	Schwengel
Daniels	Judd	Siler
Davis, Ga.	Karh	Simpson
Delaney	Kearns	Slack
Dent	Keith	Smith, Calif.
Derwinski	Kilburn	Smith, Kans.
Devine	Kitchin	Smith, Miss.
Dingell	Knox	Smith, Va.
Dixon	Kyl	Spence

Springer
Stratton
Teague, Calif.
Thomson, Wyo.
Toil
Tollefson
Trimble

Ullman
Van Pelt
Van Zandt
Wainwright
Wallhauser
Weaver
Weiss

Westland
Wharton
Whitener
Wildnall
Wilson
Zelenko

NAYS—155

Abbitt
Abernethy
Albert
Alford
Andrews
Ashley
Ashmore
Barr
Bass, Tenn.
Blitch
Boggs
Boland
Bolling
Bowles
Brademas
Brooks, La.
Brooks, Tex.
Brown, Ga.
Budge
Burke, Ky.
Burke, Mass.
Cannon
Casey
Cheif
Coad
Cohelan
Colmer
Daddario
Dawson
Denton
Donohue
Downing
Doyle
Durham
Elliott
Everett
Feighan
Flood
Fogarty
Forand
Gallagher
Gary
Gialmo
Green, Oreg.
Gross
Hardy
Harmon
Harris
Harrison
Hechler
Hogan
Hollfield

Hull
Ikard
Inouye
Irwin
Jarman
Johnson, Colo.
Johnson, Wis.
Jonas
Jones, Ala.
Jones, Mo.
Karsten
Kasem
Kastenmeier
Kee
Kilday
Kilgore
King, Calif.
Kirwan
Kluczynski
Kowalski
Lane
Lennon
Levering
Libonati
McCormack
McMillan
McSween
Macdonald
Madden
Magnuson
Mahon
Marshall
Meyer
Miller, Clem
Miller,
George P.
Mills
Moeller
Monagan
Morris, Okla.
Moss
Multer
Murphy
Murray
Natcher
O'Brien, Ill.
O'Hara, Ill.
O'Hara, Mich.
O'Konski
O'Neill
Oliver
Passman

Patman
Perkins
Philbin
Pilcher
Poage
Porter
Preston
Price
Pucinski
Quigley
Rabaut
Rains
Randall
Reuss
Riley
Rivers, S.C.
Roberts
Roosevelt
Rostenkowski
Roush
Rutherford
Santangelo
Scott
Selden
Shelley
Sheppard
Shipley
Sikes
Smith, Iowa
Staggers
Steed
Stubblefield
Sullivan
Taber
Thomas
Thompson, Tex.
Thornberry
Tuck
Udall
Vanik
Vinson
Walter
Wampler
Watts
Whitten
Wier
Williams
Winstead
Wolf
Wright
Yates
Zablocki

NOT VOTING—57

Allen
Andersen,
Minn.
Anderson,
Mont.
Barden
Baring
Bonner
Boykin
Brewster
Brock
Buckley
Eurlison
Carnahan
Celler
Coffin
Davis, Tenn.
Derounian
Diggs
Ewins

Fenton
Fisher
Ford
Gavin
Grant
Hébert
Horan
Kelly
Keogh
King, Utah
McGovern
Mack
Meador
Merrow
Metcalf
Mitchell
Montoya
Moorhead
Morris, N. Mex.
Morrison

Moulder
Norblad
Powell
Prokop
Rogers, Tex.
Rooney
St. George
Short
Sisk
Taylor
Teague, Tex.
Teller
Thompson, La.
Thompson, N.J.
Utt
Willis
Withrow
Young
Younger

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Short for, with Mr. Ford against.
Mr. Morrison for, with Mr. Hébert against.
Mr. Brewster for, with Mr. Davis of Tennessee against.
Mr. Brock for, with Mr. Keogh against.
Mr. Horan for, with Mr. Buckley against.
Mr. Derounian for, with Mr. Celler against.
Mr. Gavin for, with Mr. Bonner against.
Mr. Fenton for, with Mr. King of Utah against.
Mrs. St. George for, with Mr. Carnahan against.

Mr. Withrow for, with Mr. McGovern against.

Mr. Younger for, with Mr. Rogers of Texas against.

Mr. Sisk for, with Mr. Fisher against.
Mr. Teller for, with Mr. Willis against.
Mr. Allen for, with Mr. Moulder against.
Mrs. Kelly for, with Mr. Anderson of Montana against.

Until further notice:

Mr. Rooney with Mr. Andersen of Minnesota.

Mr. Thompson of New Jersey with Mr. Utt.

Mr. Diggs with Mr. Taylor.

Mr. Morris of New Mexico with Mr. Norblad.

Mr. Powell with Mr. Merrow.

Mr. Prokop with Mr. Meador.

Mr. HAGEN changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. DADDARIO. Mr. Speaker, the House spent considerable time yesterday and today in discussing and voting on phases of the independent offices appropriations bill. This is as it should be, because the size of this appropriation and the diversity of the Government services it represents touch on all phases of American life.

I have been impressed, however, by the hard work and thorough study evident on the part of members of the Appropriations Committee who have handled the bill. I think we all owe a great deal to the energy and effectiveness of the committee headed by the able gentleman from Texas. We may disagree with specific actions that the committee has taken and attempt to convert the House to our views, but we should express our respect for the detailed study which members of the committee have done in our behalf.

I want to welcome the inclusion in this bill of funds to carry out construction needs in the Federal service across the country. I was disappointed a year ago when what I consider to be a short-sighted executive policy ruled that there would be no new starts in certain Federal construction areas. This delayed the building of a new Federal office building in Hartford, Conn., that has been desperately needed.

The existing building was constructed in the 1930's as a post office and courthouse. The work of both agencies has increased tremendously since that time. In addition, other agencies have grown and have required representation in Hartford. This has crowded working conditions at the present building and has forced the Government to rent out- quarters at what has been estimated

as an annual cost ranging from \$290,000 a year to \$400,000 a year.

More than a dozen agencies are now housed in the present Federal building and others are located at 11 diverse sites around the city in rented quarters. Construction of this building, which has been recommended since 1956, when the Public Works Committee approved it, should solve this problem and result in savings to the Government and greater efficiency for the public it serves.

The action of the House today, then, is a step forward to meeting this need which has long existed. I know the construction of this new building has been programed by Hartford to fit into its plans for a greater city, tying in with redevelopment programs now under way, and I am happy that this 86th Congress has approved the Federal portion of this need. Again let me congratulate the members of the committee and thank the Members of the House.

Mr. COHELAN. Mr. Speaker, the action just concluded on the Saylor amendment is, I believe, unfortunate insofar as it concerns construction of a Veterans' Administration hospital at Martinez, Calif.

Unless the Senate reverses this action, northern California veterans and their families will be far less better benefited than would otherwise have been possible. It is unfortunate that the issues involved in the location of a much-needed VA hospital in northern California have been obscured and confused through a legislative device by which the proposed Martinez project was lumped in the Saylor amendment with other projects in the District of Columbia and the State of Ohio. I recognize that the votes of many of my colleagues reflect a concern with one or the other of the latter projects, not a decision on the merits of the Martinez project.

As a result of the confusion resulting from this omnibus amendment, we have approved construction of a hospital in an out-of-the-way community of far less than 50,000 people with an existing medical community which can only be termed negligible in contrast to others in major population centers to be served by this facility. Indeed, this location was first chosen only because of a long-canceled civil defense dispersal directive and has been questioned by the Veterans' Affairs Committee and opposed by the Appropriations Committee. By this vote we have bypassed years of effort by many of our colleagues to have this proposed site restudied in the light of what are, in fact, the basic considerations; that is, service to the veteran, availability of medical resources and accessibility to those who are to be assisted, the veterans themselves. By this vote we have ignored the thoughtful recommendations of the Committee on Appropriations.

So that the record will be available to our colleagues in the Senate who will now begin consideration of this and other projects in the 1961 independent offices appropriation bill, I wish to have

reprinted the following portions of testimony before the House Appropriations Subcommittee on Independent Offices with reference to the Martinez VA hospital proposal.

The first item is my own summary statement. The second is the transcript of the subcommittee's discussion with Dr. Harold Kay, representative of the two-county medical association which represents the county which includes the city of Martinez, myself and my senior colleague, Congressman GEORGE P. MILLER. The third is the statement of Dr. Hardin Jones of the University of California which includes a letter from Dr. Edward Teller, both indicating the willingness of the university to extend to the Veterans' Administration its vast medical resources, resources which cannot ever be imagined to be paralleled in the small community of Martinez.

STATEMENT OF REPRESENTATIVE JEFFERY COHELAN

Mr. COHELAN. Mr. Chairman, at this juncture I should like to introduce the prepared statement that I have for the record, and I shall make only one or two comments in the interest of time.

Mr. Chairman and members of the committee, for ourselves and for the public officials and civic leaders from Alameda County, Calif., who have traveled from our State specifically to appear here today, we wish to thank Chairman THOMAS, members of the committee, and Staff Assistant Homer Skarin for the courtesy that has been extended in making arrangements for our appearance.

Simply stated, I oppose relocation of the existing Oakland Veterans' Administration Hospital in Martinez, Calif., and urge restudy of the whole question of a site for the new replacement facility. Therefore, I appear today to oppose the President's budget request for funds to construct the new hospital in Martinez.

At the outset, let me say that all of us are primarily concerned with adequate and efficient hospitalization for veterans. We believe strongly that a new Veterans' Administration hospital is needed in the area now being served from Oakland. We subscribe to all arguments showing the need for more hospital beds for veterans. Let there be no mistake about that.

Where we do disagree with those who support the Martinez proposal is on the question of what location will best serve veterans who require hospitalization. I submit that this is the basis on which this long-continuing dispute should ultimately be decided.

Let me list several facts which make the case. Evidence documenting these facts will be presented and our witnesses present today are prepared to answer any questions that may arise.

1. Alameda County, which includes Oakland and Berkeley and several other cities—all part of a single metropolitan complex—is by far and without question the largest single urban area to be served by the new hospital.

2. The medical community in Alameda County is by far and without question the largest in the total area to be served.

3. Relocation of the new hospital facility in Alameda County is supported by municipalities within the county, by veterans groups within the county, and, finally, by Veterans' Administration doctors polled by the medical association which serves both of the two counties under consideration.

4. The one single reason why a site for the new facility was sought in an out-of-the-way location like Martinez in the first place no longer remains valid, i.e., dispersion for reasons of civil defense.

Those who seek construction of a new VA hospital in Martinez point out that the area to be served extends eastward into the Sacramento Valley and then northward even to the Oregon border, and would have us conclude from this that a hospital in Martinez, which is just far enough away from Alameda County's metropolitan area to be inaccessible by public-operated transportation, would somehow better serve communities 50, 100, and even 200 and more miles away than would a hospital in Alameda County.

The fallacy in this argument is that they would take the hospital away from the largest metropolitan area to be served with its unusual complex of medical and educational facilities, take it away just far enough to pose special transportation problems for veterans and their families, and still not provide a location appreciably more convenient to those other faraway areas.

Alameda County alone has a population of 899,200, while the next three most populous counties in the area to be served—specifically, Contra Costa County, San Joaquin County, and Sacramento County, which includes the city of Sacramento, the State capital—have a total combined population of only 1,105,900 spread over many, many miles indeed. These totals are official estimates of population as of June 30, 1959, from the office of the controller of the State of California.

I would add that this argument is also weakened by the fact that it fails to take into account the need for still another Veterans' Administration hospital in the Sacramento area. I believe the committee is well aware that the ratio in northern California is 742 veterans to each hospital bed, whereas the national average is only 183 veterans to each bed.

Another argument advanced by opponents of a new Veterans' Administration hospital in Alameda County is that heavy expenditures have already been made and it is, therefore, too late to pull out. It should be kept in mind that property purchased at Martinez involves a total cost of less than \$40,000. Even at that, this property is easily marketable and may well enable the Federal Government to turn a profit rather than suffer a loss in the event that a restudy indicates it should not be used. I cite the testimony of Mr. Robert L. Condon, Martinez attorney and former Congressman from the Sixth District of California, before your committee last year, at which time he said that this land now ranges in value between \$3,000 and \$3,500 an acre. It was purchased for \$1,500 an acre.

The second part of this same argument involves the architectural expenditures of some \$400,000 which have already been made. Here, again, it is alleged that this sum would be a loss in the event the Martinez site is not used. The point is refuted in the testimony of Mr. W. Ashbridge, VA Assistant Administrator of Construction, before the committee in February of 1959. On that occasion Congressman YATES asked why architectural planning for a hospital at Martinez was being continued since the Veterans' Affairs Committee might determine that the VA should not go ahead with that project.

Mr. Ashbridge replied, "Most of the plans will be used anyway." He then added, "The upper floors would be the same." The only conclusion that can be drawn from his testimony is that the \$400,000 outlay for architectural plans will not be much wasted, in the event that the Martinez project is set aside.

In closing I would like to refer to a letter to Chairman Thomas dated July 2, 1959, from Mr. Donald H. McLaughlin, chairman of the board of regents of the University of California, which has its home campus in Alameda County.

This letter, a copy of which was also sent to my office, advises that the university has for several years invited the Veterans' Administration to consider relocation of the Oakland VA hospital near the university. It further offers to combine resources—to make available the vast facilities already existing at the university—in order to provide a great medical service to veterans and simultaneously provide a clinical resource to the great laboratories of medical science at our university.

Mr. Chairman, I cannot emphasize too strongly that this additional reason for a complete restudy of the question of location of the new hospital is a very singular one and would itself warrant delay of construction at Martinez so that other sites can be considered.

Thank you.

STATEMENT OF DR. HAROLD KAY

Dr. KAY. I represent the Alameda-Contra Costa County Medical Association, which has a total membership of 1,597 medical practicing doctors; 1,284 of them in Alameda County, 313 in Contra Costa County.

There are 394 specialists in Alameda County, 175 in Contra Costa County.

Mr. COHELAN. Doctor, what is your medical specialty?

Dr. KAY. I am a urologist.

From the consultants to the VA hospital in Oakland, 54 come from Alameda County and 7, Contra Costa County at the present time.

Mr. MILLER. Doctor, do you know where these seven come from? Do they come from the western part of Contra Costa County, or do they come from the eastern part?

Dr. KAY. From the eastern part.

The Alameda-Contra Costa Medical Association has no preference as to the location of any governmental facility except insofar as it may affect patient care. It is quite clear and thoroughly agreed upon by all concerned that the veteran patient will be better served in areas in which there is a ready availability of a wide variety of medical specialty skills and a plentiful supply of these skills.

There can be little doubt that the above conditions exist in the Oakland-Berkeley metropolitan area whereas they do not exist to the same degree in any outlying area, including Martinez.

Although Martinez is adjacent to this medical metropolitan area, its location does compromise the ready availability of plentiful medical care of all types because it interposes the necessity of automobile travel.

Mr. THOMAS. In actual traveling time, what is the difference in time from the location of the present facility to the one that is now proposed?

Dr. KAY. Actual traveling time, one way, is approximately 30 minutes.

Mr. THOMAS. One way?

Dr. KAY. One way, sir. I am saying this as from the medical situation in Oakland we have a majority of our doctors and specialists situated in an area called "Medical Pill Hill," which downtown is on approximately 30th Street; the medical facilities are at 14th Street. It is 8 blocks through traffic.

Mr. MILLER. How many hospitals are located there?

Dr. KAY. There are three hospitals located on Medical Pill Hill.

Mr. MILLER. And the Kaiser Hospital is only about 3 blocks away?

Dr. KAY. Yes, sir.

Mr. MILLER. These are the biggest hospitals in the East Bay area.

Dr. KAY. It is approximately 6 to 8 minutes to get to the hospital where from the same spot to get to Martinez would take anywhere from 40 to 50 minutes.

From the standpoint of the doctors presently in a consulting capacity at the veterans hospital in Oakland, a survey which

was made last June informed us that of the 99 VA medical consultants, doctors in practice in Oakland, Berkeley, San Francisco, and Contra Costa County, 55 stated they would prefer to have the hospital remain in the Metropolitan Oakland area. Twelve stated they had no preference and seven indicated they would prefer the Martinez area.

Just as an addition, I might state to you that I am a consultant to the veterans' hospital in Livermore in urology. For the past 8 years, when we have had to do any delicate surgery, such as prostatic surgery, which we feel we should not do too far away, it has been necessary to transfer patients from Livermore Hospital to Oakland, necessitating more money in cost, et cetera, because we as doctors did not feel we should be that far away from that particular type of operation.

Mr. THOMAS. Thank you very much, Doctor. You are a man of very few words, but you pack a lot of punch in them.

Dr. KAY. Thank you, Mr. Chairman.

STATEMENT OF DR. HARDIN JONES

Mr. JONES. Thank you.

I am a general medical scientist. I am not a physician. I range in a number of different departments in our university because of the need for entering into medical problems from basic chemistry, basic mathematics, and all of these things that our university possesses at the moment in a very great wealth. This has been developing over the past 30 years, the fact that medical problems can be entered into directly from the basic sciences, and actually I am a member of the physics department, which is quite a stretch of the imagination. Physics does not usually relate to medicine, and has not for about 400 years. The name "physician" comes from the fact that physicians were usually physicists or scientists. We are getting back to that now. A number of us—Ernest Lawrence, who died about a year and a half ago, had a position formerly with the group I represent. His position was taken by Dr. Teller; the president of our university, chairman of the board of regents, the head of the biology department, Wendell Stanley, Dean Smith of the School of Public Health, and many others in the Berkeley campus, including Michael Goodman, have all gathered together our knowledge and expressions of needs for the university to try to work with the veterans hospital and the Veterans' Administration to show them the advantages of being with the University of California. They have been very sympathetic. As you know, there were commitments at the time we started to the Martinez site, largely arrived at through the Office of Defense Mobilization.

Since that time not only has the situation changed, but it has changed to exactly the opposite. Instead of talking about dispersal, there no longer could be any dispersal protection from the hydrogen bombs, but there can be protection of the metropolitan centers if we have shelters built in the locations where the people are, so that Government buildings, and especially hospitals that are to be newly constructed, ought to have their lower floors built as bomb shelters.

We hope that these would not actually be needed, but they are needed in the sense that there is a certain probability that no one knows precisely how to calculate that we would have to use them this way, and the more such facilities we have, fortunately, the less likelihood we will have of using them because the more defense we really have the less vulnerable we are to attack.

Professor Teller has put these things very eloquently in a letter to you, Mr. THOMAS, some time back.

Mr. COHELAN. May I interject at this point, Mr. Chairman? I have a telegram from Dr. Edward Teller.

Mr. THOMAS. Read it into the record at this point.

Mr. COHELAN (reading):

"I understand that the matter of establishing and locating a veterans hospital in northern California is at present under consideration. It would be a great courtesy on your part if you would present to the Appropriations Committee my letter to you of July 16, 1959, in which I have given reasons for locating the veterans hospital in Berkeley."

I have attached to this telegram a copy of the letter to me in which he sets forth many of the reasons that Dr. Jones is reciting.

Mr. THOMAS. We will put that in the record.

(The information referred to follows:)

LIVERMORE, CALIF., March 16, 1960.

Congressman JEFFERY COHELAN,
New House Office Building,
Washington, D.C.:

I understand that the matter of establishing and locating a veterans hospital in northern California is at present under consideration. It would be a great courtesy on your part if you would present to the Appropriations Committee my letter to you of July 16, 1959, in which I have given reasons for locating the veterans hospital in Berkeley.

EDWARD TELLER.

UNIVERSITY OF CALIFORNIA,
Livermore, Calif., July 16, 1960.

HON. ALBERT THOMAS,
U.S. House of Representatives,
Washington, D.C.

MY DEAR MR. THOMAS: The purpose of this letter is to express to you my interest and concern in the establishment and location of a veterans hospital in northern California. I understand that a location in Martinez has been considered and I also understand that a location close to the Berkeley campus of the University of California has been discussed. I would urge that this second location should actually be selected.

Apart from the extremely important primary purpose of such a hospital, it can also serve a further purpose whose long-range effects may become of the greatest possible significance. The hospital can be utilized as a research center to increase our medical knowledge. It is in such practical research centers that the battles for prevention and cure of disease are won. Such a research center, however, requires the full and close cooperation between the practical approach of the hospital and the more general approach of an academic institution.

By establishing the hospital close to the Berkeley campus of the University of California, cooperation could be established between this important hospital and one of the most outstanding campuses in the United States. Among the many research activities which could contribute to the greatest exploitation of the potentialities of the hospital, I will mention only the virus laboratory and the Lawrence radiation laboratory of the university. In particular, the radioactive substances which have been first produced at the radiation laboratory have been used for many years in the Donner laboratory of the university for the study, diagnosis, and cure of a variety of diseases. The patients of this hospital would immediately profit from such a cooperation and benefits in the future would be even greater.

If you may permit me, I would like to bring up a second issue, in addition to the one I have just mentioned. Although I believe that an all-out nuclear war is, fortunately, not at all likely, it is still my conviction that we must be prepared for this terrible eventuality. I believe that a practical, cheap, and effective measure would be to establish well-protected and extensive shelter areas in the basements and subbasements of big public buildings. In a hospital these shelter areas could be utilized even in peacetime for a number of purposes, and the

money invested in the shelter would, therefore, not be wasted even if we never had to take refuge in these shelters. I believe that with the help of advice from people competent in radiation and other effects of nuclear explosives, an effective and relatively inexpensive shelter basement could and should be added to the planned hospital. This would insure maximum safety of the patients and could, in fact, be of some help to the population in the immediate surrounding. More than that, the establishment of each such shelter could be made a step in a meaningful effort at defense, which in the long run would greatly improve the safety of our country.

A hospital properly located in an urban area could be of strategic value. In addition, some of the patients would certainly enjoy the wonderful opportunities of a cultural center like Berkeley. But the main reason why I am urging the location of the hospital in or near the Berkeley campus is the unique opportunity which would be afforded for the improvement of medical knowledge and for longer and happier lives for ourselves and our children.

Sincerely yours,

EDWARD TELLER.

Mr. JONES. Our university could be called a postgraduate school of both medical research and training because we train medical scientists and we do need clinical facilities because all of the kinds of problems that we work on are medical problems. They cannot be dealt with abstractly in the laboratories. They are things that we have to form a wedding between the biochemist or mathematician and the physician who is in charge of the care of patients and looking for new ways of expressing solutions to existing problems.

I met, by chance, Dr. Shapiro, of the Veterans' Administration, in the hall. He is very much interested in the use of veterans hospitals and veterans everywhere to study the problem of aging. We cannot, as a matter of fact, study the problem of aging with regard to laboratory analyses because the need for analyses is so great. We are interested in whether human life can be extended in a meaningful way. My assignment with the University of California is dedicated solely to the problem of aging in human beings. This is the reason we want the veterans hospital located near us at the University of California.

We have, as a matter of fact, worked out a potentiality of sites. If you were interested, you can look at this enlarged map over here. There are at least 20 possible sites that show some feasibility in location near the University of California and near the other facilities that the veterans group would need.

As you know, the Veterans' Administration, since World War II, has looked upon universities, medical science centers, and medical schools as a means of keeping quality of medical care for veterans at the highest possible mark, and associated with it is the policy of using the best talent in medicine that it can, such as Dr. Kay and representatives here with us this morning. These two things together are very important.

Whenever veterans hospitals are moved too far away so they cannot communicate with either medical science or the main streams of medicine, the hospitals then have less quality to offer to their attending patients. This is a sensible combination.

Now, I probably wouldn't be—not interested, I would be interested—but I would not be involved in the problem if it were not for the university need because my time is directed to things that are in science and education.

At the present time, no university, regardless of how wealthy it may be, or how much it may derive income from the tax rolls, can afford to use its income to build

great medical centers. In the past, universities did this. This is because they were not so costly to maintain. At the present time there is a very great increase in cost. For research purposes, it may cost over \$100 a day to maintain a person in a hospital for observation.

This, multiplied by a thousand beds, means a very large figure. The State of California perhaps might do it except that there are no State hospitals available at the immediate time. The best opportunity we can see might be this particular veterans hospital. Certainly the Government is not going to build another veterans hospital in this area. This is an opportunity not only to get the best medical care to veterans, but also to have an association with the university which guarantees quality of care for the future and from the standpoint of the university and State needs in higher education, it is making the tax money do several things. I thoroughly believe that in justification of the tax expenditures, it ought to meet several needs simultaneously providing the first need is also cared for.

Mr. THOMAS. Doctor, you have a head full of sense. Go ahead and complete your statement.

Dr. JONES. Well, this is our hope, then, that we can forestall this unfortunate plan to build a veterans hospital where it really does not belong. Even though there is awkwardness in the present sense of asking you to withhold this appropriation—and this is very hard to do because I know veterans in California need hospitals. But it is better not to put the hospital where it will cost the taxpayers perhaps twice or three times as much money to maintain and also rob our State institutions of a very needed gain in education.

The State of California, as you know, is growing very rapidly. The population may double in the next 20 years. Already the University of California is thinking of adding to its campus another medical school. By the time that one is built we will have plans for another medical school because of the rapidly expanding population.

The University of California is also the trainee of larger numbers of medical scientists for countries abroad, a larger number than any other State in the United States. Therefore, it is very important to have the facilities with which to train these people.

I can point out that beginning at the same time that we undertook this project at the University of California a representative of the Veterans' Administration talked with our colleagues at Stanford University who also made the same overture to the Veterans' Administration and today or, perhaps, next week they will formally open the veterans hospital which is to be constructed at Palo Alto, a 1,000-bed hospital, built across the street from the recently established medical center. It can no longer afford to maintain a private hospital and they have built a great medical research center, but across the street is the hospital which provides the critical materials for this entire venture which is the veterans hospital, which has just been completed.

This is the kind of thing we want to do for the University of California. It is rather unfortunate that the Oakland Veterans Hospital, in having been replaced, is moving in actually the opposite situation. Here is a situation where this companion hospital is going to be relatively magnificently equipped but not associated with the Stanford University—whereas, the present plan for continuing this hospital will become something of a veterans hospital constructed 50 years ago where they were out in the woods. We need it near the University of California where it will save millions of dollars of the taxpayers' money.

Mr. THOMAS. That was a very fine statement, Doctor.

Dr. JONES. Thank you, sir.

Mr. RHODES. Dr. Jones, are you speaking for the administration of the University of California?

Dr. JONES. I do not speak directly for the administration but I represent an informal group. The way the University of California has to operate is that these things are dealt with rather informally and, as a matter of fact, invitations have come from both the board of regents and the president of the university. However, after these things are worked to the point of surface solution, then action will be taken by the University of California.

These statements by no means complete the case against the Martinez hospital proposal. Rather, they only serve to point up several salient arguments and will, I believe, cause interested colleagues to read in full the testimony before the subcommittee which occurs on pages 1123 through 1169, of Hearings on Independent Offices Appropriations for 1961, part 2, of the subcommittee of the Committee on Appropriations.

I say again that it is unfortunate for the veterans of northern California that the factual considerations involved in this issue have been obscured.

I sincerely hope that the matter will be carefully reviewed and reconsidered by the Senate Appropriations Subcommittee.

Mr. DOYLE. Mr. Speaker, my vote adverse to the adoption of the Saylor amendment is not because I want the hospitalization program for our veterans to receive less in funds nor less than the very best of facilities and the most modern hospital buildings most advantageously located.

In fact, Mr. Speaker, all during my 14 years in this House I have steadfastly supported advance steps in programs designed for our veterans. This fact is well known to you, my colleagues, and likewise to the veteran leaders and to the veterans themselves.

But our Appropriations Committee has held extensive hearings on this matter and recommend a further study of the site question—Chairman THOMAS says not over 6 months.

This is not too long to make as sure as possible a serious blunder shall not be made.

The hospital should be located available to the veterans and their families and visitors and medical staff, so as to be reached by transportation at minimum of cost and time and trouble to all concerned. The University of California has personnel and facilities which need not be duplicated, if the hospital is on their side of the bay.

Granting the proposal by the Saylor amendment would earlier mean, possibly, commencement of construction, by a few months, the Saylor amendment only provides for 500 beds in a new building at Martinez. The present Oakland hospital has a 750-bed capacity and northern California needs at least 750 beds in any new hospital to be built. This is one reason I vote no. Instead of reducing the number of beds in California for veterans, we need to increase same.

I have received reports frequently from veterans' organizations and vet-

eran leaders about the shortage of hospital beds. It should not be so. But, we cannot improve the very bad need now existing all over our State of California, for more hospital beds, by building a new one with less bed capacity, by 250 beds than the present one, proposed to be abandoned now furnishes.

I want the congressional committee to have the additional 6 months to further study the site to be chosen. I am not unwilling to vote more money for a new veterans' hospital than that proposed.

And, Mr. Speaker, as a great need exists in northern California, so, our need also exists in southern California. The need daily increases. Let us not authorize a hospital with fewer beds than we now have. We need more beds.

DEPARTMENT OF COMMERCE AND RELATED AGENCIES APPROPRIATION BILL, 1961

Mr. PRESTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 10234) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1961, and for other purposes, with Senate amendments thereto, disagree to the amendments of the Senate and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Georgia? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. PRESTON, THOMAS, CANNON, BOW, and TABER.

SUBCOMMITTEE ON FAIR LABOR STANDARDS

Mr. LANDRUM. Mr. Speaker, I ask unanimous consent that the Subcommittee on Fair Labor Standards have permission to sit this afternoon during general debate.

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

There was no objection.

MUTUAL SECURITY ACT OF 1960

Mr. TRIMBLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 502 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11510) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed four hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as

ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. TRIMBLE. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. Speaker, I yield myself such time as I may need.

The SPEAKER. The gentleman from Arkansas is recognized.

Mr. TRIMBLE. Mr. Speaker, House Resolution 502 provides for the consideration of H.R. 11510, to amend further the Mutual Security Act of 1954, as amended. The resolution provides for an open rule, waiving points of order, with 4 hours of general debate.

H.R. 11510 authorizes \$1,318,400,000 for carrying forward certain portions of the mutual security program. In addition to the parts of the program included in this authorization the Executive is requesting total appropriations of \$2,720,100,000 against authorizations already in effect, of which \$2 billions for military assistance and \$700 million is for the Development Loan Fund.

The authorization is \$136,500,000 less than the amount requested by the Executive and \$41,942,000 less than the amounts appropriated for these same items last year.

The bill contains a number of amendments to the basic legislation intended to tighten the administration of the program as well as provisions giving additional guidance to, or imposing new limitations on, the Executive with respect to future operations.

In evaluating the request for the authorization of additional funds for economic assistance and in reviewing the military assistance program, the Committee on Foreign Affairs gave primary consideration to the administration of the mutual security program. Most of the American people and the majority of the Congress recognize the soundness of the concept of assisting the military forces of nations determined to resist aggression and of providing economic aid to countries when their present status or future development are of importance to the United States.

Although one result of increasing emphasis on review and evaluation of the program has been the disclosure of a number of instances of waste in particular projects or operations, there was also developed encouraging evidence that, in spite of its operating deficiencies in a number of areas, the mutual security program is attaining its basic objectives.

Certain of the newer nations which in an effort to follow a neutralist policy had previously refused or played down U.S. assistance as being inconsistent with the policy of placating the Union of Soviet Socialist Republics have now come to value our friendship and counsel as highly as our material assistance. They now have a better understanding of American policy. They recognize the United States has no objective except to assist them in maintaining their own independence and improving their living conditions. There have been several incidents which have shown that the attitude of the people of several of the nations of Asia toward the Soviet Union and Communist China has changed. The

vociferous and occasionally spectacular claims of Communist propaganda have been too often more than offset by the flagrant aggressiveness and disregard of human welfare that have characterized Communist performance.

The obstacles confronting U.S. foreign policy have not been removed nor have final solutions been found for our problems. Nevertheless, there are indications that the governments and people of many of the less developed nations have come to recognize that the respect which we have demonstrated for their sovereignty and the priority we have given to the fundamental and the long range justify their trust.

There are those, however, who, while accepting the validity of the concept of foreign aid, have misgivings as to the ability of the United States to administer effectively a program of the magnitude and complexity of current mutual security operations. The Committee on Foreign Affairs has given a high priority to following up reports of waste and inefficiency in carrying out the program and has initiated legislation to correct some of the major deficiencies.

Mr. Speaker, I urge the adoption of House Resolution 502.

Mr. TRIMBLE. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. WALTER] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. WALTER. Mr. Speaker, I am not opposed to H.R. 11510 and I intend to vote for this legislation as I have voted in the past for all measures designed to strengthen the free world in the continuing fight with the encroachments of Communist tyranny and Communist conspiracy.

However, inasmuch as this legislation authorizes the continuation of certain activities of the Development Loan Fund, I wish to bring to the attention of the House an apparently erroneous statement contained in the report of the Special Study Mission of the House Committee on Foreign Affairs regarding certain loans made by the Development Loan Fund for the housing of immigrants from the Netherlands in Australia.

On yesterday I received from my very good friend and former associate in the erection of the Intergovernmental Committee for European Migration, the Honorable Harold Holt, Treasurer of the Commonwealth of Australia, a letter clarifying the matter and under unanimous consent I include Mr. Holt's letter in the RECORD at this point:

COMMONWEALTH OF AUSTRALIA,
TREASURER,
April 13, 1960.

The Honorable Congressman
FRANCIS E. WALTER,
Chairman, Subcommittee No. 1,
Committee on the Judiciary,
House of Representatives,
Washington, D.C., U.S.A.

DEAR CONGRESSMAN WALTER: We have been somewhat disturbed by certain statements contained in the report of the special study mission of the House Committee of Foreign Affairs concerning the loan made to the

Netherlands Government by the U.S. Development Loan Fund for the housing of Dutch migrants in Australia.

The relevant sections of the report, as supplied to us by the Australian Embassy in Washington, read as follows:

"UNWISE USE OF DEVELOPMENT LOAN FUND FOR RESETTLEMENT PROGRAMS IN AUSTRALIA"

"The study mission had an opportunity to visit several homes built for Dutch settlers in Sydney, Australia. The building of these homes is the result of a \$3 million loan from the Development Loan Fund to the Netherlands Government at 4 percent (our Government is paying 5 percent). These homes were supposed to be refugee homes, and we expected to find something similar to our low-rental housing units, but instead, we found two- and three-bedroom brick homes with tile roofs and concrete runways all with carports. These homes are being sold to Dutch settlers by the Australian Government for 20 percent down and 27 years to pay, at 5 percent.

"This loan does not meet the eligibility standards set up for the Development Loan Fund, requiring that loans from Development Loan Fund should be made to underdeveloped countries. The economic condition of both the Netherlands Government and the Australian Government is as good or better than that of the United States. The study mission recommends that the eligibility standards for Development Loan Fund loans not be waived in the future."

Apart from the other misstatements, we were particularly concerned to note the specific reference to the sale of homes to Dutch settlers by the Australian Government. The fact is, of course, that the Australian Government is in no way involved in these transactions.

The homes in question are being erected for Dutch migrants by private builders or the migrants themselves. Finance is being provided from proceeds of the loan and matching funds from the Australian banks, and distributed through the medium of cooperative building societies set up in the respective states for this purpose.

We are assured by the Netherlands authorities that the agreement concluded with the Development Loan Fund stipulated that houses should conform with local building regulations and standards and the agreement incorporated conditions which have the obvious intention of preventing the construction of substandard or refugee-type houses. It is hardly necessary for me to stress that at no time did the Dutch or we contemplate the erection of such dwellings.

The study mission claims that the loan was intended for the building of homes for refugees. I am informed, however, that the agreement stipulates that the homes must be made available to "Dutch immigrant families." Refugees are not mentioned in the agreement, although Dutch migrants from Indonesia qualify for loans.

Less than 25 percent of the houses built in Australia under the agreement are of brick. The majority are timber framed and sheathed with timber or asbestos cement. They comply with local Government and building society regulations including limitation of amount of loan.

Neither the Netherlands Government nor the Australian Government derives any profit from the U.S. loan moneys, all of which are spent for the benefit of migrants.

I felt I should let you know the facts for your own personal satisfaction and also in order that you may be in a position to remove any misunderstanding which has arisen and which may still exist in some quarters as a result of the study mission's report.

With my kindest regards.

Yours sincerely,

HAROLD HOLT, Treasurer.

I am glad to note, Mr. Speaker, that Mr. Holt has also written in the same manner to Mr. C. Douglas Dillon, our able Under Secretary of State, who has shown broadness of vision and full realization of the merits of this loan. Mr. Dillon has helped some of us who were interested in this matter to achieve excellent results. He has greatly contributed to the cooperation between the United States and two countries which we are proud to count among our most faithful allies and best friends—Australia and the Netherlands.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, as the gentleman from Arkansas has stated, this resolution makes in order the consideration of the bill H.R. 11510, the so-called mutual security or foreign aid authorization bill. The total authorization contained in the measure is a little better than \$4.1 billion.

I know of no opposition to this rule. I am sure that most Members of the House know the position I have taken on this legislation for a great many years, therefore I am not going to discuss that angle.

I call the attention of the House to the fact that once the authorization bill is passed then, of course, the Appropriations Committee will have to bring in, in its own wisdom and under its own power and judgment, an appropriation bill to carry the funds that are authorized by this legislation for mutual security and foreign aid expenditures.

I think it only proper and fair that I call the attention of the Members to the fact the Appropriations Committee has consistently reduced the amount of appropriations far below that which has been authorized for mutual security purposes.

I should also mention the fact that the gentleman from Louisiana [Mr. PASSMAN], chairman of the Appropriations Subcommittee handling the appropriations authorized under this legislation, has notified the various House Members in writing that something like \$8.1 billion have been made available for foreign aid purposes during the present fiscal year which ends on June 30. Of course, the present authorization bill deals only with mutual security funds for the new fiscal year which starts on July 1.

Perhaps it may be of interest to the House to also know that in the hearings before the Rules Committee, when the chairman of the Committee on Foreign Affairs appeared requesting this rule, the gentleman from Pennsylvania [Mr. MORGAN], in reply to questions, very frankly gave his views and opinions on certain matters in connection with the foreign aid or mutual security program.

In direct answer to a question propounded to him as to when we in America may expect that an end be brought to foreign aid spending, he advised us that he did not believe an end would come to this program within the foreseeable future, but instead it would have to be continued, in his opinion, for many, many years to come.

Further, in reply to another question in which he was asked how many different governments in this free world of ours were receiving some benefits from this legislation out of the Treasury of the United States, he advised us that there were 72 different countries receiving aid in some form or other under this legislation out of the U.S. Treasury, into which, of course, the American people are paying their Federal taxes.

Then, in answer to another question being put to him as to how many nations or countries in the free world he could name that were not receiving benefits or American aid under this program, he advised us at first that he thought there were a good many but he could recollect only three: Canada, Australia, and New Zealand.

Mr. Speaker, I have taken this time to make these statements because I believe that on legislation of this type the House is entitled to all of the information it can get, and I am sure that the members of the Committee on Foreign Affairs, both the proponents and the opponents of this bill, will explain this legislation very thoroughly.

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

Mr. BROWN of Ohio. I yield to the gentleman from Iowa.

Mr. GROSS. This is the program that was supposed to have been liquidated and ended in 1952; is that not correct?

Mr. BROWN of Ohio. Well, I think we were advised on different occasions that different aid programs would be ended within 2, 3, or 4 years.

Mr. GROSS. I would like to ask the gentleman another question. Does the gentleman think it is good practice to provide rules on bills of this nature waiving points of order?

Mr. BROWN of Ohio. Let me say to the gentleman that I seldom vote for a rule to waive points of order, and I did not vote for this particular rule.

Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. MORGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11510) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 11510, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

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

Mr. MORGAN. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, let me begin by saying that H.R. 11510, the bill before us, contains the smallest authorization of funds for assistance to foreign nations that has been submitted to the House in any year since the beginning of the Marshall plan in 1948.

This is a true statement, but it is at the same time a misleading statement.

Other true but misleading statements have been made about the mutual security program before, and I am afraid that this will not be the last.

I do not want to mislead anybody about any part of this bill or this program. I am convinced that 90 percent of the opposition to the mutual security program is based on misunderstanding. I believe that there is not any greater service that I can render to this House than do the best I can to bring out the facts about this program and do everything possible to make sure that they are understood.

Let me hasten to make clear what is misleading about my opening statement. This bill does not include authorizations for the largest and most important part of the mutual security program—military assistance. Neither does this bill contain any authorization for the Development Loan Fund. The Executive has requested an appropriation of \$2 billion for military assistance and an appropriation of \$700 million for the Development Loan Fund this year against authorizations made last year.

The Mutual Security Act as finally approved last year authorized the appropriation for military air of "such sums as may be necessary" for the fiscal years 1961 and 1962 on an experimental basis. This new procedure did not originate in the Foreign Affairs Committee or in the House. The mutual security bill passed by the Senate last year abandoned the practice of annual authorizations for military assistance and provided a continuing authorization of appropriations for this purpose. In conference a compromise was reached which included a specific authorization for fiscal 1959 and such sums as may be necessary for 1960 and 1961. This compromise was accepted by the House and is now contained in the law.

I still have an open mind as to whether this action of last year is a good idea. One reason for doing as we did was that the Executive wanted to include the military assistance appropriation in the regular military appropriation bill. They said that waiting for annual authorization would make this impossible.

Our Appropriations Committee has decided not to follow the Executive recommendation in this respect, and the military assistance appropriation is being handled as part of the mutual security appropriation. I personally favor the way in which the Appropriations Committee is proceeding, although I accepted last year's compromise in good faith and would prefer not to make any change in the authorization procedure during the present Congress.

H.R. 11510 authorizes appropriations of \$1,318,400,000. The Executive requested authorizations of \$1,454,900,000 for the programs included in this bill and we have made a cut of \$136,500,000—about 10 percent. The authorizations in this bill are \$41,942,000 less than was appropriated for these same purposes last year.

There are four items in the bill which are greater than \$100 million: defense support, special assistance, technical cooperation and the contingency fund.

The largest and most important authorization is \$675 million for defense support. This is \$49 million less than the Executive request and \$20 million less than last year's appropriation. This is economic aid to countries which are carrying on military programs which overtax their economies. There are only 12 countries getting defense support, of which Spain, Greece, and Turkey are the only European recipients. Over half the money is planned for three countries: Korea, China—Taiwan—and Vietnam.

The committee cut defense support by \$49 million after going over the program in great detail. I believe that a further cut would endanger the military effort in these 12 countries.

Special assistance is economic assistance of the same general character as defense support, but it goes to a different class of countries. The committee cut the Executive request for this item by \$12,500,000, making an authorization of \$256 million.

Special assistance is planned for 22 countries which do not maintain significant military forces but which are of special importance to the United States for a variety of reasons.

Included in this group is West Berlin where the interest and prestige of the United States are clearly at stake.

Special assistance is provided to Israel and to Jordan. The United States is firmly committed to assisting both of these nations to maintain their national independence.

Special assistance funds are also provided to several countries in which we maintain important overseas bases. The availability of these bases might be affected if this assistance were not available.

The basic justification for special assistance is political. The committee reviewed the situations in the various countries involved, and we are convinced that a further cut would seriously handicap our foreign policy.

The Executive asked \$175 million for the contingency fund to meet unforeseen emergencies. The committee cut this to \$100 million. This is \$55 million less than was appropriated last year.

The concept of a contingency fund is entirely sound. Past experience clearly indicates that new and unanticipated situations will continue to develop where assistance will be of vital importance to U.S. policy. The drastic cut made by the committee, I believe, is as far as we can safely go. A reduction below the \$100 million figure would leave too small an amount to meet the contingencies which are to be expected in a \$4 billion program.

The committee made a careful review of the technical cooperation program and made no cut in the request for an authorization of \$206,500,000 for this program. This is the basic point 4 operation and includes hundreds of small technical assistance operations in the less developed countries. It is generally agreed that this program is highly successful and that its long-range benefits will exceed its cost many times over.

ADMINISTRATION OF THE PROGRAM

I would like to refer for a few minutes, Mr. Chairman, to the administration and operation of the mutual security program.

I recognize that there are some people who sincerely believe that the whole concept of foreign aid is unsound, that it is wrong to spend the taxpayers' money to assist other nations, and that if we mind our business and save our money, the dangers which now threaten us will pass away and we will find ourselves living in a peaceful and prosperous world without cost or effort on our part.

Needless to say, my attitude is diametrically opposed to this. I firmly and sincerely believe that the mutual security program is vital to our national security and to our future prosperity. The affairs and destinies of other nations are unavoidably intermingled with our own.

I believe that the foreign aid program can be made to work effectively and efficiently.

I believe that it is absolutely essential to the safety and welfare of this country that it does operate effectively and efficiently.

There is nothing in which I am more interested than in improving the operation of the program, and the Committee on Foreign Affairs has accomplished a good deal in this direction. The committee report on this bill sets forth some of the details.

Most of the reforms and improvements which have taken place are not spectacular in nature and their results are not immediately visible. Let me cite one instance.

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

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

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

[Roll No. 49]

Addonizio	Diggs	Morris, N. Mex.
Allen	Farbstein	Morrison
Andersen,	Fenton	Moulder
Minn.	Fisher	Norblad
Anderson,	Ford	Norrell
Mont.	Garmatz	Powell
Anfuso	Gavin	Prokop
Ashley	Grant	Randall
Auchincloss	Hargis	Reece, Tenn.
Bailey	Hébert	Rogers, Tex.
Barden	Horan	Rooney
Baumhart	Johnson, Colo.	St. George
Betts	Kearns	Short
Bonner	Kelly	Sisk
Boykin	Keogh	Taylor
Brock	King, Utah	Teague, Tex.
Buckley	Lindsay	Teller
Burleson	McGovern	Thompson, La.
Celler	Mack	Thompson, Tex.
Coffin	Meador	Utt
Cooley	Merrow	Van Pelt
Daddario	Metcalf	Willis
Davis, Tenn.	Mitchell	Withrow
Dent	Montoya	Young
Derounian	Moorhead	Younger

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H.R. 11510, and finding itself without a quorum, he had directed the roll to be

called, when 356 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. MORGAN. Mr. Chairman, until 2 years ago it was the practice in administering the mutual security program to obligate funds appropriated by the Congress for a particular project merely on the basis of an agreement with a foreign government that the project would be undertaken. This became one of the major causes of waste in the operation of the economic assistance program. Agreements would be signed and funds committed before the plans for the project had been developed, before the costs were accurately estimated, before the difficulties to be met and the means of overcoming them were known, and before the recipient government had arranged for its share of the financing or taken necessary legal or legislative action.

The result was that funds were tied up for periods of as long as 4 years without being used, while the foreign beneficiary was disappointed and U.S. officials devoted hours and money to futile conferences, surveys and negotiations.

In 1958, at the initiative of the Committee on Foreign Affairs, section 517 was added to the Mutual Security Act, requiring that plans, cost estimates and other preliminaries had to be taken care of before funds could be obligated. The results have been highly beneficial, but you do not see any newspaper headlines about them. You can still find a few bogged down projects in various countries, involving funds that were obligated before section 517 went into effect, but these are being cleaned up.

The point is that this entire area of waste is being taken care of. There is still much to be done and much is being done to deal with the various situations. The Foreign Affairs Committee will continue to push hard in this direction.

In closing, Mr. Chairman, let me say a word about what a vote against this bill would mean.

I am sure there are those who are inclined to believe that ending or drastically curtailing the mutual security program would result primarily in a lot of foreigners having to tighten their belts and that this would not be such a bad idea.

It is undoubtedly true that a lot of foreigners would have to tighten their belts if this happened, but let us forget about the foreigners and think about what would happen to us.

In the first place, our entire military organization and defense strategy depends on foreign aid. Our striking power is dependent on overseas bases. Our major commands include forces of other nations. The only kind of a major war we are organized and equipped to fight is a war in which we depend on the airfields, the planes, the minesweepers, the radar equipment, and the guided missiles manned by our allies. We have no immediate alternative. For several years, even if we started immediately to reorganize, it would be this type of defense or nothing.

It is easy for armchair strategists to discuss what other defense strategies might be possible or desirable. The best military judgment in the country believes in the strategy based on military assistance and, in any case, we have not anything else.

Another easy way out with respect to voting against the mutual security program is to say that if we made no more money available this year, we could coast along for a year spending the unexpended balances and see what happens.

As every Member of the House has been informed, the unexpended balance of mutual security funds last June 30 was \$4,837,708,750. The most recent estimate made by the Executive is that there will be an unexpended balance of \$4,676,630,000 on June 30, 1960—the end of the current fiscal year.

The meaning of these figures depends on the obligations which have been made against them. If a businessman looks only at his assets and ignores his liabilities, he faces a rude awakening. You cannot measure anyone's financial position by merely looking at the balance in his checking account. You have to know what his current obligations are, his mortgage and insurance payments, and his monthly bills before you know how well off he is.

Against the \$4.8 billion of unexpended funds last June 30 must be balanced \$4.5 billion of firm commitments to pay for orders already placed, contracts let, and work in progress.

If we decide this year to keep the program going out of unexpended balances, we can continue deliveries for another year or a little longer, but we are really deciding that by 1962 the mutual security program will grind to a halt. There is no way that we can fill up the pipeline by action a year from now so that the missiles and the planes will be available in 1962 and 1963.

I am not ready to gamble that the cold war will be over in 1962. I am not ready to decide today that our foreign bases and the forces of our allies will not be needed in 1962.

Let anyone who wants to gamble on a proposition like that risk his own money, but let me urge him not to gamble with the security of our country and the future of our children.

We hear a lot these days about spenders and savers. There may be those who would like to buy membership in the savers' club by voting against foreign aid. I do not believe that many Americans believe that hibernating is saving. Nobody thinks that going without all food, or all fuel, or all shelter should be called "saving." We do not save by doing nothing instead of doing something. We save by doing what we have to do economically and effectively.

We can cut out military aid and weaken our defenses. If we are willing to do that, we could save a lot more by cutting our defense budget by \$10 billion.

The eyes of the entire world are focused on us as we consider this bill—our friends and our enemies. The signs that we are making progress in the cold war are more numerous and more en-

couraging than they have ever been. There have been widespread and convincing demonstrations that the people of distant nations and different races regard the United States as a friend and look to us for leadership and assistance.

Several nations which have in the past given priority to their efforts to placate the Kremlin have seen the error of their ways and have turned in our direction.

The mutual security program has demonstrated that it is workable and that it is working. If our action on this bill raises doubt in the nations of the world as to where we stand or where we are going, most of what we have gained will be lost immediately.

Let every Member weigh very carefully the meaning of this program. Let no one act on it without taking a new look at where we stand and the alternatives that are available.

I believe the answers are clear and inescapable.

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

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

Mr. GROSS. Did I understand the gentleman to say earlier in his remarks that the opposition to this bill is based 90 percent upon ignorance?

Mr. MORGAN. No; I said that most of the people who oppose this bill are misinformed about the mutual security program.

Mr. GROSS. Misinformed, then. Being one of the allegedly misinformed, I wonder if the gentleman can explain the necessity for this provision on page 3 of the bill, section 202(c):

The Fund shall not allocate or commit funds aggregating in excess of \$100,000 for use in any country under this title unless (1) an application for such funds has been received for use in such country which is supported by sufficient engineering, financial, or other data to indicate reasonably (A) the manner in which it is proposed to use such funds.

What is the reason for this provision? Is this an admission for the first time in an authorization bill that funds have been wasted in the past because the money has not been properly managed or the programs have not been well set up in advance?

Mr. MORGAN. The gentleman from Pennsylvania has been as critical of waste and inefficiency in this program as has the gentleman from Iowa, and I know the gentleman from Iowa has been very critical of the program. This amendment was adopted by the committee upon the recommendation of the Subcommittee on Government Operations, headed by the gentleman from Virginia [Mr. HARDY]. He testified before the committee, and this is the result of his testimony before the full Committee on Foreign Affairs.

Mr. GROSS. The provision to which I take exception is that it shall apply only to amounts above \$100,000. Is not \$100,000 important these days?

Mr. MORGAN. This figure is set with the idea of flexibility so that commitments for planning and preliminary engineering work would not be included.

Mr. GROSS. I would say it is an understatement to say that it is flexible.

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

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

Mr. EDMONDSON. Mr. Chairman, I would like to express my personal appreciation to the gentleman from Pennsylvania for a very straightforward and practical-minded discussion of this issue and for the light which he shed upon the vital questions which are at stake in this debate. I am particularly appreciative of his mention of section 517 and of the amendment which has been placed in the bill to section 517, appearing on page 10 of the bill. The gentleman will recall that in the 1958 session the House added an amendment to this act in which it was required that public works projects in foreign-aid countries should meet the same benefit-cost standards and feasibility requirements that we have on similar projects in the United States. In offering that amendment, which a number of Members supported, I contended it was essential to give us fair value on our dollar investment, and to prevent some of the waste we all deplore in this program. The amendment was adopted in the House but not in the other body, and it was lost from the bill. I am very pleased to see that similar language appears this time in the bill, as reported by the Committee on Foreign Affairs, and I hope the House will insist upon this language when the bill goes to conference.

Mr. MORGAN. I am sure if we had been more insistent on the gentleman's position in 1958 we would have been ahead. I think this is an important amendment. The author of this amendment in the bill is the distinguished gentleman from Indiana [Mr. ADAIR]. If the gentleman recalls, an almost identical provision is already in the Mutual Security Appropriation Act of last year. The gentleman can be sure the chairman will do his best to protect this provision in conference.

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

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

Mr. FEIGHAN. The gentleman will recall that Koslov and Mikoyan, the trade and economic experts from Moscow, were over here preceding Khrushchev, at which time they endeavored to get a line of credit of a billion and a half dollars, for which there was negotiation for the cancellation of the \$11 billion which the Soviet Union owes the United States, on the basis of the U.S.S.R. paying us \$800,000, which would cancel the \$11 billion, and our immediately giving them the billion and a half line of credit.

As I understand, there is no absolute prohibition against the President giving any technical or other assistance, military excepted, to the Soviet Union. I wonder if the possibility was contemplated or envisioned at all by the committee that the President in the future might give technical aid to the Soviet Union.

Mr. MORGAN. Absolutely not. It would be against the fundamental purpose of the whole program. The discre-

tionary authority in the bill is not intended for this purpose and I do not believe that any responsible official of our Government has any intention to do so, except that maybe there would be some dissension or revolution in the Soviet Union where we might want to move in perhaps using the contingency fund for this purpose.

Mr. FEIGHAN. As I understand, there is nothing in the bill that is an absolute prohibition against the President's using his discretion, and giving aid to the Soviet Union.

Mr. MORGAN. That is correct.

Mrs. BOLTON. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, a very real privilege has been given me by the ranking Republican on the Foreign Affairs Committee, the distinguished gentleman from Illinois [Mr. CHIPERFIELD], in his asking me to handle the Republican time on this exceedingly important bill. With him beside me I am happy to do so.

Before I say anything further I want to express my personal appreciation of our chairman, the distinguished gentleman from Pennsylvania, Dr. MORGAN. This is not an easy committee to handle, Mr. Chairman. There are very many divergent opinions. We all get a little hot under the collar every so often. Fortunately we have a very sane, sound, and calm chairman with a sense of humor. I am happy to have this opportunity to express publicly my appreciation of his capacity and his courtesy.

Now it is not at all my purpose to take up more than a little of the time of this House. I am going to speak briefly, and I am not going to speak at all in the same way that our chairman has done. His presentation needs no further words from me. The details of the bill will be enlarged upon by other Members of the minority side. What I want to say is in a different vein. I want first to remind you of the kind of people we Americans are, and to say to you frankly that if we had no Communists in the world and came in contact with the underdeveloped nations in any way that would make us understand their poverty and their need we would have been immeasurably constrained to help them.

I want to remind you that once a very long time ago, it was prophesied there would be Armageddon. The fields of the traditional Armageddon in Palestine are very quickly flown over. I did that a number of years ago and had the privilege of being with a man who knew every inch of it, and made the Biblical story very vivid. Today, I am saying to you, my colleagues, that that small field is far too small to contain the Armageddon that we are fighting today. I do not care what your viewpoints may be but I say to you with deep seriousness that we are fighting Armageddon on a worldwide basis today. It is a battle between the believing world and the unbelieving world for survival.

When someone asks, as some of our distinguished colleagues have asked down through the years: How long is this program going to go on—when are we going to stop it? So many have tried to give specific dates. Every time that

has happened, I have wished I had the courage to get up and say: There will be no end so long as Armageddon is being fought. Unless we have the courage and unless we have the capacity to see and to realize what this means to all of the people of the world, there will be no end. We may have to use force so we must be strong. Surely we have not used our best imaginations. We have not let our minds go out into these other countries and tried to understand the people.

We have, perhaps, forgotten that when we came over to this country, we were a tremendously hardy people. We were strong physically. We had a grim determination to be free. Then in many instances, we promptly put the chains on again. But, we were a free people—we were a hardy people. Today, our children do not even walk to school. What is that in itself a symbol of? How are we going to compete with the coming generations of the Communist people if we do not have the physical strength to climb mountains?

Now I want to say to you just this: We have assumed responsibility in the world. Perhaps it was thrust upon us. Perhaps we were forced by circumstances and our own willingness to be decent to other decent people. But now it is ours, and I believe we just dare not go back on those responsibilities. We dare not leave people in the lurch. May I remind you that since the Marshall plan and the Truman plan and the various different nomenclatures under which our assistance went forth not one single country into which we have gone with help has turned Communist. I think that is something some of the Members of this body should think about very, very earnestly. Even where we made big mistakes and did badly, there are magnificent results today. In some of the places where we have received the greatest criticism we have had most startling results.

I want to say to you with all the earnestness of which I am capable, that this is as important a moment in the history of the United States as any moment we have lived through. We may not go backward. We have on our coin "In God We Trust." Do we trust in Him and can He trust us? He has given us a job to do, with a different kind of government from what exists anywhere. We are citizens of States. We are also citizens of the Union that they form. That is rather different. Perhaps we have too good a government. Is it not possible that we have given too much ease to our people? Is it not time that we evaluate what we have been and what we are? Should we not be thinking very earnestly of these basic fundamental qualities that mean human evolution? We cannot separate ourselves from any human beings anywhere in any world. We may want to but we cannot. All people everywhere are made of the essence of the Infinite. We cannot separate ourselves from them.

I would ask you in all seriousness to recognize the changes that have taken place in the countries who make up our opposition. What has happened in Russia in 40 years and a little more? Her people today have a great deal more com-

fort than they ever had before. The same is true in China, even though the report of the refugees tell us of unimagined horrors. Still their girl babies are not drowned any more, women are paid wages, and so forth, and so forth. I can well believe it might perhaps be tomorrow when China has a bomb of her own; different from ours, perhaps, but a very potent one, and she certainly has potent strength of numbers.

So I would ask you to look at all the facets of this great game of life. Should we not go deeply into our own hearts to be certain whether we are being worthy or unworthy of our Christian heritage? Let us not be unworthy of God's trust in us for He has given us this opportunity.

I beg very earnestly that before you cut one more dollar out of this program you think it over very, very carefully. We as citizens of these United States are being tested in very hot fires. It is my earnest prayer that we may prove ourselves worthy sons and daughters of the living God.

The CHAIRMAN. The gentlewoman has consumed 10 minutes.

Mr. MORGAN. Mr. Chairman, I yield 8 minutes to the gentleman from Wisconsin [Mr. ZABLOCKI].

Mr. ZABLOCKI. Mr. Chairman, in taking the floor in support of the Mutual Security Authorization Act of 1960, I wish, first of all, to commend the distinguished chairman of the Committee on Foreign Affairs [Mr. MORGAN] for his untiring and outstanding work.

Ever since he took over the reins of the Committee on Foreign Affairs he has devoted himself to a continuous study and investigation of the mutual security program, striving with meticulous care and vigor to eliminate waste and to improve the efficiency of this program.

Under Chairman MORGAN's leadership, the committee has recommended numerous improvements in mutual security legislation, both in last year's legislation and in the bill before us. These improvements should have far-reaching effects in assuring that the American people will receive solid and efficient results from every dollar spent on this important program.

Now as to the bill before us.

Having conscientiously attended the lengthy hearings held on it before the Committee on Foreign Affairs, and having studied the evidence submitted by numerous witnesses, by our investigating and other subcommittees, and by the executive branch, I sincerely believe that the authorization it recommends is the minimum consistent with our national interest.

As Chairman MORGAN has pointed out, the bill contains a new authorization of \$1,318,400,000, which is \$136,500,000 less than the amount requested by the Executive, and approximately \$42 million less than the amount appropriated for these same items last year.

In addition, the Executive is requesting total appropriations of \$2.7 billion against authorizations already in effect, of which \$2 billion is for military assistance and \$700 million for the Development Loan Fund.

Further, the bill includes a number of amendments intended to tighten the administration of the program, to impose new limitations on the Executive, and to give additional guidance to the administration with respect to future operations.

I fully realize that this legislation alone will not produce miraculous results. Painstaking investigations of the mutual security program has revealed a number of instances in which wasteful and inefficient use of our resources is in evidence. We have tried to correct those situations, we have achieved a good measure of progress, and we will continue to do the best we can. Much greater effort is needed, however, on the part of the people who administer this program. This effort has to be exerted along the following ways:

First. Elimination of duplication in administrative control.

Second. Simplification of the decision-making processes.

Third. Enlargement of the authority delegated to the person in charge of a particular program in a given area.

Fourth. Long-range planning and the establishment of coordinated intermediate and ultimate goals.

Fifth. And greater emphasis on economic assistance to the underdeveloped countries on a coordinated, multilateral basis, with full regard to the rate at which those countries are able to absorb our aid effectively and efficiently.

The guideposts for such improvements are contained in our report and in the bill itself. We have every hope that they will be heeded and utilized wisely by the Executive.

Apart from this, however, there is one very important fact we must bear in mind: Whatever shortcomings are still in evidence in the administration of the Mutual Security Act, they must be corrected. But the presence of those shortcomings—frequently very human shortcomings—does not and should not justify anyone's action in voting against this vital program.

The mutual security program is an integral part of our foreign policy. It is a vital program. The mutual security program rests on certain fundamental principles which—if we concede that they are sound—demand our support of this legislation. These fundamental principles were outlined briefly by the President in his message to the Congress on the mutual security program. I should like to quote them. They are:

1. That peace is a matter of vital concern to all mankind.
2. That to keep peace, the free world must remain defensively strong.
3. That the achievement of peace which is just, depends upon promoting the rate of world economic progress, particularly among the peoples of the less developed nations, which will inspire hope for fulfillment of their aspirations.
4. That the maintenance of the defensive strength of the free world, and help to the less developed but determined and hard working nations, to achieve a reasonable rate of economic growth, are a common responsibility of the free world community.
5. That the United States cannot shirk its responsibility to cooperate with all other free nations in this regard.

If we hold these principles to be true, and if we admit that communism is indeed a threat to our Nation and to the survival of our civilization, then there is but one course we can pursue: we must be willing to continue our sacrifice by supporting the program embodied in the legislation before us.

I believe that the American people realize this and, regardless of party affiliation, want us to enact this legislation which will strengthen our security and the security of the free world.

I may add that not one witness appearing before the Committee on Foreign Affairs has recommended the elimination of the mutual security program.

And therefore, I earnestly hope that the membership of this body, to every last man and woman, will keep this in mind and follow the course dictated by necessity, by reason, and by conscience, when voting on this bill.

There is one last thing I wish to add: In less than 1 month the chiefs of state of the great powers will meet in a summit conference. We may have divided opinion amongst us about the advisability or merit of such a summit meeting. We may have doubts about its usefulness or outcome. But we cannot have a divided opinion about supporting the President of the United States on the issue of our Nation's foreign policy at this crucial time. We must stand together, united in purpose, and determined to strengthen our security, to attain just and lasting peace, and to enlarge the area of freedom in the world.

On this, our Nation must stand together. And this body, representing as it does the people of the United States, must also stand together.

We can do this by giving this vital and necessary legislation our overwhelming support.

Mrs. BOLTON. Mr. Chairman, I yield such time as he may desire to the ranking minority member of the committee, the gentleman from Illinois [Mr. CHIPERFIELD].

Mr. CHIPERFIELD. Mr. Chairman, I favor the passage of H.R. 11510 commonly referred to as the Mutual Security Act.

I believe this program is necessary for our own security as well as the free world. Since its establishment there has not been a single country to which we have given aid that has gone over to the Communist side.

There has been a cut in authorization request by \$136,500,000. This is \$41,942,000 less than the amounts appropriated last year for the same items. I think these cuts are justified and show the careful consideration given to the program by the Foreign Affairs Committee.

No one who is familiar with the program can help but realize mistakes have been made. Your Foreign Affairs Committee has recently established a subcommittee for the very purpose of uncovering mistakes and seeing that they are corrected. I am proud to be a member of that subcommittee because I feel it is serving a useful purpose in making the program more efficient.

Last year the committee initiated legislation establishing an Inspector Gen-

eral and Comptroller to evaluate the mutual security operations. This should also be very helpful and their first report and study should be enlightening when it is completed.

I have always thought the military assistance phase of the program is of the utmost importance. Last year we authorized the amounts for military purposes for the fiscal years 1961 and 1962, but the committee again carefully reviewed all the aspects. In my judgment, if it had not been for this phase of the program we would not have been able to contain the Soviets.

One of the reasons we have been able to build up such a tremendous deterrent and retaliatory force for so much less money is because it costs so much less to maintain an allied soldier. Each year it costs the United States, taking into consideration pay allowance, subsistence and individual clothing, \$3,859 for every American soldier.

It costs a great deal less to maintain foreign soldiers. For example it costs annually only \$167 to maintain a Taiwan serviceman, in Korea \$390, in Greece \$391, and so forth.

To summarize, between 1950 and 1959 we spent some \$384 billion for our own defense. We have almost 900,000 men in the Army, 40,000 aircraft, and 1,600 combatant ships. While for a total expenditure of \$179 billion—\$23 billion which the United States has spent for all allies since the beginning of the military assistance program and the \$156 billion spent by our allies—there are 4.9 million men under arms, 29,000 aircraft, and 2,300 combatant ships.

Mr. Chairman, let us now turn to the field of economic aid. Many feel it is more important than military aid and I believe it is at least of equal importance.

The Sino-Soviet bloc has made credit and grant agreements with some 15 free world countries totaling more than \$2 billion. Their goal is to gain control of these countries by economic penetration and then by subversion. It would be folly on our part to ignore this new threat and not take every reasonable step to meet it. To withdraw our support from these economic programs would be to hand over one by one these free countries to the Communists.

I therefore believe both the economic and military programs should be continued for our own self-interest. Without them we might find ourselves standing alone in a hostile world with neither friends nor allies to support us in our resistance to the totalitarian, alien doctrines of the Kremlin. I only hope that we in the Congress have the wisdom to continue the mutual security program and thereby help insure that war is averted.

As President Eisenhower has said:

We must carry forward the never-ending fight for peace, for security, for sound, sane, and progressive government in America.

Mrs. BOLTON. Mr. Chairman, I yield such time as she may desire to the gentleman from Illinois [Mrs. CHURCH].

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

Mr. ADAIR. Mr. Chairman, for those who have not already seen it, I would ask that you give consideration to the statement of minority views expressed by the gentleman from Georgia [Mr. PILCHER], the gentlewoman from Illinois [Mrs. CHURCH], and myself, as set forth beginning at page 109 in the report on this bill. In those views will be found some of our reasons for opposing this bill.

I would further like to call the attention of the committee to a typographical error appearing about the middle of page 109 in these minority views. The figure there stated is "\$136,500," whereas it should be "\$136,500,000."

Mr. Chairman, as pointed out in those views and as we have suggested through the years, those of us who have been critical of this program certainly do not lack any desire for mutual security in the world, or that there may be mutual understanding, or that people may draw together as individuals in order to establish and maintain a better world and better governments. But my view, Mr. Chairman, is—and I think it is shared by those with whom I joined in the minority report—that this bill as now constituted does not accomplish the objectives for which it is designed.

One of the objections to this bill which we have pointed out this year is the fact that it does need a complete revision and restudy. Those of you who have before you copies of this year's bill will have observed that this year, as heretofore, it is in the form of amendments to existing legislation. Simply by reading this year's proposals one certainly would not have a very complete or very definite idea of what the proposals for the mutual security program are. Therefore, in the committee and otherwise, it was suggested and urged most strongly that we do give thought to a complete revision, a complete rewriting of the program. This will have value not only from the technical point of view of making it more understandable to newer Members of this House, but it would cause us, I think, to reexamine the entire program, to correct some of the things which we believe need correcting, and, on the whole, to make a very much better program out of it.

I shall not, Mr. Chairman, attempt to touch upon a great number of the items set forth in our minority views but there is one other factor which is significant and indicative of the growth of the program. That is the way in which this bureaucracy has increased through the years. In the early days of the program, as you will observe in the report, there were something over 2,800 people engaged in this work. Today, according to the best figures which we have available there are 42,000 persons so engaged. This is indicative, I repeat, of the growth of the program, the growth of the bureaucracy which goes along with it.

It has been said here today as it has been said through the years that we do not know how long this program will be with us. And the testimony before the committee, to the distress of some of us, was along that line. But I would like to say to the committee that as long as we keep increasing our personnel who

are charged with the administration of such a program at this rate, certainly there is very little prospect of containing it, much less beginning to draw it into more reasonable proportions.

As time has gone on through the years we ask ourselves, what ought to be the responsibility of this country with respect to less developed countries throughout the world? We become aware that many nations which in the past have been beneficiaries of this program no longer need, or no longer need to such an extent, the assistance which it has provided. Not only that, but in a number of instances they are now at the point where in all logic they, themselves, ought to assume a greater portion of the burden. As we have by means of our assistance through the years built up other nations here and there in the world, particularly in Europe, is it not now time that they assume a greater share of the cost of trying to provide assistance to the underdeveloped nations than they have? Is it not time that in this way we give some relief to our own taxpayers?

Finally, Mr. Chairman, there are some things that ought to be said about the Development Loan Fund. Many Members will recall when this Development Loan Fund was established, one of the major arguments used to promote it was that it would decrease the amount of grant aid. It was to be used, as I understood the arguments at that time, for specific projects which were requested by needy countries. In the first place, if Members will note the amount of money asked for grants this year for economic purposes, it is not significantly less than it has been heretofore. So, Mr. Chairman, on that count we find that the Development Loan Fund for which many of us had high hopes—and I must confess I was among those who had hopes for very good things from it—has failed to reduce significantly the amount of money made available or requested for economic grants.

Then there was brought to the attention of the committee by the gentleman from Virginia [Mr. HARDY], the gentleman from Michigan [Mr. MEADER], and others, a practice which has arisen with respect to the Fund. It has become a custom in a number of instances for countries that wanted money to go to the officials of the Fund and ask for an allocation—or the term "earmarking" is generally used—an earmarking of so many dollars. Then after that amount of money was earmarked, if such was the case, it was requested of this country that it provide a list of projects to justify the earmarking.

If there is ever an instance of putting the cart before the horse it seems to me this is it. Instead of coming to the Development Loan Fund and saying, "Here are projects which we think are worth while, which are economically feasible, which have a reasonable relationship to the development of our country, and we need so many dollars for them," in a great many instances, I repeat, the shoe has been put on the other foot, the money has been requested and it has been set aside or allocated and then a search has

been begun for adequate projects. This is not only unfair to the Fund itself but it may deprive other nations, which have projects ready to go and which are desirable and in need of funding, of moneys simply because the funds are earmarked for another purpose, although they may not be used for a long time in the future.

Mr. Chairman, for these and many other reasons I feel that the program advanced this year, as in previous years, is not one which will assure the mutual security of the peoples and the nations of the world. Therefore, I register my opposition to it.

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

Mr. ADAIR. I yield.

Mr. CURTIS of Missouri. I notice in the minority report on pages 112, 113, and 114 a breakdown of the unexpended funds. Previously the minority views have had an estimate of the entire amounts of unexpended funds not in just this one program but also under Public Law 480, the Development Loan Fund, the Export-Import Bank, the offshore program, and whatever we might be doing through NATO and SEATO. Has not a study been made of this program in the context of the whole area of the economics of the countries abroad?

Mr. ADAIR. Such a study has been made, not to the extent we would perhaps have wished because of time and conflicts. The studies that were made resulted in conflicting figures being presented to the committee.

Mr. CURTIS of Missouri. There is nothing in the majority report and there is nothing here. Things like Public Law 480 and the offshore procurement ought to be somewhere in this report. How can the House act intelligently on a report like this?

Mr. ADAIR. The minority tried to approach that problem by including toward the back of our report various tables relating to projects undertaken since 1951 in certain countries. Some of those countries were visited by a study mission last year.

Mr. CURTIS of Missouri. But those were all under the mutual security program, were they not?

Mr. ADAIR. Yes. Of course, Public Law 480 does not fall within the jurisdiction of our committee.

Mr. CURTIS of Missouri. In order to study this matter intelligently your committee should have known what is being done in another area on identically the same program. In the Committee on Ways and Means we get another aspect of this on bills to encourage investment abroad. It is important to know how far those are going. There has been a slogan of "Trade, not aid." I happen to be in favor of that. Also, as the gentleman has pointed out, where aid is given we have argued that it should be loans and not grants. In order to deal with this intelligently we have to know what is being done in the private sector through trade. We have to know what is being done in the area of loans and we certainly have to know what is being done in the area of grants.

Mr. ADAIR. I would like to say to the gentleman, this is a point which has

been discussed many times around the committee table. There is a feeling among almost all members of the committee, that this broad program has been too much fragmented. Many of us feel it should be brought back together under the Committee on Foreign Affairs so that we could get the overall view to which the gentleman has just made reference. I think his is a very valid objection, and it is one which we are trying to correct.

Mr. CURTIS of Missouri. I appreciate that, but I took the floor of the House last time and previous to that and tried to point out the questions that I thought had to be answered, if we are going to deal with this program intelligently. I agree it should be under one committee, but it is not under one committee and, certainly, this committee ought at least to know what is being done in these other areas, otherwise it is meaningless.

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

Mr. ADAIR. I yield.

Mr. JUDD. Will not the gentleman agree that this is one of the reasons the committee voted in previous years to put at least the economic parts of this program under the Under Secretary of State for Economic Affairs as a coordinator, and that it put on the board of the Development Loan Fund the head of the Export-Import Bank and various other U.S. lending agencies in an effort to get the grant and the loan programs and the short-term and the long-term programs all put together so that we could have that kind of coordinated operation?

Mr. ADAIR. I certainly would agree with that. I repeat, as I said a few moments ago, to the gentleman from Missouri, that this is one of the things that has bothered us because of the difficulty of bringing all aspects of it together so that a complete and comprehensive look could be taken at all these related programs.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MORGAN. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. GALLAGHER].

Mr. GALLAGHER. Mr. Chairman, at the outset I would like to pay tribute to our distinguished chairman for his untiring work and preparation and listening to the various witnesses and in the conduct of our hearings as well as for his patient understanding of all of the members of our committee on both sides including the minority group who filed their report after a patient review of all the facts involved. All of us are certainly aware of the fact that we do live in an age of challenge and an age of tragedy, and, perhaps, an age equally affording of opportunity. We find our world today subject to two magnetic poles of political persuasion—one of the Communist way of life and, the other the way of democracy and freedom. Caught between these two poles of political persuasion are more than a billion people, lost and bewildered, trying to find their own way.

Soon there will be over 100 countries in the United Nations. They are in various stages of political development. Some are basically primitive, but each

is conscious enough and desirous of world peace and understanding to send a delegate to the United Nations as a symbol of international status. This consciousness is coupled with an awareness of the political facts of life. Each is seeking a better way of life for its citizens and each is drawn by the magnetic pull of democracy on one hand and the lure of communism on the other. The former offers a slower means to a higher standard of living and productivity, but with freedom. The latter promises the revolutionary progress of the Soviet Union and China at the expense of freedom.

Some of their struggles are new and some are old. Here today, as we open debate and consideration for this mutual security bill, we serve notice on all that we are aware of their struggles, that we are aware of our position of leadership and we are desirous of extending the hand of friendship to all who seek freedom.

Leadership incurs obligations and responsibility. The greatest responsibility that we have is not only to face squarely the ominous hulking threat of communism but, even more important, to face squarely the need to protect freedom for no other reason than the cause of freedom.

And so in this bill we serve a twofold purpose. We maintain our strength to discourage Communist adventurers seeking cheap conquests. But more than that, we serve notice that we recognize the old struggles and the new; in the ancient civilizations of Asia and in the new societies of Africa. We demonstrate a willingness to help those less fortunate as we offer our hand of assistance to the underdeveloped nations and underprivileged peoples.

We have an opportunity by passage of this bill to say to all that we seek nothing in the world except to help others enjoy not only the blessing of freedom, but the fruits of freedom.

Our understanding and desire to assist others has made America the greatest Nation in history. It is not our military might, but our ideals that have given us this greatness. By affirmative action on this vital legislation, we shall insure that, on the graph of history, that the 1960's will show the United States still on the ascendancy.

In this unrelenting war to stem the threats of communism and thus secure our own freedom and that of other free nations, there is no second place. The decision as to whether freedom or slavery shall prevail, rests not with the Soviet. This decision rests within ourselves.

There is no shortcut to victory in open conflict or in cold war. To gain and to keep our place in the sun has taken the sacrifice of life and treasure in two great wars.

To maintain our position requires further sacrifice, fortunately not in blood or life. This cannot be done with any promise of a reduction in taxes. Continued requirements for expenditures of money is not an appealing subject for anyone in public office to advocate, but this is a matter so grave that we fail in our duty if we approach it with less than

a realistic and mature determination. If we do not, and should we allow ourselves to be fooled into a feeling of self-serving complacency, we may find that the leadership has passed from the United States, and with it has passed man's right to be free.

These, then, are the stakes, not a demagogic, impossible promise of a reduction of taxation if this bill is defeated, but a renewed faith in our system and ourselves to remain free by acting responsibly and maturely by voting for the passage of the mutual security program.

Mr. BOLTON. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. JACKSON].

Mr. JACKSON. Mr. Chairman, at this time I should like to pay my respects to the distinguished chairman of the Committee on Foreign Affairs and to those who have so ably handled this measure on the minority side. I have had the privilege of serving with a number of chairmen during my tenure in the House. I would say, in all fairness and in all honesty, that never have I served with one of greater understanding, who is fairer, or who conducts the committee with greater dedication to the common purpose. I have lived with the Mutual Security Act for 10 years, since its original inception in the 80th Congress. I have known that there have been imperfections in the program in many cases. I have realized that there has been at times a waste of money, but on balance it has appeared to me that during the course of these 10 years the investment we have made in the future of a world has been an investment well made.

As the gentleman who preceded me so well said, we live in an uncertain world of uncertain peoples at the present time. Furthermore, we expect to live in that world for many years to come. This great conflict between a free world and slave may not be resolved during our lifetime. There are emerging on the world today new nations which must necessarily span that great space of time between the oxcart and the missile within a period of a few months or a few years.

For them to emerge into the colonialism of the Soviets from the old colonialism to which their peoples objected would, in my opinion, be one of the great tragedies of our day.

I appreciate the sincere and honest conviction of those who oppose the measure and who have very succinctly set forth their viewpoints in the minority report. I know they are no less dedicated to a world at peace, to a world in which our system will prove to be the system by which the destiny of many peoples will be achieved, but in this instance I cannot go as far as they do in their disagreements.

My great concern, Mr. Chairman, has been whether or not the things we have done as a nation, the physical and financial resources we have poured forth without stint, have actually made a lasting and a deep impression upon those people we were trying to assist; and until last year this remained in my mind a great question mark. Then the President of the United States took an un-

precedented journey. He went into many lands where we have spent our resources. The outpouring of men and women, many of whom in rags lining by the hundred of thousands the routes which he traversed caused me to stop for a moment and think, and to believe for the first time that what we have tried to do has reached the people we were trying to help. The same routes which the President followed had been traveled or were subsequently traveled by Mr. Khrushchev, and in spite of all the promises of delivery of assistance by the Soviets to these people—and in some few instances, to be perfectly honest, the delivery of some material supplies—there was no point along their respective trails where the President of the United States did not receive a warmhearted welcome from these millions of people upon whom we have lavished our largesse to the end that they might in time with our assistance achieve some measure of the things which we all consider to have been responsible for the growth of our great Nation.

Mr. Chairman, I support the bill.

Mr. MORGAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. FEIGHAN].

Mr. FEIGHAN. Mr. Chairman, under the 5-minute rule I intend to offer an amendment to provide that no assistance authorized in the bill shall be given to Yugoslavia. The approval of my amendment will stop the use of U.S. funds to further the cause of the international Communist conspiracy.

In the debates on foreign aid in the past, I presented ample evidence concerning the Communist government of Yugoslavia to demonstrate that it was by no means pursuing a policy of national independence or defying and fighting Moscow, the center of the Communist world conspiracy, or that it was in any considerable way and manner helping the United States in the pursuit of a foreign policy of freedom. On the contrary, all the material presented pointed to two basic conclusions: first, that Communist Yugoslavia was part of the Communist world conspiracy, and second, that assistance of any kind to that country was against the best interests of the United States.

It is not a matter of debate but a matter of incontrovertible fact that in the past 12 months the Communists have not changed their basic objectives, nor has their attitude undergone any favorable development in the sense of a compromise with the free world. On the contrary, the Communists, encouraged by their successes, have pressed their offensive in all areas of the world. Adhering to their basic law that the Marxist-Leninist teachings are only a "guide to action" for the conquest of the world, they have used the most diverse weapons to promote that offensive. The slogans of peace and coexistence, visits by leading officials, cultural exchange programs, subversive propaganda, and training of hundreds and thousands of young people at Communist schools for subversion and revolution—all these and many more methods have been used in various parts

of the world according to the conditions prevailing in the areas where they were operating. It is thus of the greatest importance to realize the main lines of the Communist world strategy and to take the proper steps to defeat Communist purposes, and to safeguard the national interests of the United States, as well as to promote the cause of freedom.

Let us first establish what are the basic traits of our foreign policy as formulated by our responsible representatives. The Mutual Security Act states explicitly that its purpose is "to advance the cause of freedom." It also states that "peace in the world increasingly depends on wider recognition of the dignity and interdependence of men; and that the survival of free institutions in the United States can best be assured in a worldwide atmosphere of expanded freedom." It finally states that "the Congress recognizes that the peace of the world and the security of the United States are endangered so long as international communism and the nations it controls continue by threat of military action, by the use of economic pressure, and by internal subversion, or other means to attempt to bring under their domination peoples now free and independent and continue to deny the rights of freedom and self-government to peoples and nations once free but now subject to such domination."

The Mutual Security Act also lists 10 general conditions which various countries have to fulfill in order to be eligible to receive assistance from the United States. Besides it states three specific conditions concerning Yugoslavia:

The President shall continuously assure himself (1) that Yugoslavia continues to maintain its independence, (2) that Yugoslavia is not participating in any policy or program for the Communist conquest of the world, and (3) that the furnishing of such assistance is in the interest of the national security of the United States.

It is my considered opinion, based on the examination of the foreign policy of Communist Yugoslavia, that Tito's regime has failed to fulfill any of the general or specific requirements for receiving U.S. aid.

Yugoslavia does not pursue an independent policy. The Croatian Communist leader, Vladimir Bakaric, stated on April 7, 1959:

We are Communists and will behave like Communists. We contend that around the banner of socialism wider circles and greater parts of mankind are rallying. These forces are checking the might of imperialism and we must find ways to strengthen them and help them.

According to Bakaric the struggle of the Communists in Yugoslavia was "the best contribution to the strengthening of the international Communist movement and the victory of communism in the world."

At the celebration of the 40th anniversary of the Communist Party of Yugoslavia on April 19, 1959, Tito declared:

Yugoslavia has been and remained a component part of the world movement toward socialism, it has * * * become one of the

active factors in the modern development of the international workers movement and the anti-imperialist forces in general.

We Yugoslav Communists consider that the further development of the international situation will follow * * * the line of growth in all countries of those forces which will carry the historical development in the direction of the strengthening of socialism on a world scale.

We are justifiably proud of our glorious past and our present activity in the building of socialism in our country, and also of the contribution which we are giving to the development of socialism in the world.

On May 6, 1959, the First Vice President of Communist Yugoslavia, Edvard Kardelj, analyzed the differences between the Yugoslav Communists and other Communist regimes, and stressed that they were only an expression of the present phase of Socialist development and not any national specific trait of Yugoslavia. He stressed that the Yugoslav Communists were not nationalists nor had they opposed one dogma by another dogma. He stated:

We are not against what in the Socialist camp is socialistic, what in it strengthens Socialist solidarity, but we are only against some elements of concrete policy * * * against some tactical forms in the international policy of socialism * * * which in our opinion do not contribute to the full and adequate affirmation of socialism which would correspond to its actual present strength. We are steadfast not only in the building of socialism but in the defense of the principles of Socialist solidarity.

Those basic conceptions are also expressed by the Yugoslav Communist press which consider Communist Yugoslavia as "part of the global world striving toward socialism"—Politika, Belgrade Daily of July 2, 1959.

Communist Yugoslavia has regularly and regardless of its diplomatic relations with the Soviet Union, celebrated with utmost devotion and enthusiasm the Bolshevik revolution in Russia of 1917. This was emphatically so in 1959. Jovan Veselinov, President of the Peoples Parliament of Serbia, declared on October 25:

The Communist movement in Yugoslavia from its inception to the present day was and has remained a component part of the international workers movement and all progressive forces in the world.

In our struggle for national liberation and revolution our warriors and our peoples fought for their independence and a new Yugoslavia. But in the course of all that military struggle they felt like soldiers of the international workers movement. On our military caps was and remain the five-pointed star, symbol of the international proletariat. Beside our national banners above the heads of our fighters also flew the red banner under which workers have been fighting in all countries since the beginning of the modern workers movement. We sang our new national anthem, but even more rang in our mountains and liberated towns the hymn of the proletariat, the "International." On our banners was written the battlecry of the Communist manifesto: "Proletarians of all countries unite."

All this characterizes in the best possible manner the true sense and the ultimate aims of our revolution.

Edvard Kardelj, the chief theoretician of the Communist Party of Yugoslavia

and of the Communist regime of Yugoslavia, was also very explicit in his presentation of Communist motives for promoting "peace":

Socialism doesn't need Bonapartistic wars. The speed with which its forces will develop will increase with the stability of peace and the relaxation of international tensions. * * * It is in this connection that it is understandable that we have given complete support to the recent initiative of the Soviet Premier Khrushchev for general disarmament. * * * We are deeply convinced of the imminence of the victory of socialism in the whole world.

The Yugoslav Communists, far from being an enemy of the Soviet Union, are constantly endeavoring to stress the importance of the Bolshevik revolution and their solidarity with the Bolsheviks. The leading Belgrade daily *Politika* glorified the Bolshevik revolution in its editorial of November 7, 1959. After stressing that the Soviet Union "is not what it once was" and that Asia "is not what it once was" and that Africa "is not what it once was," it turns to the free world:

The mightiest capitalist countries also are not what they once were. The crisis becomes deeper, the changes more significant, more frequent, and more inevitable. The strength of socialism is not only in the numerical, material, and military strength of the countries in which revolutionary changes have taken place. The idea of socialism has long ago crossed those limits, regardless of whether they are built of mere material might or of dogmatic schemes which put their trust in power, or rely on it. That is why the ideas of the great October are stronger than the greatest difficulties.

October, as every revolution * * * required sacrifices, but measured by its ideals it was the most humane revolution in the history of mankind. True to the historic ideals of October, Yugoslav revolutionary socialism remains faithful to the universal striving of the workingman who sees in the victory of socialism the full victory of the noblest ideals of human equality and freedom.

Regarding the relations between Communist Yugoslavia and the Soviet Union, Tito declared on October 14, 1959:

With the Soviet Union * * * our relations are good and we wish that they become the best possible. In foreign policy there are few questions in which we differ or disagree. On all main questions we agree and we have always welcomed the actions of Comrade Khrushchev which had the character of the struggle for peace and the policy of active coexistence. We shall support all actions of the Soviet Union which pertain to disarmament and the relaxation of international tension generally speaking.

During the utterly ruthless and inhuman aggression of Red China in Tibet, the Yugoslav Communists forgot all about national independence and self-determination and stressed "the fact that Tibet is Chinese territory and that all that happens on that territory comes under the competence of the Chinese state and sovereignty." The Yugoslav Communists also celebrated the 10th anniversary of the advent of the Communist power in China. They stressed its "huge historical importance." The Communist revolution had "dealt a mighty blow to imperialism, facilitated the anticolonial struggle of the peoples and enormously strengthened the forces

of socialism on a world scale." The "carrier and organizer of the peoples actions and victories was the Communist Party of China. Yugoslavia, a Socialist country always approached with the greatest respect the Chinese Revolution and its successes."—*Politika*, October 1, 1959.

It is highly regrettable, if not tragic, that the free world and especially the United States has failed to take notice of the activities of Communist Yugoslavia in Africa, and the substantial contribution which it is making to the advance of Communist imperialism on that continent.

Yugoslavia took upon itself to credit industrial projects in Ethiopia in the amount of 10 million American dollars. It is no secret that that money came straight from the pockets of American taxpayers. Incidentally, Communist Yugoslavia gave the same sum to Indonesia.

In the course of the last 12 months the Yugoslav Communists have developed in Africa so much activity that it would take volumes to describe them. But they have not even tried to conceal the nature of their activities. As for instance the editorial "The Voice of Africa"—*Politika*, February 4, 1960—clearly demonstrates, the Yugoslav Communist attitude follows to the letter the precepts of Lenin and Stalin in regard to the undeveloped and "colonial" countries. The Yugoslav Communists never tire stressing the similarity between the "liberating processes" in Africa and the "liberating struggle of the Yugoslav peoples"—*Politika*, February 4, 1960. The Yugoslav Communists have been very active in Liberia, Sierra Leone, Guinea, Ghana, Nigeria, the Sudan. The purpose of all their contacts was clearly expressed in the Yugoslav press commenting on the independence of the Cameroon:

When Yugoslav leaders and delegations go to west Africa to attend the celebration of the independence of the Cameroon and to visit some African independent states, then it is not only simple courtesy. And it is not courtesy when many African delegations visit Yugoslavia. * * * There is in it deeper sense and symbolism.

Finally, when we consider the attitude of Communist Yugoslavia toward the United States, the developments of the last 12 months only confirm the constant line of their foreign policy, which is to accept whatever assistance they can get from us, but side on all issues with the Soviet Union and the forces hostile to the United States. For instance, the Yugoslav Communist press has consistently praised the regime of Fidel Castro in Cuba and blamed the United States for all the difficulties. According to the Yugoslav press Castro was a man completely dedicated to the best interests of the people of Cuba, while America was only concerned about its material interests. According to *Politika*, November 8, 1959:

America is a rich and mighty power which shudders at the thought that something is changing in the world. America has been obsessed by efforts to maintain the status quo. Motivated only by its material inter-

ests the United States has opposed the ideals for which it once fought and upon which it was founded.

I must regretfully come to the conclusion that our policy of assisting the Communist regime of Yugoslavia is based on arguments, assertions, and claims which are devoid of any factual basis and fly in the face of the basic elements of Yugoslav foreign policy.

For that reason I am firmly convinced that by giving assistance to Communist Yugoslavia we would be aiding and abetting the Communist world conspiracy which is trying to destroy our country, and we would be serving the vile aims and purposes of the Soviet Union, Red China and all Communists.

In the House on June 15 of last year, I set forth an analysis of the activities of Tito and the Yugoslav Communist Party which proves conclusively that Tito is not only wholeheartedly participating in the world conspiracy of international communism, but is doing everything within his power to bring about the victory of world communism to which he is dedicated.

Under unanimous consent granted, my remarks on the floor of the House June 15, 1959, follow:

Mr. FEIGHAN. Mr. Chairman, in the foreign-aid bill which is now before us, there is a provision which would allow the continuation of military and economic aid to the Communist regime of Yugoslavia. This is an issue which disturbs many Members of Congress. On the one hand we are compelled to spend billions of dollars for an adequate national defense, along with additional billions of dollars in foreign aid, all because of the threat to our survival caused by the conspiracy of communism. On the other hand, Congress now finds itself in the contradictory position of being asked to authorize public funds for the strengthening of Tito and his Communist regime in Yugoslavia.

Since its beginning in 1948 I have been a strong supporter of the foreign-aid program. I did so because of my conviction that we serve our own best interests when we assist free and friendly governments to become strong enough to resist internal Communist subversion and militarily prepared to stand up to armed Communist aggression. In the spirit of seeking to preserve a foreign-aid program which would further these original purposes I have engaged in extensive research on the question of where Tito and his regime stand in relation to the international Communist conspiracy which is headed by the Russian imperialists. In this work I have had the assistance of other Americans who have made firsthand studies of Titoism and have personally observed the present Yugoslav scene. Linguists have assisted in the translation of numerous documents and speeches from Russian, Serbian, Slovene, and Croatian into English.

A year ago I presented to the House the results of that study, which many Members of Congress found interesting and edifying.

In the year which has elapsed, Tito's policy has remained the same and our policy toward Tito has—unfortunately—remained the same. Since that policy is based on an indefensible attitude of ignoring the basic facts of the Tito case and since that policy is harming our national interests, I would like to present here again the main findings of the study of a year ago, which have been brought up to date by the most important facts and developments from May 1958 to June 1959.

WHAT IS TITO'S POLICY?

In the course of the last 12 months the promoters of Tito and Titoism as an allegedly "different," better, "democratic," and "independent" brand of communism have pursued with undiminished fervor and disregard for facts, their nefarious work. The best answer to that unrelenting campaign of glorification of a ruthless Communist is to confront it with the incontrovertible facts of Tito's political record of the last few years, which are these:

First, the reconciliation between Moscow and Tito in May-June 1955 during Khrushchev's and Bulganin's visit to Tito took place only after Tito did a unique service to the cause of Communist imperialism by carrying to Asia the message of different, independent, and national communism in 1952-53 and 1954-55. In the course of that campaign Tito openly and repeatedly whitewashed the new Russian leaders, Khrushchev and Bulganin, from all Stalinist crimes and proclaimed them different, well-meaning, peace-loving coexistentialists. It was only after that and on the ground of such services rendered to Communist imperialism, that the Russian leaders came to Belgrade to apologize to Tito and to acknowledge Communist Yugoslavia's right to a separate road to socialism.

Second, during the visit of the late Secretary of State Dulles to Yugoslavia in November 1955, Tito took a stand on the question of Moscow's European satellites diametrically opposed to the U.S. stand. Our position was that they deserved complete freedom from Moscow's domination. Tito's position was identical with Moscow's stand: That the satellites were already free and independent under communism.

Third, At the 20th Congress of the Communist Party of the Soviet Union in February 1956, Khrushchev not only pronounced his violent denunciation of Stalin, but also enunciated three important new points of doctrine: First, that war between Communist and Capitalist countries was not inevitable; second, that the downfall of capitalism, and the victory of socialism were not necessarily to be achieved through violence; third, that various roads and forms of transition to socialism were to be generally recognized for all countries. The important point for our analysis is that those three sensational innovations were neither invented by Moscow alone, nor imposed by Tito, but a result of common Russian-Yugoslav efforts and theoretical work achieved through a number of contributions, such as by Bebler, 1949; Seleznev, 1951; Piyade, 1952; Stalin, 1952; and Molotov, 1956; to name only a few.

Fourth, In June 1956 Tito visited the Soviet Union and sealed his reconciliation with Moscow with new, unequivocal and most emphatic expressions of Communist solidarity. He said that the Yugoslav Communists had never failed in their international Communist duties and obligations; he called the Russian Communists brothers-in-arms and he declared that Communist Yugoslavia and the Soviet Union would march shoulder to shoulder in time of war as in time of peace toward the same goal, the goal of the victory of socialism.

Fifth, On his way back to Yugoslavia, Tito stopped in Bucharest and in an interview with Western newspapermen declared that it was improper to use the term "satellite" when referring to Moscow's colonies in central Europe since the Rumanians were self-governing people.

Sixth, In September and October 1956 Khrushchev and Tito, after a series of airplane flights from the Soviet Union to Yugoslavia and from Yugoslavia to the Crimea, and consultations with a great many European Communists, agreed upon a common plan for the promotion of independent

communism. The plan was tried first in Poland, with temporary success, since Gomulka, a ruthless, veteran Communist, was posed as a Polish nationalist and champion of Polish independence. In Hungary the experiment failed, since both Khrushchev and Tito heavily miscalculated with Gero and Kadar, neither of these men could be built into nationalists or Titos because of the open contempt which the Hungarian people had for them.

Seventh, Khrushchev intervened with the brutal use of Russian military might to put down the Hungarian freedom revolution. At that time, Tito spoke of Stalinist mistakes, praised Khrushchev as an anti-Stalinist and justified the Russian intervention, which had, as he said, "saved Hungary for socialism." As for Kadar, Tito said that he was "that which is most honest in Hungary." Everyone knows that Kadar is one of the most detested Russian stooges in Hungary.

Eighth, In January 1957, after Khrushchev had twice in the course of 2 weeks hailed Stalin as a model Communist, a delegation of Yugoslav Communists visited Poland and praised the two Russian-Yugoslav declarations—Belgrade, 1955, and Moscow, 1956—as important and basic, and condemned Western imperialists for what they claimed were attempts to sow dissension in the ranks of the international workers' movement and disrupt it.

Ninth, In February 1958 the Yugoslav press joined Marshal Zhukov and the Russian press in denunciation of President Eisenhower's Middle East doctrine as what they considered an expression of imperialist and colonial concepts and at the same time ridiculed any talk of a danger of Communist aggression in that area.

Tenth, At approximately the same time Tito and Khrushchev executed a strategic maneuver of the joint Russian-Yugoslav agreement. Yugoslavia inquired in Washington whether the United States was going to supply them with more jet planes or not. Then Moscow started criticizing some very subtle point of Yugoslavia's allegedly national communism to show that Russian-Yugoslav relations were strained. Then the Yugoslav Ambassador in Moscow brought Tito a personal message from Khrushchev suggesting that it would be better to discontinue all open polemics and settle all questions amicably within the Communist hierarchy. The prearranged message was received with great enthusiasm by Tito. After that, Tito's friends in the free world, particularly in Washington, could argue that it was obviously necessary to give jets to Tito to prevent his reconciliation with Khrushchev. Other Western supporters of Tito frantically called for help to Tito, claiming that the Russian-Yugoslav relations were as strained as in 1948 and the West should help Tito maintain his independence.

Eleventh, The Yugoslav press unanimously denounced as imperialistic America's membership in the military committee of the Baghdad Pact, in March 1957.

Twelfth, After realizing that his hopes of visiting the United States as a guest of the U.S. Government were finally shattered by the public outcry against it in the United States, Tito declared that Yugoslavia could not possibly pursue a unilateral policy. He then proclaimed:

"We must have good relations with the eastern countries regardless of some minor differences of ideological character."

Thirteenth, Shortly after Khrushchev had prophesied that our grandchildren would live in a Socialist United States, Tito declared that he had come "to the deep conviction that any sharpening of issues between Yugoslavia and the Soviet Union was completely senseless. It is impossible not to have good relations with those countries which are closest to us." He accused some people and newspapers in the West of at-

tempting to put Yugoslavia on bad terms with the Soviet Union. Tito set the record straight again in the following statement:

"But we have no reason to have bad relations with them. * * * We are bound by the same goal; socialism. * * * Therefore, when they achieve successes, we should rejoice; as well as they should rejoice when we progress. Consequently, there is no reason for any conflict."

Fourteenth, To some visitors from Germany—end of June 1957—Tito said about Stalin that he was "crafty and dangerous, but a great man."

Fifteenth, In August 1957, after Tito had allegedly in his CBS-TV interview—June 30, 1957—sided with Red China and taken exception to some statements of Khrushchev, the Soviet Union granted Tito \$250 million in credit to be used for the construction of an aluminum factory, a hydroelectric plant and a fertilizer factory. At the same time Tito took sterner measures against Western newspapermen accused of slanting their news from Yugoslavia against what he called Socialist democratic order.

Sixteenth, On August 3, 1957, Tito met with Khrushchev in Rumania and concluded an agreement on the basic problems of the international situation. They reconfirmed their joint resolutions of 1955 and 1956 as the basis for the further development of their mutual relations as well as the relations of all Socialist countries and they reached full understanding on concrete forms of cooperation between the two Communist Parties.

Seventeenth, In August 1957 the Yugoslav press accused the United States of violating the Korean truce agreement, while completely exonerating the North Koreans and Communist Chinese, both of whom had been condemned as aggressors by action of the United Nations.

Tito welcomed Ho Chi Minh, an old communist agent who is now Russian proconsul in North Vietnam, to Yugoslavia and agreed with him on the necessity of discontinuing all nuclear tests. Some Western observers thought they had detected a serious conflict between Moscow and Tito, in the literary and artistic sphere.

The Yugoslav press, which a few months before had greeted Mao Tse-tung's slogan in favor of the blooming of all flowers and schools of thought, defended his ruthless extermination of the Red Chinese regime's enemies as a necessary measure of self-criticism.

Eighteenth, In September Gomulka, Cyrankiewicz, Rapacki, and Ochab, the leaders of the Communist Party of Poland met with Tito, Kardelj, Rankovic, and Vukmanovic, the leaders of so-called independent Yugoslavia. But instead of demonstrating anti-Russian defiance, which the free press had expected, they stressed their fundamental ideological identity on the basis of socialism and proletarian internationalism, very aptly defined as the Communist term for accepting Russian leadership and following all political directives given by the Soviet Union and the Soviet Communist Party, according to the New York Times, December 9, 1957. Gomulka emphasized Communist dominated Poland's solidarity with the Soviet Union, "the first and mightiest Socialist country," as well as with Red China. He also said since Poland and Yugoslavia were building socialism according to their specific conditions this made them members of the great Socialist family. Polish-Yugoslav cooperation was thus cleared up as a contribution to the strengthening of the Communist movement in the world. Gomulka stated his opposition to the forces of colonialism which he claimed were interfering in the affairs of countries of the Socialist bloc.

Tito wholeheartedly responded:

"We know what we want and we are doing our best to realize it. * * * We are Communists—we collaborate with the Soviet Union.

When we speak of separate roads to socialism, that should not be taken literally, i.e., in the sense that we have a separate road in every respect, in all things. We have many things in common. All of us have the revolutionary inspiration from the great October revolution, which gave us the elements upon which we built what we have today. We are led by the principles of Marxism-Leninism. Today we must do everything which is in accordance with our internationalist obligations."

Tito stressed the great contribution of the Soviet Union to the success of socialism in the world and added that he did not see in general among all Socialist countries any elements which would stand in the way of constructive Socialist cooperation. Tito then explicitly shattered the Western illusion of Polish and Yugoslav national communism, when he said:

"I wish, comrades, that Poland and Yugoslavia—which are much criticized for practicing some national communism, which I consider nonsense—ought to show that they have no use for any national communism."

After endorsing all the main points of Soviet foreign policy—ban of thermonuclear weapons, division of Germany, recognition of the Oder-Neisse Polish border, Soviet stand on the Middle East, admission of Red China to the U.N., a status quo—Tito ridiculed those who had expected that a meeting of Polish and Yugoslav Communists would lead to a weakening of the Communist world movement. On the contrary, he said, those two countries had the duty to work for the closest possible cooperation between all Socialist countries and moreover the "active coexistence between countries and peoples with different social systems was profitable to the further development of socialism."

Finally, he proclaimed that former or future Russian-Yugoslav dissensions should not be dramatized, relations between Socialist countries should be such as to give mighty impetus toward creating confidence in the Soviet Union in the whole world.

Nineteenth. On September 20 the Belgrade daily Politika, organ of the Communist Party, published an article which Tito had written for the Foreign Affairs magazine—October issue. In this article, Tito first assailed the lack of confidence with which every move of the Russian leaders was met in the West. He put the blame on the West for the present uneasy international situation which he claimed was characterized by "encirclement, war threats, and aggressive attempts to isolate the Soviet Union."

The NATO has no justification, according to this Tito article. It is a matter of growing distrust and deepening rift between the East and the West. As for the Warsaw Pact, it was of a purely defensive nature and it would cease to exist as soon as NATO was disbanded.

As for the Middle East, Tito assailed free countries for what he called the "policy of interference in the internal affairs of the Arab countries," and particularly the Eisenhower doctrine. Tito added:

"I consider that the present policy of the colonial powers toward the peoples of Africa and Asia is wrong and that it represents a latent danger for war conflicts."

After pleading for the admission of Red China in the U.N., Tito tackled the most delicate question of Communist Yugoslavia's position in the world:

"In the West the question is often asked and various answers are suggested regarding where Yugoslavia stands and where it will stand. The reason for such guesswork lies in the fact that Yugoslavia is a Socialist country, that it is building socialism. Therefore, people in the West think her goal is the same as the goal of the Soviet Union and other countries of the East. Yes, it is true that our goal is the same."

Twentieth. In October, Tito's Communist regime recognized the satellite regime of East Germany and on October 19 Western Germany broke diplomatic relations with Tito. By this act Tito gave additional evidence of his firm adherence to the Moscow line.

Twenty-first. The recognition of East Germany by Tito was the last straw to break the patience of Tito's friends in the free world, who now warned him in very solemn terms that, unless he pulled himself together, he would certainly lose the support, military, if not economic, of the free world. So, a few days after Yugoslavia's recognition of East Germany it was announced that Tito would not go to Moscow to attend the celebration of the 40th anniversary of the Bolshevik revolution.

Twenty-second. While Tito's friends and supporters did their best to convince public opinion of the free world that once again great tensions had developed between Moscow and Communist Yugoslavia, Kardelj, the first Vice President of Communist Yugoslavia, and the head of the official Yugoslav delegation to the Russian celebrations of the 40th anniversary of the Bolshevik revolution, spoke Tito's mind in Moscow. He said:

"Together with you (Russians) we are building relations of friendship and cooperation, based on the great idea of proletarian internationalism. * * * The Yugoslav Communists are delighted at every success of the Soviet peoples, because their victory means a gain for socialism in the whole world."

Rankovic, Tito's chief of the secret police, made similar speeches, stressing the "indissoluble links between our revolution and the great October revolution."

Twenty-third. The celebrations of the 40th anniversary of the Bolshevik revolution comprised, among other activities, a meeting of the heads of all Communist countries, November 14-16, 1957, and a meeting of the representatives of all Communist Parties in the world, November 16-19, 1957. From the first a declaration was issued, which the Yugoslav delegation did not sign. From the second a peace manifesto was issued, which Yugoslavia signed, along with the representatives of 63 other Communist Parties.

Tito's refusal to go to Moscow and his refusal to sign the Moscow declaration were used in an effort to impose on public opinion of the free world the idea that the Russian-Yugoslav relations were constantly burdened by heavy tensions and basic disagreements. Such an interpretation can by no stretch of imagination stand the test of the pertinent facts of the matter.

As far as the declaration is concerned, Tito himself declared in an interview with Mr. Sulzberger of the New York Times—February 28, 1957, published on March 6, 1957—that Yugoslavia refused to sign that document not because of disagreement, but because the document could not contribute to the lessening of world tensions and especially because Yugoslavia was directly involved in some points. At the same time Tito declared that Yugoslavia's refusal to sign that document was nothing tragic and that Yugoslav-Russian cooperation would not suffer because of that.

The Moscow declaration does not contain anything that could possibly cause any serious disagreement between Yugoslavia and the Russians. On the contrary, the declaration contained all the theoretical points evoked jointly and solemnly proclaimed by Moscow and Tito ever since 1955. It spoke of the "tremendous growth of the forces of socialism" in the world. It attacked the U.S. so-called positions of strength policy; it stressed "complete equality, respect for territorial integrity, state independence, and sovereignty, and noninterference" in the relations between Socialist states; it stressed the solidarity of all Communist countries, pursuing Marxist-Leninist international pol-

icy and "combining internationalism with patriotism;" it especially pointed to the necessity of applying the "principles of communism in keeping with the specific features" of every country.

Moreover, it reiterated and developed the basic thesis of the 20th congress of the Communist Party of the Soviet Union in a manner which was clearly recognizable in the draft of the new program of the Communist Party of Yugoslavia presented at its 7th congress in April 1958, with accent on the two basic points, first, that socialism had made such progress in the world that in the future the Socialist revolution could be achieved by peaceful means and state power could be won without civil war; second, preparing for any eventuality, the declaration emphasized the old Leninist thesis that the use of violence depended ultimately not on the Communists but on its enemies. If the reactionary circles capitulated, violence would be unnecessary. If they fought back, the transition from capitalism to socialism would be nonpeaceful.

From this development it is now clear that the main document coming out of the Moscow celebrations was not the declaration, but the peace manifesto, which endorsed every major foreign policy proposal of the Soviet Union (New York Times, Nov. 23, 1957). While based on the same premises as the declaration the peace manifesto was sharper and more aggressive. It hailed the fact that the land of the Soviets is no longer alone and isolated and praised its relentless struggle for peace, especially in view of the warmongering attitude of the Western ruling circles which were "under pressure by monopolies, especially those of the United States." This is the document Tito agreed to and which was signed by the Yugoslav Communists.

Twenty-fourth. Only a few days later, Kliment Voroshilov, President of the Soviet Union, sent a congratulatory telegram to Tito, on the 14th anniversary of the Communist takeover of Yugoslavia, in which he spoke of the "brotherly cooperation between our countries based on unity of aims."

Twenty-fifth. In his New Year's message of 1958 Tito declared that "some colonial powers cannot accept the idea that the time of colonialism has passed." Tito thus associates himself in the Russian propaganda campaign to smear the Western powers as colonial and imperialists. He condemned the American reaction to the sputniks. He stated that while the whole world took them simply as a great contribution to the scientific progress of mankind, the United States saw in them a war challenge which required military countermeasures.

Finally he denounced the NATO Conference for concerning itself with military matter instead of what he regards as peace.

Twenty-sixth. On January 18, 1958, the French military authorities seized off the coast of Oran a 150-ton Yugoslav shipment of arms to the Algerian rebels.

Twenty-seventh. One week later Tito, speaking at the Congress of the People's Youth of Yugoslavia, denied that Yugoslavia was smuggling arms, but at the same time declared that "as Communists, the Communist leaders at Yugoslavia sympathize with all the colonial people who want to be masters on their own soil."

Twenty-eighth. The newly elected president of Tito's Communist youth movement made this pronouncement:

"I especially want to emphasize for our comrades from the Arab countries, our comrades from Indonesia, our comrades from India, our comrades from various parts of the globe who are fighting for their national independence, who are fighting against colonialism, that the People's Youth of Yugoslavia will always stand with them."

Twenty-ninth. The Yugoslav press played up the 10th anniversary of the Russian sub-

jugation of Czechoslovakia with this theme, "Socialist Yugoslavia always rejoiced at the successes of the peoples of Czechoslovakia in the struggle for socialism."

Thirtieth. Tito's interview with Mr. Sulzberger of the New York Times is certainly one of the most edifying exposures of Communist Yugoslavia, in which Tito mercilessly shattered all the premises of western Titoism. He proclaimed the military value of the vaunted Balkan pact as reduced to zero, he said that Yugoslavia felt threatened by the creation of U.S. missile bases in Italy, he explained Yugoslavia's recognition of East Germany as a natural consequence of the Yugoslav policy of coexistence. He said that it was impossible for any country today to be neutral. As for national communism, he declared: "I must say that there is no national communism. Yugoslavia Communists are also internationalists. The whole thing is that various countries which are building socialism have different conditions under which the new system is being built. That does not mean that the systems are different, but only that there are differences in the roads which lead to the same Socialist system. As far as our international obligations as Communists are concerned, I must say the Communists of Yugoslavia have never failed to fulfill them."

As for Stalin, Tito declared:

"Of course, I met and admired Stalin.

* * * I still esteem some of his qualities." Thirty-first. In his so-called electoral speech of March 16, 1957, Tito praised the Communist method of electing representatives as truly democratic, whereas the method of the West was the opposite, since there, "the people, the voters, have no part in determining who will be their candidate."

He was full of sympathy for the colonial peoples. He branded the attitude of the United States on the events in Indonesia as warmongering and hypocritical. As for the summit conference, he entirely approved of the Russian strategy, and blamed the West for sabotaging their efforts.

He announced that Russian-Yugoslav relations were good and were developing very well, and the same applied in general to the relations with all Communist countries.

Thirty-second. When Tito, after allegedly struggling with many difficulties and very sensitive problems of his supposedly strained relations with Moscow, addressed the Seventh Congress of the Communist Party of Yugoslavia on April 22, the first thing which he chose to emphasize was that the idea of a crusade against communism was only the work of imperialist aims and colonial subjugation. It was the West which was responsible for the creation of military blocs, which was its answer to the "victory of the Chinese revolution" and to Stalin's inflexible policy. He claimed that the Soviet Union underwent radical changes which exerted a strong influence on the relaxation of international tensions. He then pointed out that as a consequence Russian-Yugoslav relations were closer because the important thing was that "between us there is more confidence; that we understand each other; that there exists a friendly and sincere exchange of opinions and experiences on the basis of which broad cooperation is developing."

Tito rejected criticisms to the effect that the Yugoslav Communists were not internationalists by stressing that internationalism did not depend on some formal adherence or words and propaganda, but on the building of socialism in domestic policy and of practicing Marxism-Leninism in international relations. Speaking of the rift with the Russians in 1948, Tito made the very important and revealing statement that the Russian stand created in the world doubts as to the correctness of the policy of a country "that throughout this whole period was a beacon to the international workers' movement." Because of this he said

"the revolutionary blade was blunted" and the enemies of socialism, "the international reactionaries," exploited this Communist predicament to the utmost.

Tito praised the work of the 20th Congress of the Communist Party of the Soviet Union, which, together with the Belgrade and Moscow declarations, renewed the confidence in the Socialist forces of the world. Tito also revealed the essence of the new Communist strategy of soft, different communism by explaining that the new line of the 20th congress and the 1955 and 1956 joint resolutions did not represent a weakening of the Socialist world, "but precisely its opposite—this makes possible the mobilization of all the forces of socialism."

Thirty-third. On the occasion of the 41st anniversary of the Bolshevik revolution in Russia, the Yugoslav Communists were especially cordial in their congratulations and wishes for "new successes in the building of socialism." While some Western newspapers wrote about the alleged seriousness of a new Moscow-Tito rift, the Yugoslav press praised in glowing terms the October revolution. Special prominence was given to Tito's words that "the 7th of November 1917 represents a historical turning point in the life of mankind. That date marks the beginning of the revolutionary process toward the Socialist transformation of the world."

Thirty-fourth. While western Titoists wrote eulogies on the democratic development of Communist Yugoslavia, Tito's regime nationalized, actually confiscated, all real estate in Yugoslavia—December 1958. According to an official spokesman:

"Our road is clear and it leads to socialism and therefore in Yugoslavia private property and private ownership must disappear."

Thirty-fifth. At the height of the concerted campaign of Moscow and Peiping against Tito, the periodical *Kommunist*, organ of the central committee of the CPY, wrote on January 14, 1959, that Yugoslavia would "continue to support positive diplomatic moves by the Kremlin despite the Soviet bloc campaign against the Tito government."

Thirty-sixth. The true character of Tito's regime was also revealed by the fact, established by the officially appointed Zellerbach Commission on Refugees, that Communist Yugoslavia was "the chief refugee-producing country in Europe today"—March 1959. In the last 2 years nearly 40,000 people escaped from Communist Yugoslavia. Does that indicate that the Yugoslav regime has the support of the people?

Thirty-seventh. In April 1959 the Soviet Communists sent congratulatory telegrams to their Yugoslav comrades, on the 40th anniversary of the founding of the CPY. The Yugoslav Communist leadership seized the occasion to suggest "constructive, comradely discussion," which would "aid the speedier solution of problems facing the international workers movement."

Thirty-eighth. During the celebrations of the 40th anniversary of the CPY, Tito stated that "after the CPSU—Communist Party of the Soviet Union—it was the CPY which most consistently fulfilled its revolutionary role."

"Yugoslavia was and is a component part of the world's movement toward socialism. We Yugoslav Communists consider that the further development of the international situation will follow the line of the growth in all countries of those forces which will carry the historical revolution toward the strengthening of socialism."

Thirty-ninth. The close contacts and coordination of efforts between Moscow and Tito have also been revealed, subtly but unmistakably, in all the recent talks about European economic integration. Khrushchev has on several occasions hinted at the need for a socialist federation which would en-

compass at least all Communist-ruled countries in Europe. During his recent trip to Albania he spoke of the creation of a "zone of peace" in the Balkans and the Mediterranean. His statements, though not quite precise and concrete, were obviously motivated—as all Soviet policy regarding Berlin, Germany, and Eastern Europe—by the desire of consolidating the existing Communist status quo in half of Europe. While Western observers failed to observe anything, Tito expressed his agreement with the zone-of-peace idea and Kardelj, in his interview with the French weekly, *France-Observateur* of April 9, 1959, denounced all non-Communist economic integration and strongly pleaded for a "world integration," based on a "program of struggle for socialism."

Fortieth. On May 5, 1959, Kardelj spoke before Yugoslavia's Peoples Front and made these significant remarks:

"The differences between us and some other ruling Communist parties are only the expression of the contradictions which are proper to the whole socialist development, i.e., which do not represent any 'national' specific trait of Yugoslavia.

"Differences have not arisen because we or others were nationalists or people with national limitations, or because we or others would oppose a dogma to another dogma.

"We are not against what in the socialist camp or bloc is socialistic, what keeps the socialist solidarity in it, but we are against some elements of concrete policy. * * * To refuse acceptance of such conception of the bloc does not mean to reject the socialist solidarity, much less to reject socialism itself. It only means that we reject some concrete concepts about the relations between socialist countries * * * because in our opinion, they do not contribute to the full and adequate affirmation of socialism which would correspond to its real present strength. We are consistent not only in the building of socialism but in the defense of the principle of socialist solidarity."

Forty-first. While Kardelj reaffirmed in unmistakable terms the full solidarity of Communist Yugoslavia with Moscow, Tito complained—May 22—about student demonstrations against the regime and declared that "there can be no democracy for those who are enemies of the process of further socialist development in our country."

The facts presented constitute sufficient evidence to support the following conclusions about Tito and where he stands in the international conspiracy of communism:

First. Since 1955, when Tito solemnly reconciled with Moscow, there have been no signs of estrangement or any major strains in Russian-Yugoslav relations. There have been some minor differences in views, but they have always been subordinated by both sides to the common political goal of spreading communism in the world. The Yugoslav Foreign Minister, Koca Popovic himself declared on April 25, 1958, that Russian-Yugoslav relations "need not be harmed" by those differences.

Second. The artificial creation of situations of tension between Russians and Yugoslavs has become a regular feature of the pattern of Russian-Yugoslav strategy for extracting U.S. dollars. Tito's "estrangement from Moscow" occurs each year just as Congress takes up the foreign aid bill.

Third. Yugoslav foreign policy has not undergone any noticeable change since 1959. Tito's statement of February 1955—upon his return from Asia—that "our policy has never been different from what it is today" and that it was the same as "6, 7, and 8 years ago—nothing has changed"—is clearer today than it was 4 years ago.

Fourth. In the last few years Tito has worked out jointly with Moscow a new strategy, based on the lessons of the Stalin-Tito break of 1948 and adapted it to the new

opportunities which they have created for the spread of communism in the world.

Far from growing further apart ideologically and politically, Tito and Khrushchev have come closer together. Tito has on policy and in practice supported all the most important moves of Russian-Communist foreign policy.

Fifth. Conversely, and necessarily, Tito has constantly taken a stand against the basic principles and moves of the U.S. foreign policy.

Sixth. There can be no talk of any Yugoslav independent foreign policy under its Communist regime. As Tito himself admitted and explained, his foreign policy was only formally independent, but was actually thoroughly devoted to the promotion of precisely the same goal as the Russian foreign policy, supplementing it and spearheading it.

The clash between Stalin and Tito on the question of how the cause of communism could be promoted best, led both sides to examine their positions and smooth out their differences. Through combined efforts, Khrushchev and Tito devised a new strategy of equality, independence, noninterference, and separate roads to socialism. Although the hypocrisy of their deal was revealed in the case of the Hungarian revolution of 1956, it is still being used with great success to deceive the free world, to give plausible cover to Communist sympathizers to promote communism by criticizing it and thus promote the interests of Communist imperialism in the most efficient manner.

Seventh. Tito not only is wholeheartedly participating in the world conspiracy of international communism, but is playing a key role in it.

Mr. MORGAN. Mr. Chairman, I yield 20 minutes to the gentleman from Georgia [Mr. PILCHER].

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

The CHAIRMAN. The Chair will count. [After counting.] Sixty-nine Members are present, not a quorum.

The Clerk will call the roll.

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

[Roll No. 50]

Addonizio	Fisher	Morris, N. Mex.
Allen	Fogarty	Moulder
Andersen,	Ford	Multer
Minn.	Gavin	Norblad
Anderson,	Grant	O'Hara, Mich.
Mont.	Green, Oreg.	Powell
Auchincloss	Hargis	Prokop
Barden	Herlong	Reece, Tenn.
Barrett	Hollifield	Rogers, Tex.
Bass, Tenn.	Horan	Rooney
Bonner	Jones, Ala.	St. George
Boykin	Kearns	Schwengel
Brock	Kelly	Shelley
Broomfield	Keogh	Sheppard
Brown, Mo.	Kilburn	Short
Buckley	King, Utah	Sisk
Burleson	Landrum	Smith, Miss.
Celler	McGinley	Spence
Coffin	McGovern	Springer
Cooley	Mack	Steed
Daddario	Madden	Taylor
Davis, Tenn.	Magnuson	Teague, Tex.
Dawson	Mallard	Teller
Dent	Meador	Thompson, La.
Deronjian	Merrow	Utt
Diggs	Metcalf	Willis
Durham	Mitchell	Withrow
Fallon	Montoya	Young
Fenton	Moorhead	Younger

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. TRIMBLE, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 11510, and finding it-

self without a quorum, he had directed the roll to be called, when 344 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from Georgia [Mr. PILCHER] is recognized for 20 minutes.

Mr. PILCHER. Mr. Chairman, first, I want to commend our chairman, Dr. MORGAN, even though I disagree with his views on this bill, for giving me so much consideration, and especially for yielding me this time. He had only 2 hours and gave me 30 minutes out of that. He has not only been fair about this, but he has been fair to me at all times. He knows I am not particularly against this bill. If my vote would kill the bill this afternoon, I would not cast that vote. But I am against waste, extravagance, and corruption in some places that can be proven in this program. I am still one who believes that a country has to be strong economically as well as militarily. I think it is time we looked into our own economic affairs.

Our public debt is in the neighborhood of \$290 billion. That is \$45 billion greater than the total national debt of the entire world, including Soviet Russia. The interest alone on our national debt is fast approaching \$1 billion a month. Our farm mortgages are increasing at the rate of approximately \$1 billion a year. Our interest rates are continually going up. Some of the countries that we have put back on their feet are now discounting our currency. I do not believe that we can carry the ever-increasing load of the entire world.

The mutual security program was born as the Marshall plan after World War II. We were helping people in Western Europe who had banking and commerce experience, who had industrial know-how, people who did not need anything except to have their factories repaired and they would be back in business. It started with 700 or 800 employees, and at the height of the Marshall plan there were only 2,220 people employed. Today ICA, which administers the mutual security program, has 42,200 people on their payroll. It has gotten so large until it is even shaping our foreign policy in some places. It is one of the largest businesses in the world, and still we change managers every year or so. I think most of our mistakes can be traced to our own people instead of the foreign governments. Since it started, we have spent over \$80 billion. We are building the ego of a good many of these little dictators over the world, but we are losing the little people and the masses. Korea is a fair example of this. Cuba is another example within 90 miles of our borders.

The Subcommittee on Foreign Economic Policy of the Foreign Affairs Committee, of which subcommittee I was chairman, traveled 42,000 miles and visited 22 countries on 6 continents. We rode as much as 150 miles a day in jeeps. We rode in taxicabs and helicopters and looked at good and bad projects—the gentleman from Illinois [Mrs. CHURCH], the gentleman from Minnesota [Mr. JUDD], the gentleman

from Massachusetts [Mr. CURTIS], the gentleman from Delaware [Mr. McDOWELL], and the gentleman from Florida [Mr. FASCELL]. We worked 12 or 16 hours a day, 7 days a week. The gentleman from Illinois has more stamina than any person I have ever known. We were up at 6 o'clock every morning, and she was the first one out. I have seen her walk up the mountains in Korea, through the fields in India, and through the factories, and she never missed a single project.

Our first stop was in Tokyo. Japan is one of the most dynamic countries I ever saw. They are 50 percent above their prewar economy today. Their factories are running 24 hours a day, with one building going up right after another. People are well dressed. Everybody has a job. There is no unemployment. We have given Japan only \$16,253,000 in economic aid, but we have given her \$711,557,000 in military aid. Japan is able to carry her own load now. In fact, her economy is making it pretty tough on some of the industries in the United States at this time, and is going to continue to make it more so. The gap between the balance of trade of Japan and the United States is fast closing.

While in Japan we were told by our Embassy that in Korea, our next stop, we would have to pay our hotel bill in American money. One of the first foreign aid projects we had in Korea was to build the Bando Hotel and give it to the Republic of Korea. I advised the Ambassador that we had reams and reams of Korean money and that we were not going to pay in American money and would stay in Korea until they agreed to accept their currency. He advised me that only a week before, Secretary Dillon, while there, paid in American money. I contended that did not make any difference, that our committee was not going to pay in American money. The Embassy in Korea wired back that they would accept foreign currency in payment for the subcommittee, but that our military crew would have to pay in American money. I told him that the military people received only \$12 per diem and that room rent at the Bando Hotel alone was \$16 a day and we were all in one group and would not agree to anything except paying in Korean money. They agreed to accept this, and I am glad to state that they are now accepting their Korean currency for all our officials and committees.

Since this program started, through 1959, we have given Korea in economic aid \$1,410,709,000, and in military aid, \$1,291,947,000. As our subcommittee report shows, they have listed over 300 different projects in Korea. After arriving there, we were told that these had been cut up and they had over 600 projects going in Korea. Anybody with any reasoning at all knows that it is physically impossible to successfully carry out this many different kinds of projects in Korea. They have 25 or 30 different agricultural projects. Yet on the night of our briefing, when the entire staff of ICA was present, including their so-called farm experts, when I began to question them, they could not even tell

me the native grass of Korea. They could not tell us the type of cattle they were raising. On our way to the airport the next day, about 20 miles through an irrigation section we saw people working in the fields in groups of 50 or 60, but there was not a person who could tell me the kind of vegetables they were harvesting or what market they were sending them to.

Several years ago when Mr. Stassen was Director of ICA, he authorized the building of a fertilizer plant there at a cost of \$16 million. When they got it started, they found out there was not a phosphate mine nor a sulphur mine within 5,000 miles of it; so it was changed into an urea plant. Urea is a form of nitrogen which has been in use for years, but this particular type of plant is very rare and there are very few in operation anywhere in the world. It will require the finest chemical engineers, electrical engineers, and mechanical engineers to operate such a plant. We have already spent approximately \$50 million and they have not been able to start it up yet. I do not believe they can ever start it up until lots of the machinery comes out and a different type is put in.

There are several other large plants which have been converted since the original start and some that have never operated. This is the kind of waste I am opposed to. Now some will argue that all of this money has kept Korea from falling into the hands of the Communists. This is partly true, but the ROK Army on the 38th parallel is not the only reason the North Koreans do not come down. It is the American doughboy stationed down below the ROK Army and the North Korean knowledge that we will fight. The recent revolution and overthrow of the Government is ample proof that all is not well in Korea.

We went from Korea to Taiwan. The first thing we found was another large urea plant that we did not know anything about in Taiwan, which they had been trying to start up for 2 years. There is at least 50 percent of the equipment that has to come out. The Taiwan Government is now suing a New York concern, the same one that is building the plant in Korea, for \$12 million.

We then went up through the mountains to look at a project that was headed, "Water Resources." They have already started a dam between two mountains that will be 512 feet high. It will have three 40,000 kilowatt turbines at the foot of it. It has 17 miles of 11-foot concrete and steel tunnels through the mountains at the top for highland irrigation. They claim it will cost \$26 million. Any businessman with any knowledge of construction knows that before it is completed it will cost \$150 million or more. Just realize that this project is larger than Boulder Dam. The ICA people say that we are not going to pay for much of this, that the Taiwan Government will finance it, but what difference does it make if we prime the pump in one part of the Taiwan economy in order that they can take the money out for a project like this? Are the tax-

payers of America able to build such projects as this?

The small projects in most cases are doing a good job. The waste and extravagance is in the large projects. In Taiwan the Joint Committee on Rural Rehabilitation is doing a wonderful job. Some of the finest hogs I ever saw are being raised there and some of the prettiest farming I have seen anywhere in the world is being carried out in this project.

Lots of these programs have gone into the hands of big business, and I am sorry to say that some of our large colleges in this country are in the same category, with all kinds of research programs. I have never heard of as many different kinds of research. We found programs in Japan to teach the Japanese people industrial know-how, programs in Israel to teach the Jewish people business know-how. In Saigon one morning having breakfast, I counted 27 retired college presidents, teachers, retired business executives, all with briefcases under their arms, going out on some kind of a research project. Lots of these programs were such that we could have gotten the same information by mail.

From Taiwan we went to Saigon, Vietnam. Our total economic aid for Vietnam through fiscal year 1959 has been \$964,638,000, with \$496,265,000 in military aid. We were completely rebuffed on our arrival in Vietnam. It was because last year Mr. Colegrove, one of the Scripps-Howard reporters for the Washington News, had an article in the paper here that the foreign-aid program in Vietnam was a fiasco. After that they had Ambassador Durbrow and Mr. Gardiner, Director of the U.S. Operations Mission in Vietnam, and General Williams fly from Vietnam to Washington. We had hearings in our Far East Subcommittee, at which the gentleman from Wisconsin [MR. ZABLOCKI], presided. Mr. ZABLOCKI tried every way humanly possible to have fair and unprejudiced hearings and get at the truth of Mr. Colegrove's statements. The ICA officials tried every way in the world to make Mr. Colegrove out a liar or hurt his reputation, but it turned out that Mr. Colegrove was one of the top reporters of the Scripps-Howard papers and had been with them for 18 years. Our study mission proved that everything Mr. Colegrove said about the highway program, the road program, and the water program was true.

Ten days before we arrived in Vietnam we had wired President Diem for an appointment. We had not gotten confirmation of this appointment when we arrived. No Vietnam officials were at the airport. Our Ambassador had a dinner for us, but President Diem refused to let any of his Cabinet or any of his executives attend the dinner. The next day, after some persuasion by General Williams and our Ambassador, he finally agreed to see the committee the last day we were there. Part of the committee went to see him. I refused to go. I said that to have to beg to see the President of any country that we had put a billion and a half dollars into was just out of my line.

Mr. Colegrove said the highway program in Vietnam was a fiasco. Thirty-two miles of this highway is equal to the Jersey Turnpike. The Saigon River Bridge is equal or superior to the Lincoln Memorial Bridge in Washington. The estimated cost of the highway is \$1 million per kilometer. I give you below a completely documented history of the entire Vietnam highway program that one contractor on a cost-plus basis is doing the work on, and see if you do not agree with Mr. Colegrove:

Saigon-Bienhoa Highway: This project involves the construction of 32 kilometers of new road, two major bridges (the Saigon River Bridge, 983 meters including approach spans; the Dong Nao River Bridge, 453 meters including approach spans), six intermediate bridge drainage structures, erosion control and traffic control facilities. The road is asphaltic concrete surfaced, 16 meters curb to curb, in the urban section, and 7.5 meters roadway width with 3-meter stabilized shoulders in the rural section. Approximately 12.5 kilometers of this highway are in swampy terrain lying close to sea level and require a heavy sand blanket to support the roadway. Drainage structures in this area are supported by concrete piles. The estimated cost per kilometer is \$1 million. Sixty-one percent of this road is completed and overall completion is anticipated by 1961.

National Route 21, Bannethuot to Ninh Hoa: This project involves the rehabilitation and reconstruction of National Route 21, Bannethuot to Ninh Hoa, 152 kilometers, and the reconstruction of bridges, approaches, and inundated areas along National Route 1, Ninh Hoa to Nhatrang, 12 kilometers. This portion of the project includes the construction of 44 short span bridges and the installation of some 23,000 linear feet of concrete pipe culverts. The Route 1 portion includes also the construction of 15 bridges complete with new approaches and drainage. The roadway will be 6.75 meters surfaced width and 9 meters shoulder to shoulder. Surfacing is a double bituminous surface treatment.

Route 21 and Route 1 are expected to be completed in 1961.

National Route 19, Pleiku to Qui Nhom: This project involves the rehabilitation and reconstruction of National Route 19 from Pleiku to the intersection of Routes 1 and 19, near Binh Dinh, 151 kilometers, and National Route 1 from that intersection to the dock area of Qui Nhom, 16 kilometers. The Route 19 portion of this project includes the reconstruction of the 151 kilometers of road, the construction of 36 new bridges, and the installation of approximately 39,000 linear feet of concrete pipe culverts. The Route 1 portion of this project includes the reconstruction of 16 kilometers of road, the construction of nine new bridges, and drainage structures as required. Double bituminous surface treatment is planned for both of these routes. Overall completion is estimated for 1961.

National Route 14, Bannethuot to Pleiku: This project is being carried out by the Ministry of Public Works and involves the widening and improvement of existing National Route 14 between Bannethuot and Pleiku, 196 kilometers.

Equipment: More than \$13 million worth of construction equipment has been imported in support of these U.S. sponsored highway projects, and for the Ministry of Public Works. This includes, besides shops and fixed plants and their equipment, hundreds of road-building machines and other pieces of movable equipment, such as tractors, power shovels, and other pieces of movable equipment. All this will be given to the Vietnam Government when the projects are completed.

Costs: The total cost of ICA dollar assistance for the highway project is presently estimated at \$85 million. This figure includes the period extending to the end of fiscal year 1963 when U.S. dollar aid to the highway project is expected to be terminated. As of the end of fiscal year 1959, \$48.4 million had been obligated, of which \$25.1 million has been spent. Included in the \$48.4 figure is \$30.1 million for commodities and \$17.8 million for contract services. In addition, a total of \$35.6 million equivalent in counterpart funds has been obligated through fiscal year 1959.

When it was first proposed to reconstruct Route 1, a 250-mile stretch northward from Saigon, the Capital Engineering Corp. made the survey. On the basis of this survey, bids for the reconstruction of Route 1 were submitted to ICA Washington. Nine companies submitted bids with total costs ranging from \$18 million to \$45 million. Johnson, Drake & Piper, of Minneapolis and New York, was selected for a cost-plus-fixed-fee contract. The company's bid for actual costs was \$14,752,606, plus \$2,927,394 for direct material purchases, and an additional fee of \$700,000. By the terms of the contract, Johnson, Drake & Piper furnished management and training of local personnel. On the other hand, the United States agreed to pay all costs, which included material, equipment, and salaries.

Before work on Route 1 was begun the original agreement was amended and it was agreed to rebuild the highway from Saigon to Bien Hoa only, and to include the construction of Routes 19 and 21. The engineers were of the opinion that hard surfacing of Route 21 was not needed and that a surface of rock, gravel, and soil was sufficient and would hold up with the usual maintenance. However, after the base of the road was completed, it deteriorated in the wet seasons by reason of the rains and in the dry seasons by the wind and dust. This experience brought about another change in plans—another \$500,000 was spent for two layers of asphalt on the road.

As a result of all these changes in the highway program, what has happened to a modest \$18.3 million highway project?

The total cost of the highway project is estimated to be \$85 million, and may exceed \$100 million before completion.

The Johnson, Drake & Piper Co. fee is now \$800,000, and they are at present negotiating for a higher fee. As a matter of information, the fee is a net profit to the company and is above all costs to the project. The company undertakes no risks and makes no investments; the salaries of its employees are reimbursable by the U.S. Government, leaving a net profit of \$800,000 or more for the company's dividends.

The bid of Johnson, Drake & Piper was unrealistic to begin with. Competency of the survey made by Capital Engineers for a project of this magnitude is questionable because of the fact that it, together with the report thereon to ICA, covered a period of only 60 days. Furthermore, the actual costs estimated by Capital Engineers were twice as much as the bid submitted by Johnson, Drake & Piper on the survey report. It is apparent that preliminary data to make a reasonable estimate of cost at the time of the survey was either not taken into account or was unavailable.

The study mission believes that more roads could have been built for this money. Comparison with road systems in neighboring countries provides ample proof of this fact. Furthermore, there is no traffic survey justifying the construction of this kind of road. Even if it is contended that this road system is for military use primarily, its scope and cost seems completely unrealistic.

ICA is contemplating the reconstruction of another road, not included in original and amendment plans, before the present proj-

ects have been completed. The sum of money to be expended has not been made public, but several more millions of dollars are anticipated.

Since this was written, they have acknowledged to the Appropriations Committee, including Public Law 480 funds, they have spent \$129 million on the road program, besides the money we are giving the Vietnamese Army through defense support to build roads.

Mr. Colegrove said the radio program was a fiasco. When our officials were brought from Vietnam last year before our committee to discredit Mr. Colegrove's statement, they testified that the towers were up and in operation. This program was started 5 or 6 years ago and is something the Army Signal Corps could have completed in less than six months. At our briefing in Saigon we were informed that the towers were up and in operation. Mrs. CHURCH and I went out to the location with Mr. Gardiner, the ICA Director, and he began to count the towers. He said, "There they are—one, two, three, four, five, six." Then he could not find the seventh one. He said it must be behind the building, and I said, "Mr. Gardiner, that is a pretty high building." We went around and looked for the tower, but of course it was not there. He said it must be on the inside. We went inside and found a painter painting another tower. He said, "There it is." The painter said, "No; this one came in last week." Mr. Gardiner then said, "I am not a radio expert, but he is out here." We went on the outside and found a young man with an armful of blueprints, and after some questioning I said, "Son, how long have you been out here as an expert on the radio program?" He said, "Three weeks." Now the Administration Building is as large as this Chamber of the House of Representatives. It is completely full of cables, transformers, and all kinds of electronic equipment. You name it; they have it. We did not find one single connection made, and nothing is in operation. One section of the entire staff of our ICA people in Saigon is assigned to this radio program. We have spent several million dollars on it. If it is not a fiasco, what would you call it? Our committee said it was in a state of confusion.

Mr. Colegrove said the water program was a fiasco. Here is a complete history of it given in the following paragraphs. You can read them and see what you think.

Everyone agrees Saigon badly needs a new water system, but plans have bogged down in a heated dispute between two schools of thought. On one side is the International Water Corp. of Pittsburgh which believes in deep wells. It has done business in Saigon for 30 years and has drilled most of the city's wells. On the other side is the Hydro-Technique Corp. of New York which believes in dams and pipelines.

Our foreign aid authorities gave the Hydro-Technique Corp. a \$200,000 contract for a survey 2 years ago. Hydro-Technique came up with a report favoring a dam and filtration plant on Dang Nai River near Bien Hoa, 18 miles north of Saigon. From this plant a 72-inch pipeline would lead to Saigon. The International Water Corp. made several surveys, all of which showed again that deep

wells are quite adequate. What is more, the International Water Corp. said they would be much cheaper and provide water much sooner. The Hydro-Technique pipeline project is estimated to cost \$19.5 million to be put in by the United States. The International claims it can give Saigon all the water it needs indefinitely for \$12 to \$14 million. The Vietnamese seem to favor the dam and pipeline system, but the military of both Vietnam and the United States have raised the question of security. It was at Bien Hoa that two American military advisers recently were killed when Red terrorists tossed a grenade into a movie audience.

It is pointed out that the 18-mile above-ground pipeline could be sabotaged and the already hard-pressed Vietnamese Armed Forces probably would have to furnish daily patrols, as well as guards for the river plant.

In November 1959 the Development Loan Fund approved a \$19.5 million loan for the water system and called for another survey. Who gets the contract for this survey and what it will cost, we do not know.

It would not be fair to criticize the highway program, the radio program, and the water program, without stating that in Vietnam we found one of the finest agricultural programs I have ever seen anywhere. Up in the hill country, we visited an experiment station where several young American boys, graduates of agricultural colleges, were living in quonset huts along beside the Vietnamese. This experiment station would do credit to any station in this country. They had planted in experimental plots practically every agricultural crop, including cotton, corn, peanuts, potatoes, grains, all kinds of vegetables, and raeael. In addition to this, they were showing the hill people, who had been given five acres of land and a water buffalo, how to plant and cultivate in rows. These people also were doing a good job in their way and were very happy. The entire project has not cost as much money as one mile of the super highway. This kind of program is helping the little people to help themselves.

We went from Saigon, Vietnam, to the Philippines. Here it was evident that the death of President Magsaysay was a great blow to the Philippine people. His efforts to build the country and his dedication to the cause of good government had offered much promise for the Philippines. We arrived just before the elections and were startled and shocked to find an increase in lawlessness and corruption in the present government. The doorman at the hotel was armed, and we were advised that it would not be safe for us to go downtown at night. Right in the middle of our large naval base, the Philippines have a small boat repair dock. It does not cover over 2 or 3 acres of land. Three years ago they offered it to us for \$1 million. Two years ago they wanted \$2 million. They now want \$3 million. Yet just across the bay we are building for them some of the finest and most modern docks in the world. Why could we not have done a little horse trading and secured the small plot of land in the middle of our large naval base that could some day be very important to us, according to our own Admiral Carson? Since 1950 we have spent approximately one-half billion dollars in the Philippines.

From the Philippines we went to Sydney, Australia, to visit several homes built for Dutch settlers in Sydney. The building of these homes is the result of a \$3 million loan from the Development Loan Fund to the Netherlands Government at 4 percent. (Our Government is paying 5 percent.) These homes were supposed to be refugee homes, and we expected to find something similar to our low-rental housing units in the United States, but instead we found two- and three-bedroom brick homes with tile roofs and concrete runways, all with carpets. These homes are being sold to Dutch settlers by cooperatives and Australian banks for 20 percent down and 27 years to pay at 5 percent. This loan does not meet the eligibility standards set up for the Development Loan Fund, requiring that loans from Development Loan Fund should be made to underdeveloped countries. The economic condition of both the Netherlands Government and the Australian Government is as good or better than that of the United States.

In India, I do not believe there is enough money in the world to change it overnight, on account of so many different cults and religious beliefs. In Calcutta there are 300,000 men, women, and children who sleep in the streets every night. The children have to resort to being little scavengers, picking up parcels of grain even behind the animals. A certain number die each night and are carted outside the city next morning and burned. Old Delhi is just about as bad.

(1) Grain elevator in India: The study mission had an opportunity to visit Hapur where modern grain elevators have been constructed. The total cost of constructing this modern storage of food grains, with metal buildings and elevators, 20 silos and a huge warehouse, is approximately \$600,000, about \$415,000 of which was expended by the United States.

A project agreement was signed in 1954 to assist the Government of India in exploring the advantages of new types of construction for the storage of grain. Two 10,000-ton silos, complete with grain elevators, and 50 prefabricated metal storage buildings were to be provided from U.S. project funds at two locations within the country.

In April 1956 the International Cooperation Administration obligated \$4 million for the procurement of 500 additional prefabricated storage buildings, and also planned to contribute an additional \$3 million in 1957. These plans were made although the project for the 50 buildings was not progressing. When this condition was recognized the sums were deobligated and the \$4 million was transferred to another project.

The study mission is concerned with the magnitude of this program and the apparent lack of adequate planning. The grain elevators at Hapur are larger and better equipped than many in the United States, as well as more costly to build than many of comparable size. There was no food grain in the elevator, and there is very little prospect that there will ever be any need for such a mammoth construction. If the same amount of money had been used for constructing smaller elevators in the country, there is the likelihood that more people would be employed and more mouths fed. Large central storage elevators are not the answer for India in view of the small amount of grain grown in comparison to the popula-

tion, since there is very little, if any, surplus accumulated.

Agricultural college and community development project, India: This is the project which the President visited on his trip to the Far East last fall.

Those members of the study mission who, on previous trips to the area, had found great hope and, in fact, major satisfaction in the projected expansion of the community development plan must confess to a sense of bitter disappointment over what appears to be a change in direction of the program and lack of evidence of sufficient expansion. Although time did not permit a detailed and expanded study of these projects in many sections of India, the members of the study mission feel constrained to express their concern over reports brought to them that the development of the program has not justified earlier hopes. The study mission was further discouraged by the conditions found in a "model village" chosen for their inspection as representing a community development project for the training of local employees to teach the people of the community proper health and sanitation methods. In neither agricultural expansion nor in sanitary provision did the village typify progress. In riding around the "model village," adjacent to the agricultural center, the study mission noted several torn-up tractors. Not 1 acre of tilled soil nor 1 acre of a growing crop was found nor were there any signs of recent crops. Favorable mention should be made of the small school and the native teacher, however. There was little indication that agricultural training had increased the food supply, nor was there any indication by the appearance of the people, and particularly of the children, that any agricultural improvement had led to adequate feeding or that sanitary training had produced ample results. Although the study mission realizes perfectly that it can base no cumulative judgment on one example, it seems significant that this particular village was chosen as a model to be shown to us.

Some reference was made to the fact that the community development plan had swerved away from its original purpose of helping local underdeveloped communities learn self-improvement through their own efforts, which would increase their self-respect as well as their sense of capacity; and that more emphasis had been put in recent years on rural sociology. The study mission would certainly recommend, if this be the case, as seemed indicated, that a return should be made to the more simple and more successful program of "helping little people to help themselves." At this time, the study mission would make the further observation that there seems to be inherent folly in the creation of the wide gap that will persist for years between the grandiose top level and extravagant projects, from which no benefits would dribble down to the people within their lifetime, and that sad, drab level of humanity such as witnessed in Calcutta, where life consists only of a scramble for a seed of grain to appease insatiable hunger.

In Karachi, Pakistan, we found a new Embassy building that covered practically a city block that is still under construction even though the capital of the Government, 2 years ago, was moved to Rawal Pindi, 700 miles from Karachi, where we will have to construct still another Embassy building.

In Laos, a country where it is hard to find one with over a sixth-grade education, one member of the committee found a school which had 16 individual class booths with complete tape-recording system, with a master control up in front, for teaching language. They had 16

people in these individual booths. It would take them 3 months to learn to run the equipment. The tape recorders cost about \$400 each, and they had 16. The master panel was as big as a switchboard in an industrial plant and cost ten or fifteen or may be twenty thousand dollars. Probably the only three places in the United States that teach foreign languages this way are Yale, Colorado, and Georgetown. You can find waste and extravagance like this in every country we visited.

Now Mr. Speaker, according to the Department's own figures, we have \$4,700 million in the pipeline. This year's request is \$4,175 million. In addition to this, they will have \$1,500 million from the sale of surplus agricultural commodities. This year this figure amounted to \$1,567 million. In addition to that, the taxpayers of America contributed in 1960 to international organizations \$144,707,208. This gives them access to \$10,500 million. Now in all fairness to ourselves and the other countries and to the American taxpayer, don't you think this bill could be cut at least one and a half billion dollars?

Mrs. BOLTON. Mr. Chairman, I yield 20 minutes to the gentleman from Minnesota [Mr. Judd].

Mr. JUDD. Mr. Chairman, I am happy to have the chance to follow my distinguished friend, the gentleman from Georgia [Mr. Pilcher]. He has pointed out one side of the picture, a side which has been true in a greater degree in the past than it is now, and his remarks I hope will help us further to improve the situation. But I must make one or two comments about the specific instances that he mentioned, and then try to get the whole picture in larger focus.

For example, let me refer to a report I made to the House in 1956, when a study mission came back from a previous trip to the same areas in Asia. I am so sorry that the gentleman from Georgia could not have been on one of those earlier trips, for example, to Vietnam, in 1953 and 1955, because if he had seen the country then, he would have found this time that the program there with all its shortcomings has accomplished one of the greatest and most unbelievable miracles in all history. Maybe the doctors did almost everything wrong and wasted some of the blood transfusions; but they saved the patient's life—the patient whom almost nobody gave any hope of survival as late as 1955. He saw the bad features. I, too, saw them and deplore them. We saw the failure of some crash programs that were put into operation in an emergency. Maybe if we had had then all of the safeguards that we now have in the Mutual Security Act and in this bill the bad projects would not have been started—but, very possibly also, the patient would be dead. This is the main point that we need to keep in mind.

Here is what I said on the floor of this House in the debate on the mutual security bill 4 years ago.

In many countries we are doing too many things. And we are trying to do them too fast. * * * In countries that are hanging on by a thread, why not simplify the pro-

gram to the 10 or 15 life-or-death essentials? If the country makes it for 5 years, then we can go ahead with more elaborate developments. The immediate need is the basic programs. Too much beyond them only scatters our efforts, complicates our operations and confuses the people.

In a minority report which I submitted after my trip with the gentleman from Georgia [Mr. PILCHER] last year, I quoted this earlier statement and added:

There is little evidence that much need was given to such advice. Yet I believe evidence has demonstrated its soundness.

I have been disappointed at the emphasis in many places on the big and spectacular, with too little emphasis on the smaller and simpler projects, closer to the people.

Mr. Chairman, the gentleman from Georgia made a very eloquent speech on behalf of the kind of simpler program that missionaries working in rural areas learned many, many decades ago is the most effective. For 10 years I lived in the interior of China where I was the only physician at one time for about 17 million people. I could perhaps have gone to Shanghai or Peiping or other larger centers, but I preferred to work out in the grassroots areas because I believed rural areas are the best place and way to bring better health and better education and better agriculture and greater confidence and hope to the people of a relatively undeveloped country.

Too often the earlier ICA programs were like big superstructures without the necessary sound and solid foundations.

But the few bad projects discussed today were almost all started back in 1955, 1956 or 1957. They represent some of the wreckage of the beginning years, but no such ill-considered projects have been approved and started in recent years, since those countries got on their feet a little and were not in such urgent dangers from within and without.

Each year our committee has adopted additional measures or refinements designed to correct demonstrated deficiencies. We hope the amendments in the present bill will further tighten up and improve the methods by which ICA carries on its operations.

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

Mr. JUDD. I yield.

Mr. HAYS. The gentleman has stated there has been bad administration. The committee has made recommendations which the gentleman says he is disappointed to see no attention was paid to. How are we going to ever make these people do what the Congress wants them to do? Does the gentleman have any idea?

Mr. JUDD. Yes. For example, the provision we adopted a couple of years ago, section 517, requiring that they not embark on a new project above \$100,000 without thorough and careful engineering and technical studies ahead of time with cost estimates and financial plans. These can be followed out better where there are stable governments. Sometimes in the earlier years when a government was hanging on the edge of disaster, they had to do things more quickly and with less study.

Mr. HAYS. I appreciate what the gentleman says about 517, because that was my original amendment.

Mr. JUDD. That is right and it has proved sound.

Mr. HAYS. I have long advocated that the Congress set up a watchdog group in the Committee on Foreign Affairs to see that they do follow 517. I believe that is the only way we will ever get them to do it.

Mr. JUDD. The gentleman knows that I also am in support of that proposal. May I add that we set up in the Marshall plan legislation in 1948, a joint House and Senate watchdog committee to do that very thing. I must admit that very few of the members on that committee ever read the reports regularly and completely. They were all too busy. How can there be a real watchdog committee of the Congress if the Members are so busy that they do not have a chance to study the reports in detail, day in and day out? A watchdog committee would not unearth all the situations that should be unearthed, but it would expose more of them, and earlier, than has been the case heretofore. I have long felt that our committee ought to have a larger staff, especially of investigators. We do not have a fraction of the staff that the Committee on Government Operations properly has. Those who make policies in this field should have a staff large and good enough to be able to point out to us where the policies that we formulate are not being followed. I have advocated that for years, but, in part because of space limitations on the gallery floor where the Committee on Foreign Affairs is located, we have not developed such a staff.

Reluctantly I must take issue, and I wish I did not have to, with something which the gentleman from Georgia [Mr. PILCHER], my distinguished friend—and the longer you travel with him the more affection you have for him—said about the President of Vietnam, because I do not believe it should be left to stand in the RECORD unexplained. He said we were rebuffed in Saigon by the President of Vietnam, but he did not tell the whole story. The original rebuff was based on misinformation that had come to the President from the Washington newspaper our colleague mentioned. The news story went out from Washington that the Pilcher subcommittee, with all of our names given, was coming to Vietnam to investigate the Vietnamese Government; going to hold hearings there, take testimony under oath, and so on. What did the President do? He did what any self-respecting head of a government would do under such circumstances. He did not have a red carpet out to receive us. Four members of his Cabinet had already accepted invitations to come to a dinner to be given by our Ambassador. The acceptances were withdrawn.

Now, suppose the London Times came out with a story that a Royal Commission of the British Government was coming to Washington to investigate and hold hearings here on actions of the U.S. Government or the Congress of the

United States. There would be high dudgeon in our country and I doubt that our President or the Congress would send a welcoming party.

The President of Vietnam told our Ambassador it would be improper for him to entertain a committee that was going to investigate his government, because that would obviously look as if he were trying to influence that committee in his favor. Was that not a normal and proper reaction?

As soon as it was made clear to the President that the news story was inaccurate, that we were merely one of the regular subcommittees of the Foreign Affairs Committee that go around the world observing all these various projects every year when Congress is not in session, that we were not going to hold hearings on the Vietnamese Government, but were primarily concerned in studying the operations there of our own agency, ICA, it set things in the proper light; and I must say I never knew any Chief of State to do so much to correct a situation when it developed that the facts were not as the newspapers had reported them. He did three special things.

The first was to have a general fly some hundred miles to be where we were going to be the next morning, in order to receive us with an honor guard, and have our chairman review that guard, which our Embassy said was the biggest honor guard it had ever seen turned out for any visiting dignitaries to Vietnam.

Second, the four Cabinet members who had withdrawn their acceptances to the Embassy dinner, called to reaccept. Furthermore, he indicated that since we seemed to be particularly interested in agriculture, he would like to send a fifth Cabinet member also, the Minister of Agriculture. Any Asian would understand this as a gesture of special significance.

Then the President went still further. He sent word that he would like to have us call on him at any time most convenient to us on the following day, and to talk with him as long as we wanted to. Imagine the President of a country giving a group of visiting Congressmen control of his entire day. I do not know how any one could be more gracious. The original action was quite correct in my opinion, on the basis of the information he had, from an American newspaper. When he found the information was inaccurate, he apologized. I must say I thought we Americans ought to be equally gracious and accept the apology.

You have heard about the radio towers, and what a fiasco they turned out to be. But there is more to the story. When the Government of Vietnam first asked for the towers, the idea was to set up a shortwave broadcasting system that would blanket the whole of southeast Asia. President Diem felt that he ought to alert all its peoples to the Communist menace as he had come to know it firsthand. But when it became clear that this was not necessary, and that not many in that area had shortwave sets with which to hear, and

that his first job was to get his own country under control, he realized Vietnam did not need a broadcasting station of that size or character, so the plan was canceled, after the towers had been received. It was turned down as a mistaken concept. Does anyone contend that he and ICA should have gone through with it just because it had been started—adding still more waste? But we must keep our eyes on the main fact. Despite some waste and unwise efforts, the program overall is succeeding in what it was designed to do. It has succeeded thus far in every single country where we have given this kind of aid. Not one of them has gone behind the Iron Curtain and without this aid, nobody can deny that a great many of them would have been completely lost already.

This, however, is not the thing I wanted to talk about today. I am sorry for the diversion.

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

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

Mrs. CHURCH. I would say to the gentleman that I have had the pleasure of making several trips with him, two around the world and one to the Far East. I would not take issue with all that the gentleman has said about the value of this aid but I certainly could not agree that the President of South Vietnam apologized and I certainly would not agree that in the years since 1955, the radio towers could not have been used for a smaller but vital radio project. But I am not going to enter into an argument with the gentleman. During our recent trip, a great deal of criticism developed about certain specific projects that the gentleman viewed. I wonder if he would not tell us a word or two about those projects, particularly the one in Laos, that some of us have not had the privilege of seeing.

Mr. JUDD. I think I know the one the gentleman has in mind, and I will describe it, but I must still emphasize that there have been 20 good projects to 1 such bad project.

This is one that made me sick. The amount of money involved was not great, but the principle was inexcusable. When Laos got its independence in 1955, it did not have a currency of its own, it did not have a bank, it did not have a mile of surfaced road, it did not have anyone experienced in foreign trade, it did not have a budget, it did not have any tax system. The French had supported the whole of the armed forces and the police force. Then the French moved out. The country faced almost the most impossible task ever taken on by any people, and wholly unprepared for it.

I may say that the State Department, as the gentlemen from Wisconsin [Mr. ZABLOCKI] will testify, came before our subcommittee on the Far East and said: "We do not know whether the prospects are good enough to justify an effort to save it or not." Buy if you look at the map, you see that Laos is almost as long as the State of Minnesota, pushing down between Vietnam on one side and Burma and Thailand on the other side. If

Laos goes down the whole of southeast Asia soon collapses. We said we thought we had to make an effort. So we tried. Actually, it is astonishing how much progress has been made. Some waste and mistakes were inevitable. But how explain one like this? I wanted to visit a teachers training school in the capital, Vientiane, that we had visited in 1953. There was not a school in the country above the 6th grade, and in that little school we had watched youngsters of 16 or 17 years, just out of the 6th grade, being trained to go out and teach other children up to the 6th grade. I wanted to see it now and to find out how much it had progressed. Well, they are setting up a new teachers' training institute, as we had recommended in 1955 that they do. They have one building already built. The American in charge was very proud of it. It is sensibly built. When he showed me the various classrooms, we came to a classroom with about 40 individual armchairs in it. There were two others like it.

I had seen another school in a Buddhist temple that the Lao were operating themselves. They had tables like you find at picnic places along the highway, with a top of plain boards and then boards on either side to sit on. That is all they ever had at home, except when they sit on their haunches. What more elaborate was needed for Lao right out of the villages?

In these classrooms, believe it or not, they had the best student chairs I have ever seen. I got through college with old wooden seats with an arm on the side on which to take notes, and most of you did the same. But these were the latest model expensive individual chairs from Grand Rapids, Mich. They were made of high grade wood with walnut-finished veneer. They had an adjustable back, the arm was supported by a stainless steel shank and was adjustable so that it could swing around or be moved up and down.

Now, the only way you can get goods to Laos is to ship them by boat to Bangkok, Thailand, and then over a rickety railway some 400 miles to Vientiane. It costs, as I recall, about \$16 a ton freight to get it to Vientiane after it arrives in Bangkok. There is plenty of wood and cheap labor in Laos. Why should anyone send to Grand Rapids, Mich., to get study chairs for students in Laos, that I do not think are surpassed or equaled in a dozen colleges in the United States, pay all that freight on it, and accustom students to using equipment so unlike anything they have ever known, or will have again in their own environment? Why buy unnecessary foreign things that they are not used to, and make them less likely to want to go back to their villages and help their own people? Who asked for such chairs, I do not know. Who approved such a request, I do not know. It is small, but it is significant. I condemn such things as unqualifiedly as anybody can.

But I am not going to let anything draw my focus of attention away from the main things in this program. We are in a war for survival and we have to keep these countries going, if possi-

ble; give them greater capacity to defend their independence. Without this program, most of them do not have a chance.

So this debate today, Mr. Chairman, is not about whether we are to continue the mutual security program. We have got to carry it on. Our whole defense posture is based on the bases and the armed forces around the world, some 4.5 million soldiers, that the program makes possible. It is not this or something better. It is this or nothing. The question is not whether; the question is how—how to make the program more effective and how much is necessary.

I think it has improved enormously in certain areas and in some respects. I was disappointed in other areas that not enough improvement has taken place.

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

Mr. JUDD. I yield to the gentleman from North Carolina.

Mr. JONAS. Will the gentleman give us some examples of the good projects? We have heard a lot of criticism.

Mr. JUDD. Yes; let me give one. The gentleman from Georgia [Mr. PULCHER] spoke of the Joint Commission on Rural Reconstruction—JCRR—in China. I am proud of that, because I was the author of it in title IV of the Marshall Plan Act of 1948. There were three important things in the name itself. First, it is a joint commission. There are three Chinese appointed by the Chinese President and two Americans appointed by the American President. The Chairman is a Chinese. They work things out together. They have to proceed at a place that the Chinese members believe is acceptable and understandable by their people.

They know their own people better than we do. Our members contribute some things which the Chinese members cannot; they contribute some that we cannot. In these 10 years there has never been a single issue on which there was a major split between the three Chinese on one side and the two Americans on the other. Sometimes the two American experts did not agree as to the proper course to follow; and sometimes the Chinese disagreed among themselves. It is a joint operation.

Second, it is rural. That is where 90 percent of the people are—in the country.

Third, it starts with reconstruction. They were demoralized and their society shattered at the end of the war. You cannot go ahead with fancy improvements or reforms until you get a foundation rebuilt on which people feel reasonably at home and secure. They will grow from there.

The result is that after 10 years of work, at relatively little cost, Formosa has become the showcase in the Far East. More aid has gotten to the common people, and they appreciate it. Less has gone into extravagances. There is a smaller gap between the poor and the rich. There is great industry and pride among the people, almost pride in their austerity. They know they are doing a good job. They have self-confidence. They exported something like \$50 million last year more than they

imported. And, if they did not have to maintain, with our approval, some 600,000 men in their armed forces, for the defense not only of Formosa but if necessary, of that whole part of the world, Formosa today would be a self-supporting garden spot. It has become in a few years the second largest producer of sugar in the world, second only to Cuba. There are little clinics in each of the approximately 300 counties, vaccinations against smallpox and other diseases, measures for elimination of rinderpest, control of hog cholera and other animal and plant diseases. Ninety-three percent of the youngsters are in school and good teachers are being trained for them. Fifty percent were illiterate only 10 years ago. This is the kind of pattern that has been outstandingly successful in every sense.

Mention was made of the Shihmen Dam. The Shihmen Dam, already half completed will produce about 80,000 kilowatts of electricity plus irrigation. Its benefit-to-cost ratio is 1.4 to 1. The gentleman from North Carolina is on the Appropriations Committee, and he knows how few of the many projects here at home for which we appropriate money have that high a benefit-to-cost ratio.

I agree that we Americans out there are just as we are at home. We like big things; we want to build monuments; we want enormous and fast development—at the top. Often we have not been willing to get down to the grass roots as we ought to, and as a result we do not go as fast at the top as we could. This is the kind of searching study that your committee tries to make. We want to accomplish more at less cost. The real way to save money is not to cut out the program but to cut the waste out of the program. The way to save is to make the program succeed. We will not be able to do it by cutting funds below the optimum needed. That would be to abandon the world and abandon ourselves. As it succeeds and countries are able to develop, the amount will be reduced, naturally.

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

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

Mr. PASSMAN. Is it not true that, in addition to the bill under consideration, there is \$1,250 million outstanding from last year in an authorization to the Development Loan Fund? And is it not true also that the Foreign Affairs Committee and the Congress last year removed entirely the ceiling on the military assistance program? Therefore, in addition to the bill under consideration the budget is requesting \$2.7 billion that heretofore was carried in this bill, which was authorized last year. So this could be the highest request received in recent years, if they use all of the authorizations that are outstanding. Is that a statement of fact?

Mr. JUDD. That is a statement of fact. And, I myself think that it was right and proper last year to change the policy whereby every year we voted an authorization for the military, and instead put our military assistance to other countries right into competition with

appropriations for our own defense forces. Oftentimes Members would get up and say, "Of course the Pentagon favors military assistance to others as long as it is in addition to funds for our own forces. But if the funds for others should mean less for our own, then they will oppose funds for others. Put the two together and we will find out what they really think about the value of military assistance."

Let me read from page 18 of the report what Secretary of Defense Gates had to say on this:

I know of no more forceful way to emphasize the essential role played by military assistance in assuring the security of this Nation than to cite this fact: Our Joint Chiefs of Staff have recently said, with complete unanimity, that they would not want \$1 added to the defense budget for 1961 if that dollar had to come out of our recommended military assistance program.

Mr. PASSMAN. Mr. Chairman, if the gentleman will yield again, I wish to ask how could this be competitive when the Defense Department administers both programs? It is known that in many instances if the Defense Department overstocks, it disposes of the surplus material through the military assistance phase of the mutual security program. This is done at a price sometimes as much as 200 percent of the original cost, and provides, in effect, a new appropriation for the Department's own use.

Mr. JUDD. The gentleman has had a very great and vast experience with bureaucracies in this Government. The gentleman knows that the Pentagon bureaucracies will take all that they can for themselves, unless they genuinely believe that to get more for their own operations, their own forces, at the expense of foreign aid, would cripple seriously the overall defenses of the United States. When they put foreign aid on a par with funds for our own forces, I am certain that such foreign aid is giving us full value, and is not a waste or giveaway.

Mr. Chairman, I must say just a little, before I conclude, about what I originally intended to discuss. I had hoped to talk about facts and figures in this bill, but I did not get to them. Let me sketch the overall situation in which we find ourselves. Fifteen years ago, at the end of the war, there was chaos and disaster, poverty, and impending collapse in many parts of the world. We concentrated on Europe. That was understandable. It had the greatest potential power. Our ancestors came from there. It also was easier to do. We merely had to restore a wrecked industrial plant; they had the skills. So we started the Marshall plan for Europe and it succeeded.

How many at that time thought that Italy and Greece, Austria, and even France were going to be able to pull through? We put our minds and our resources to it, we developed a fundamentally sound program, although with a lot of waste, to be sure, and we succeeded.

During that period, we tried to disengage ourselves from even more difficult problems elsewhere. We said that we were not going to have any involvement

in China. We withdrew our forces from Korea, inviting the attack we wanted to avoid. We did not make any effort to save Asia, comparable to the efforts in Europe. Then came the Korean attack. We recognized that the loss of Asia would be disastrous, even to our efforts in Europe. So, belatedly, 10 years ago, we started the same kind of program in Asia, adjusted to local conditions there. Well, we are succeeding there too. The corner has been turned in Asia. It is almost unbelievable, to people who have lived there in the past, to see those countries now. Almost without exception they are better off economically; they are better off militarily; they are better off politically. Some are not much more than holding their own and one or two, possibly, have gone back. But, by and large, that whole area, which was in mortal danger of being lost to the Communists, has been saved.

Let me use my hand as a rough map of Asia. China is the palm of the hand. It has 14 fingers, peninsulas and island groups, running out from it from Japan and Korea through Formosa, the Philippines, 6 countries in south Asia and 4 across the southern border of China; Burma, India, Pakistan, Afghanistan.

Mr. Lenin, almost 40 years ago, said that the way to Paris is through Peiping and Calcutta. The Communists did not forget.

Day before yesterday the baseball season opened. To get China for the Communists, was to get on first base. A man runs to first base—in order to get to second base. Second base is the 14 countries around China in which live one-third of the people of the world. That is what the Communists want, and what we must not let them get. China is a deficit country, except for manpower. Where are the great natural resources, the riches of Asia? In these southern peninsulas, where there are tin, oil, rubber, and rice surpluses. What else do they need? They need industry. There it is in the Japan finger. If, in addition to the Chinese manpower and central base, they can get the resources of southeast Asia and the industry of Japan, they will have the greatest potential industrial complex in the world.

What is our foreign policy in Asia trying to accomplish? It is trying to keep Red China from getting to second base. Of course we would like to pick off the man on first base too. Everybody tends to talk about and focus attention on Communist China. We cannot do much about that directly for the present. The main task is, do not let Red China get to second base. He will die on first base eventually, if we do not let him get to second base. The foreign aid program is what has enabled the second base countries to stay free all these years.

If communism gets to second base, does it stop? No; it drives for third base, the Middle East and Europe. And then it heads for home plate, which is, of course, the United States.

This is the overall setting in which we have to consider this program. It is complicated by the fact that since the war 33 new countries have come into being, through the Balkanization of old

empires. These countries are new. Their peoples for the most part are inexperienced in self-government. They do not have a sound or developed economy. They do not have trained defense forces. Illiteracy is high and annual income as low as \$30 per capita. They do not have people trained to administer. We complain about bureaucrats here; but try to run a government without a handful of people who understand taxes, budgeting, and accounting. These 33 countries cannot make it without a lot of friendly advice and assistance, especially technical training and moral support.

In addition to the 33 new countries that have attained independence, 10 old, established countries have lost their independence; mature peoples, with magnificent histories, and traditions, have been absorbed into the Communist empire.

The problem consists, first, of the strength and the unity of the Communists. They know what they want. There is not the slightest evidence that they have deviated a single iota from their planned objective of getting control of the world by one method or another; perhaps I should say by one method and another. Second, is the weakness of all these new countries—mostly in Asia and Africa. And third, is the disunity and division among the older and stronger countries, mostly of the West.

Naturally, the strategy of the Communists is to subvert the weak and divide the strong. Naturally, our policy has to be, Do not let them divide the strong, and do not let them subvert the weak, if we can help it. If we can hold England and Germany and France and Italy and so on, together with Canada and ourselves, we can confront them with military strength that will deter aggression.

How can we keep them from subverting the weak? Help the weak become strong.

This is what the mutual security program is designed to do.

First. Do not let the Communists win any more victories—political, economic, diplomatic, military—that will make them stronger and make others lose faith and confidence in us so they are forced to come to terms with Communist China, for instance.

Second. Do not let them divide the strong, if we can keep their attention focused on essential things.

Third. Help the weak become strong.

Let us work as hard as we can to tighten up, to improve the administration of mutual security, as we have tried to do in the bills of the last 2 years, and as I think we have done in this bill. But, in the midst of the difficulties, do not forget that the program has succeeded thus far in what we set out to do: increase the capacity of people to maintain their own independence and to begin to improve the living conditions of their people.

It has saved us billions of dollars—net. Because without this program we would have had to increase our own Armed Forces to such greater proportions, if we want to live as free men, that it would make the cost of this program seem small by comparison.

It is, indeed, a heavy burden to appropriate \$3 billion or \$4 billion each year for mutual security, but without mutual security our burden would be far heavier. Our choice is not between this and something less costly, it is between this and something more costly. Knock this out or cripple it, and we shall have to increase enormously our own budget for arms here at home, plus American boys to carry and man the weapons.

Overall the program has been brilliantly successful these last 12 years. The patient is stronger fundamentally. Now we have to clean up those organs that have some TB, or cancer, or infection, or paralysis, or wasting away, here and there, so as to make the free world healthier and stronger, until the day comes when the urge of man to be free, within the Communist-dominated countries forces those regimes to make such concessions, or at least to keep so busy at home that they have to give up their dreams and plans of world domination.

Mr. MORGAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Florida [Mr. HALEY].

Mr. HALEY. Mr. Chairman, regardless of the fine speech that the gentleman has just finished I do not think the moneys we poured into the ratholes of Europe and Asia have ever done this country one bit of good. I think this is the poorest program the American people have ever been called upon to subsidize. I have never voted for it. The gentleman has not convinced me.

Mr. Chairman, I rise in opposition to this bill. While I am aware that we are going to again pass a measure approving the pouring of billions of dollars down the drainpipes of foreign nations, I am more confident than ever that when I oppose continuation of this program, I am speaking the will of the people of this country.

I do not believe that the people of the United States favor further extension of the foreign aid program. Certainly they do not favor extension of the authority of the Government to waste their hard-earned tax dollars in boondoggling projects in 73 nations around the world, with no indication that this country is deriving any tangible benefit in the way of what we call—hopefully and wishfully—mutual security.

The mail in my office, from the people of my district on the southwest coast of Florida and from people all over my State, shows that in heavy majority, they are not just unhappy about this foreign aid giveaway. They dislike it, and they want to be rid of it.

I believe that if it were possible to conduct a survey of the mail in the office of every Member of this body—yes—in the offices of Members of the other body also, this survey would show that it is the overwhelming sentiment of the people of the United States—the taxpayers of the United States—that we should abandon the program. I would doubt that there is a Member sitting here today, from whatever district he may come, whose mail on this subject indicates that his constituents favor the bill before us.

For that matter, I would doubt that there is a Member sitting in this House

this afternoon who is himself satisfied with this bill, or with the program it will extend another year. I do not believe that even the most ardent proponents of continuation of foreign aid are satisfied in their hearts with the program as it exists today. I do not believe that the most sincere of my colleagues who favor a permanent foreign aid program believe that the present bill—authorizing extension of a hodgepodge and a mish-mash—in any way guarantees a program which can be of proven benefit to this country, or, for that matter, to the countries which receive this aid.

There is uneasiness in this Congress about this program. It is a justified uneasiness. It is not a whim from the blue. It is an uneasiness which reflects accurately the current of sentiment, I might even say tide of sentiment, which is sweeping strongly over our entire country, as our people—the people to whom we are responsible—realize not just the burden imposed upon them, but the futility of their assumption of this terrific economic load.

I am so thoroughly convinced of the mounting strength of this tide, Mr. Chairman, that I believe that, if a national referendum could be had on the proposal to continue foreign aid, the proposition would not just be defeated, but would be crushingly defeated.

I am so thoroughly convinced that if I were running for membership in this House against an incumbent who voted for this bill, I would base my campaign on that one vote—and would win, hands down. The tone of my mail from my own constituents is such that I would be ashamed to face them if I should vote to extend this program.

I am sorrowfully persuaded that, even though we all know this program is not what the people want and that it is not accomplishing any material good for the Nation, a sufficient number of you will vote to pass the foreign aid bill. But, I warn you, my colleagues on both sides of the aisle, that the time is running out on foreign aid—that if we pass this bill, we may face public reaction so strong that it will sweep some of you out of office.

But if I am swept out of office—and I do not expect to be—it will not be because I voted for this bill. I shall not vote for it. If I did vote for the bill, I would think that was good and sufficient ground for me to vote even against myself, as the representative of my district, in this year's elections.

This bill represents an attempt to fool the people of the United States. I do not blame this on our colleagues on the Foreign Affairs Committee who have labored long and hard to bring out this bill. But what they have produced is essentially the administration's own bill—prepared not by President Eisenhower but by the staff of that somewhat strange and mysterious agency, the International Cooperation Administration, which will be supported and nurtured by this bill. They are the people who are trying to fool the American public.

The report on this bill which has been handed to us would, at one point, lead us to believe that it is an authorization

for only \$1.3 billion to carry forward the foreign aid program. At another point, getting somewhat closer to the truth, we are told that the bill authorizes expenditures of \$4.1 billion. But nowhere are we told the cold, harsh fact that there are billions of dollars in foreign aid funds which do not even appear in this bill—that the amount of foreign aid funds available for the next fiscal year which are not included in the bill actually exceeds the amount which is included.

I am by profession an accountant, and I have reason to believe that I am a pretty good one. Accountants are supposed to be able to understand and ferret out all manner of twisting and juggling of figures—but I say in all candor that I do not believe there is in this country an accountant who could track down all of the money that we are pouring into this cornucopia, this horn of plenty, that we call mutual security. It may be mutual security, but it certainly is not financial security for the United States.

I am confused by the gobbledygook which surrounds this whole program, and I certainly do not think that the people of our country could be other than confused about it. Last year, for instance, we supposedly made available, by appropriation, \$3,225 million for foreign aid. That is what it said in the bill—and that is what the people read in the newspapers.

But what are the facts? The facts are that there was available for foreign aid in the current fiscal year—the year for which we were providing when we took this up last year—a total of \$8,111 million. In other words the appropriation that we approved, the appropriation that was announced to the world, was only 40 percent—less than half than the amount actually available for the foreign aid spenders.

If the foreign aid administrators already have—in what they fancifully call their pipeline but which actually is their checking account at the Treasury—one and a half times as much money as they come up here and tell us they need to operate the program, it would occur to me, that we could reasonably declare a moratorium for a year or a year and a half on any new appropriations at all.

For myself, I wish we would. That is a mutual security program I could support, because we would, for the first time, be getting something by salvage from this monster. I would doubt, however, that we will have the courage and the wisdom to do what I believe all of us know we should do.

Mr. MORGAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. WRIGHT].

Mr. WRIGHT. Mr. Chairman, I want to congratulate the committee on having included the language which appears on pages 10 and 11 of the bill relating to the standards to be used hereafter in determining the feasibility of water resources development programs under the Mutual Security Act.

As the committee may recall, it was 2 years ago, in 1952, that the gentleman from Oklahoma [Mr. EDMONDSON] and I, along with others, proposed an amendment to this effect. That amendment

was adopted by the House but deleted by the Senate.

Unless this provision or something substantially similar appears in the final version of the legislation this year when it comes back to us from the Senate, I do not expect to support the bill at that time.

Like many of you, as I said in 1952 when discussing this particular matter, I have supported this legislation in years past and feel a sense of responsibility to support it again, because I feel that we in the Congress owe something more to the President of the United States than mere carping criticism of his conduct of our international affairs.

I have supported it and feel a continuing sense of responsibility to support it in spite of my own misgivings over certain specific activities carried out under the program and in spite of its unpopularity among many people, because in a world where apparently only the strong may remain free, we need to contribute to the strength of those who sincerely wish to remain free.

Yet there is a complete double standard in the matter of water development projects. There are two entirely different sets of criteria, one for projects in our own country and another for projects which we help finance in foreign lands.

For those who may not be familiar with the language contained in the section to which I refer, it is subsection (2) (b) beginning on page 10 of the bill, and it reads as follows:

(b) All nonmilitary flood control, reclamation and other water and related land resource programs or projects proposed for construction under titles I, II, or III (except sec. 306) of chapter II, under section 400, or under section 451 of this act, shall be examined by qualified engineers, financed under this act, in accordance with the general procedures prescribed in circular A-47 of the Bureau of the Budget, dated December 31, 1952, for flood control, reclamation, and other water and related land resource programs and projects proposed for construction within the continental limits of the United States of America. In all cases the benefits and costs shall be determined, and a copy of the determination shall be submitted to the Speaker of the House of Representatives and the Foreign Relations Committee, and the Appropriations Committee of the Senate. No such program or project shall be undertaken on which the benefits do not exceed the costs and which does not otherwise meet the standards and criteria used in determining the feasibility of flood control, reclamation, and other water and related land resource programs and projects proposed for construction within the continental limits of the United States of America as per circular A-47 of the Bureau of the Budget, dated December 31, 1952.

The purpose of this language is to require flood control, navigation, and water resource developments financed in foreign lands through our mutual security program to comply with the same standards which are so rigidly and inflexibly applied by the administration against domestic flood control, navigation, and water resource developments.

At the present time, there are two yardsticks—as different as night and day. When it comes to our domestic water development needs in the United

States, no matter how big or how small the projects, the Bureau of the Budget imposes an arbitrarily rigid and completely inflexible yardstick.

For 3 years now, since devastating floods ravaged two rather large residential areas in my district, I have been feverishly trying to speed up the long, laborious process through which construction of needed flood control works is authorized. The average time lapse between initial authorization and final construction of projects in the United States is 10 years and 8 months, all because of the painstaking detailed step-by-step procedures required for domestic projects.

When it comes to water developments to be financed in foreign lands, there has been no requirement whatever that they be reported individually to the Congress, no requirement that they measure up to the criteria of economic feasibility, absolutely no report on a benefits-to-costs ratio, and no hard and fast requirement whatever that funds be matched locally where local land enhancement and domestic water benefits accrue.

Each of these requirements has been applied with a vengeance by the Bureau of the Budget against every water resource development proposed in the United States. This all-powerful executive Bureau has assumed to itself the right to overrule the Corps of Army Engineers and the duly delegated committees of this Congress. When it comes to water resource developments in the United States, this appointed agency has enormous power, and the full extent of this power is appreciated when we realize that this Bureau caused the President of the United States twice to veto our rivers and harbors bill, passed by such an overwhelming majority by both Houses of the Congress, for the simple reason that the mature judgment of the Congress differed from the hard and arbitrary yardstick applied by this appointive agency in just 3.6 percent of the total financial authorizations in that bill. On one occasion, such a bill was vetoed, even though the Corps of Engineers had officially approved all but six-tenths of 1 percent of the financial authorizations.

Now, contrast that if you will with the complete flexibility and utter lack of financial accountability to the Congress which has characterized water developments in foreign lands financed under this mutual security program by the International Cooperation Administration. In the previous Congress a subcommittee of the House Committee on Government Operations, under the able chairmanship of our respected colleague the gentleman from Virginia [Mr. HARDY], undertook to make a thoroughgoing study of such projects and made some amazing revelations concerning the absolute lack of any yardstick whatever.

Permit me to read a few comments from the report of that House committee upon the annual budget presentation of the ICA:

The agency possesses almost unlimited flexibility in the transfer of funds. This arises from a combination of the broad authority conferred upon the agency by the

basic mutual security legislation, and the absence of specific details (an outgrowth of the illustrative budget) in the annual appropriation acts. Unless this excessive flexibility is curbed, improvement in the mechanics of the budget presentation alone would not assure the Congress that the programs and projects listed therein would be carried out.

Obviously, when these various programs are lumped together into a single package, the ultimate result can be nothing but confusion. Undoubtedly, many of the programs undertaken by the ICA are wholly justifiable from an economic standpoint. Many of them probably are. Perhaps even all of them are. But the point is that it has been utterly impossible for the Congress of the United States to examine the budget presentation of the ICA and to know anything whatever of the economic feasibility of the individual projects therein contemplated.

Our task in attempting to understand and to justify these expenditures is made the more difficult by the practice of this agency in presenting a pure illustrative budget. There is no requirement, as there is in our domestic public works program, that we list the individual projects. Instead, the ICA simply sets forth various activities and types of activities as merely illustrative of the kind of program it intends to carry out.

The lack of congressional control of these funds, indeed the lack of congressional identification of the individual projects contemplated, becomes startlingly apparent. Not only does the ICA operate under the cloak of vagueness, but it enjoys almost unlimited freedom to change its course in midstream, to alter during a fiscal year the direction of its programs, to transfer funds from one project to another, from one country to another, and indeed from one basic type of activity to another.

I should like to quote at this point from the fifth report by the House Committee on Government Operations entitled "Review of the Budget Formulation and Presentation Practices of the International Cooperation Administration":

Because of the broad authorities conferred upon the agency in the basic mutual security legislation, and since its appropriations are not made on a country or project basis, ICA is not legally bound to hold to the country programs or levels of aid proposed. For example, so long as the funds appropriated for the category "Development assistance" are used for that general purpose, the director can decide not to pursue any of the country programs presented to the Congress, and embark on entirely new programs in a different set of countries. If such new programs cannot be financed entirely from funds available within the appropriate category, ICA can invoke an unusual statutory authority which, within a very broad range, empowers the President to transfer funds between categories (for example, from development assistance to defense support), whenever he considers it necessary to do so in order to meet emergency situations which might arise.

Since such emergencies are frequent, ICA has made it a practice to hold appropriated funds in reserve to meet them. Substantial amounts of funds appropriated on the basis of specific programs are thus immobilized.

These funds, when not used for the contingencies for which they were reserved, are released for hasty programing late in the fiscal year for which they were appropriated. This has a deterring effect on the orderly and expeditious use of funds and a retarding effect on advance program planning.

Moreover, the committee concluded that:

With respect to foreign-aid projects, the budget presentation lacks information on such significant items as the total estimated cost, length of time required for completion, recipient country contributions expected and received, and reasons for delays in execution.

Mr. Chairman, I realize that there must be some flexibility in the administration of the mutual security program if it is to be effective. I know that we must be able to take advantage quickly of situations which suddenly and unexpectedly develop in foreign lands. I realize that we cannot in justice to our own national self-interest handcuff ourselves to a completely inflexible position, and that it is impossible to foresee 12 months ahead exactly what the exigencies of the international situation may be.

I do have the strong feeling, however, that the American people and the American Congress need to understand much more clearly exactly where it is proposed that these dollars will be spent, particularly with regard to development of the economies of foreign nations. This type of development, as characterized by the development of water resources, is not a sudden, hit-or-miss type of undertaking. And it is the height of inconsistency for us to handcuff ourselves to such a completely hidebound and wholly unyielding set of criteria in regard to the development of our own latent resources while having no specific knowledge whatever of the nature or the direction of the proposed developments of an identical character for which we are authorizing expenditures in foreign lands.

For these reasons, I congratulate the committee on having incorporated this language in the bill, substantially as it was suggested by the gentleman from Oklahoma and myself 2 years ago, and I should like to reiterate that, unless the other body sees fit to retain this language in the final bill, it would not be my intention to support it.

Mr. MORGAN. Mr. Chairman, I yield 10 minutes to the gentleman from Connecticut [Mr. BOWLES].

Mr. BOWLES. Mr. Chairman, I rise in strong support of the mutual security legislation. In doing so I realize that mistakes have been made. Indeed, as I listened to the long parade of stories about the mutual security bill I was reminded of the days when I held the Office of Price Administrator and had to hear a similar parade of stories about the OPA. Many were true but after all the complaints were aired, we realized that OPA was still a basic and indispensable program as long as there was a war. As a result, it always had the full support of this Congress.

Similarly, we are discussing a program here today where mistakes are easy to point out. There are obviously too many of them, and they should have

been, and must be, corrected. But that fact should not blind us to the major questions with which we are dealing.

I think one reason there is a great deal of confusion about this program is the fact we have been given superficial short-run reasons for what must be a broad, long-term program. Indeed, I am confident that it has been the absence of effective leadership in the field of foreign aid during the past few years which has led to the doubts and confusion which now exist.

Time after time the administration has taken the easiest way out. It has "sold" or attempted to "sell" its annual foreign aid program with the wrong reasons and with an inadequate presentation.

We have been told that foreign aid is needed as long as the Communist menace exists—an argument which demeans our own motives and which fails to recognize that the problems of economic growth, social betterment, and human dignity would be the problems of the 20th century throughout the underdeveloped areas of the world even if Karl Marx had never lived.

We have been told that foreign aid is needed to win friends and influence people to vote on our side at the United Nations or to stick with us in fragile alliances—an argument which neglects the fact that genuine friends cannot be purchased nor can reliable loyalties be based on such shallow grounds.

We have been told that special attention in our aid program should be given to those countries which have the largest local Communist minorities, but this turns a local Communist minority into a natural resource like petroleum or uranium: if you have some Communists, you can get money from us, and if you do not have any Communists, you cannot expect any money.

It is no wonder that Mr. Khrushchev went to Burma and said:

You should thank us Russians not only for the aid that we give you, but also thank us for the aid the Americans give you because they themselves say that they would not give you this aid if it was not for us Russians.

We have been told that foreign aid is necessary because hungry people once fed will become stalwart supporters of the status quo—an argument which ignores the fact that better fed people in underdeveloped countries may become even more interested in upsetting the status quo unless they are given a sense of participation, identification, and belonging in the context of the societies in which they live.

It is inadequate appeals such as these which have helped to erode our foreign aid program. It has been the failure of our leadership and not the blindness of the American people which has fostered our uncertain attitudes toward foreign aid.

The situation today, more than ever, calls for leadership from the President to clarify America's stake in foreign aid and to expound our real position in connection with this program.

In foreign aid, as in foreign policy, generally, we have one central overriding

objective, the creation and maintenance all over the non-Communist world of free societies dedicated to providing growing opportunities for their own people to make their own decisions in determining their own future.

This is the objective which should be stated and restated as the generating motive of American policy: we stand for giving people everywhere the chance to make their own choices. I think the record shows clearly that when people have this chance, they will almost always choose the free way.

There is no evidence yet that any people really prefer communism. People become Communists because they feel forced into it. They become frustrated. They feel there is no other answer. I think it is very important that we remember the vital reasons for our foreign aid effort—to give people the chance to make their own choice.

I would like to refer to the contest between Communist China and democratic India, about which we hear so much. I think this contest illustrates some of our problems in dealing with our foreign aid program.

In China you have a totalitarian government. You have a tremendously dynamic people—650 million of them—crowded in an area with too few natural resources and with militarily soft neighbors on several sides.

This is a classic situation making for aggression. This was the basis of Japanese aggression—too many people, inadequate resources, and soft neighbors. It also was the basis for the aggression of Nazi Germany. There were the same factors—to many people, not enough resources, soft neighbors, and totalitarian leadership.

China has this very situation. Because of her totalitarian government, China is able to save something like 22 percent of her gross national product. This means she can put 22 percent of all the goods and services that she produces back into building up the future of China.

China only consumes about 78 percent of what she produces. On this basis, many people say that China by the year 1970 may be the third industrial nation in the world. China threatens all of Asia just as the gentleman from Minnesota has pointed out.

Over the long haul, the only possible balance to China in Asia is likely to be India.

India through democracy naturally wants to give here people a better and bigger break. India can only save about 8 percent of her gross national product. On that basis, saving only 8 percent for reinvestment against China's 22 percent, India is bound to fall behind, disastrously behind, unless we are prepared to help.

Too many of us are inclined to think, I believe, that these people are not doing enough to help themselves. Let me mention just two examples with which I am personally familiar.

The Bakhra-Nangal Dam in India is the highest dam in the world. It will irrigate some 10 million acres in the northwestern part of India. It will produce 1½ million kilowatt-hours of

electricity. Not one single American dollar and not one single pound sterling has gone into developing that dam. It has all been done through and by Indian resources, earned in the markets of the world by selling Indian products. This is one of the biggest dams in the world. It is a totally indigenous development and accomplishment as far as capital is concerned. An American engineer, Harvey Slocum, had a great deal to do with it. He is paid \$100,000 a year by the Indian Government for his services.

Let me also mention the whole development program in Indian villages. Today three-fourths of the Indian villages have a rural extension program quite similar to our program. It is not nearly as fully developed, of course, but events are moving rapidly to bring a better life to the Indian villages. These developments, too, are almost totally Indian in makeup, organization, and finance.

But the 400 million people of India need help just as other nations need help. They must have it if they are not going to be frustrated and forced to take the totalitarian shortcut—a prospect which would lead us Americans into growing isolation in the struggle with communism.

Inevitably we do many things which are necessarily negative. Most of the things we do around the world have become to a large extent expedient.

There are only a few programs that are vitally creative and constructive. One is the educational and cultural exchange program. Another is the technical assistance program. But most important of all these programs is the development loan program.

There is much criticism of the Development Loan Fund and some of it is justified. But basically I think the DLF is fundamental to building the kind of world we would like to see.

Finally, let me refer to the timidity of those of us who say we cannot afford to do in these coming years the things that clearly we must do. I respectfully disagree with their premise.

America has a gross national production of \$500 billion. We are allied with Western Europe with \$280 billion more. Opposing us is the Soviet Union, with some \$220 billion. If they can afford to move out and maneuver positively in behalf of world communism, certainly we can afford to meet that challenge head-on in behalf of the dignity of man.

I simply cannot accept the recurrent assumption which we hear one day on the floor of this House and the next day from a presidential press conference that foreign aid is an unpopular and politically vulnerable program. Not only the confirmed opponents of foreign aid reiterate this point, but many of the most important and dedicated champions of mutual security seem to operate on this same assumption.

I take strong exception to this proposition. I am impressed with the fact that this is a presidential year and yet there seems to be no temptation for any candidate in either party to adopt an anti-foreign-aid position. I feel completely confident that if a sizable seg-

ment of American public opinion was unalterably opposed either in principle or in practice to the concept of foreign aid, one of the aspirants for presidential nomination would surely consider it to be politically profitable for him to espouse this view.

Instead, there is a remarkable degree of unanimity of opinion on foreign aid among all of the declared candidates and the undeclared possibilities for the presidential nomination.

Both Mr. Nixon and Mr. Rockefeller are on record repeatedly favoring not only the maintenance of the present scale and size of our foreign aid program, but an increase in the scope and effectiveness of this program.

All of the Democratic possibilities—Senators KENNEDY, HUMPHREY, SYMINGTON, and JOHNSON, as well as Governor Stevenson—are likewise fully committed to the importance of foreign aid. Many of these gentlemen have been instrumental in improving the focus and direction of foreign aid over the years. Many of them have proposed new and constructive changes in the foreign aid program with vigor and imagination.

It is hard for me to believe that the leading contenders for the presidential nomination are underestimating the American people. On the contrary, I am sure that they recognize what most other thoughtful observers recognize—that the American people are waiting for leadership, waiting to be challenged.

The thoughtful Members of this body, Republicans and Democrats alike, know that just because this is an election year we have no reason to think that we can afford to take a year off from world affairs. We know that next year our new President, whoever he may be, is likely to stand before us seeking—and justly so—an expansion and a reinvigoration of this concept which is so basic to all of us in the non-Communist world: mutual security.

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

Mr. BENTLEY. Mr. Chairman, during the 8 years I have been a Member of the House of Representatives, and also a member of the House Committee on Foreign Affairs, I have lived with this mutual security program at considerable length. This will be the last year I will be appearing in the well of the House to speak on mutual security legislation. I shall miss mutual security legislation in the House very much. I shall miss service on the Foreign Affairs Committee, the members of which committee have all been more than helpful to me. I want to express my deep appreciation to them.

In the 8 years I have been a committee member, this is one of the first years that I have not collaborated in signing the minority views on the committee report. Instead I have offered supplemental views of my own, and, to those who may be interested, they can be found on page 107. The reason I did that was because I felt that the program, although to my way of thinking is still perhaps deficient in certain respects, it has been greatly improved to the point where I could lend it some degree of support.

I feel strongly that the entire program, which, of course, is the basic legislation, the Mutual Security Act of 1954, as amended, is overdue for review. I raised the question in the committee a year ago. Early this year I introduced legislation of my own which would, had it been adopted by the committee, have provided for such a thorough study by our committee. Unfortunately, I suppose the time element of the present session was partly to blame, the committee did not feel able to undertake the research at this time, although I understand certain commitments have been made with respect to such review and study this coming year.

I still would like to see such a review and study of the overall program made this year. For that reason I voted against reporting this bill, H.R. 11510, out of committee, and if a straight recommittal motion to send it back to the committee for further study is offered I will feel compelled to support the motion. Should that motion not prevail, I, however, will vote for the passage of this legislation, even though, as I say, there are certain aspects of it that seriously disturb me. Two particular aspects in that respect I would like to dwell on for a few moments, because to me they represent serious deficiencies in what is a program that has great room for improvement but has generally greatly improved over the past several years. I believe in the trend from grants to loans in the field of economic assistance. Credit is due to our committee and other committees of the House with respect to improvement in the administration of the program, an improvement which I certainly hope to see continue in the forthcoming year.

Two areas have concerned me, especially the field of military assistance. Actually, Mr. Chairman, we are not dealing with military assistance here in discussing this bill today. As members of the committee will recall, last year in conference the House conferees agreed to a provision which would provide for an open-end authorization for military assistance for fiscal 1960, 1961, and 1962. Fiscal 1961, of course, is the fiscal year ahead of us. It is the second of those 3 years of open-end military authorization. The third year will still be forthcoming. I will say that it is my intention when the bill is read for amendment to offer an amendment to terminate that open end authorization after fiscal 1961, and to require the Executive to come before our committee next year and seek a new authorization for military expenditures.

The thing that concerns me about military expenditures in the very substantial sums of money that are being spent in various parts of the world for the support and maintenance of certain armed forces in those areas. I hesitate to designate the type of armed forces there are in certain parts of the world as conventional armed forces, whether they are army, or navy, or air force. That is a controversial subject.

Further, there is military assistance going into areas which is in excess of the ability of those areas to use but which has

been sent for other reasons than internal security, or regional, or world defense.

I imagine many members of the committee have probably not had time or opportunity to study the hearings before our committee on this legislation, but the hearings, of course, are available. They are very voluminous, some 1,200 pages, 1,100 pages, give or take a few, and, of course, it is impossible for the average member to completely absorb those facts and figures and details in the limited amount of time that has elapsed since the hearings were printed. But I would seriously recommend to anybody who wants to know something about this program, not only currently, but over the past several years, to turn to pages 114 and 115 of the hearings, because on those two pages are listed with respect to the military assistance program the total value of the programs and deliveries through the previous years from 1950 to fiscal 1960 by area and country. I think this is the first time we have ever had an opportunity to break down by amounts military expenditures, and by countries, since I can recall. There may be a question as to whether or not these figures should or should not be released, but they were released by the executive branch, and they are included in the hearings, and those people who are interested in making a study of the military assistance can now do so by the information furnished on pages 114 and 115 of the hearings.

It might be interesting to recall that during the fiscal years 1950 to 1959 we spent on programs and deliveries, on a worldwide basis a total amount of just a little over \$26 billion.

This was broken down: Europe had \$13.5 billion. I think probably most of that military assistance to Europe was justified. Those armies are providing a very substantial part of our defense in the NATO area of Western Europe. So I would not begrudge in most respects where the money has been used in Western Europe.

With respect to the Far East, many of the countries in the Far East such as Vietnam and Korea, being on the periphery of Communist Asia, a total amount of \$6 billion have been expended between fiscal 1950 and fiscal 1959. I think that in many cases, perhaps not in all, this aid was also justified to a certain extent.

Now, we turn to three other areas which are listed in these charts. In the Near East and South Asia we find a total expenditure for military purposes of \$3,769 million. Again in certain areas, such as Greece and Turkey, I believe that much of this money could be justified. But I question figures such as the \$49 million for Iraq. I am afraid we are not getting much return on that now. There is a figure of \$12.5 million for Jordan, a figure of \$7.5 million for Lebanon, an unknown figure for Saudi Arabia, which is listed here under a half-billion dollars of undistributed funds.

I question the value of all those amounts.

I also question figures for certain countries in Latin America. Take the figure of \$16.5 million which we have sent to Cuba in the past few years. How much return are we getting?

I am not going to take the time to review all of these figures. They are available to the Members if they want to take the trouble to look at the hearings. But particularly with respect to Latin America and also the \$48.5 million which has been spent in Africa, which areas are not threatened by international communism, I seriously question whether or not a similar amount in economic assistance would not be more desirable, raising the living standards of those people, in place of the large amounts of military aid which I am sorry to report have not been wisely spent. There are certain instances where this money was spent for reasons of internal prestige of this country or that ruler, as I say, reasons completely unrelated to either military security or regional or hemispheric defense.

The other part of the mutual security program which does concern me very much is with respect to the amount of local or soft currencies which we have been creating not only through this program but through other programs during the past several years. It must be pointed out that the mutual security program while responsible for part of the administration of soft currencies or local currencies is not responsible for all of them. According to the testimony of executive witnesses certain examples of soft currency creation which are not under the supervision of the mutual security program, are things like the Cooley amendment funds, section 104, administered by the Export-Import Bank; funds involved in sales agreements; U.S. funds covering Fulbright grants; building and operations and general expenses of the Government. Nevertheless, the mutual security program does have a responsibility for a large part of the foreign currencies which are created abroad, including those created under Public Law 480.

I stated in my supplemental views that I regret the fact that the Foreign Affairs Committee does not have more jurisdiction over the programs which are responsible for many of these currencies. The reason I say that is because I seriously fear we are in certain cases creating local currencies in such an amount that not only are they far beyond the possible absorption capacity of those countries in the near future, but they also by their presence there tend to stimulate and create inflation in those areas which is the last thing we want.

In the presentation books which we have on the committee tables, for local currency balances which are controlled by the mutual security program as of last June 30th, we have a total amount unexpended as of last June 30th of \$1,763,788,000 equivalent in local currencies, which, as I said at the end of the last fiscal year, remain completely unexpended, unused, lying around various parts of the world. Now, I seriously question programs which go to build up these soft currencies, and we have apparently been unable to think of ways adequate for their expenditure.

Mr. Chairman, as I said earlier, there are still serious shortcomings in this program. There are serious deficiencies. All of us, I think, want to improve

the program. All of us, I think, who are realistic know that the concept of the program is here to stay regardless of the administration in power after the November elections. Both political parties are committed to this concept. But, I think, to be realistic, we should endeavor to cut out waste and inefficiency wherever possible. We should try to work out means to improve and work for its betterment. And, if we are realistic, I think we have to realize that this program is going to be a part of our foreign policy for some time, and therefore it behooves all of us, people like myself, who have opposed this program, to plead for a review of the program and perhaps to review in some respects their own prior commitments and support the program but at the same time endeavor strongly to point out its shortcomings, its weaknesses, and its deficiencies and work where we can to improve it and strengthen it, because thereby we will be improving our own foreign policy program, which I think we all devoutly hope and pray for.

Mr. Chairman, I very much appreciate the courtesy to speak at this time, because I have a prior commitment I made, but I do intend to be here tomorrow to offer a few amendments to strengthen the program. I particularly appreciate the courtesy of our minority Member, the gentlewoman from Ohio [Mrs. BOLTON] for giving me this time to make these few remarks about the program.

Mr. CURTIS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BENTLEY. I yield to the gentleman from Massachusetts.

Mr. CURTIS of Massachusetts. Just to keep the record straight and emphasize something which the gentleman said, I call attention to the fact that he spent most of his time criticizing the military aid part of this program. Will the gentleman agree that anything that he said on that subject has nothing to do with whether we should approve this particular bill or not, because there is no authorization in this bill for any military aid?

Mr. BENTLEY. I understand, and I pointed out when I made my earlier remarks—perhaps the gentleman did not listen to me—that I intended to offer an amendment to terminate the open end authorization at the end of the current fiscal year.

Mr. CURTIS of Massachusetts. The other point which the gentleman emphasized was the generation of local currency in large amounts. I want to ask the gentleman if most of that does not come from the Public Law 480, 83d Congress, program, which is not within the jurisdiction of the Committee on Foreign Affairs?

Mr. BENTLEY. I certainly agree with the gentleman, but the expenditure of local currency generated by Public Law 480 funds is within the jurisdiction of the mutual security program. So I feel, of course, it is a relative topic to discuss.

Mr. CURTIS of Massachusetts. I thank the gentleman.

Mr. MORGAN. Mr. Chairman, I yield such time as he may desire to the gentle-

man from South Carolina [Mr. HEMPHILL].

Mr. HEMPHILL. Mr. Chairman, when I awoke Tuesday morning and heard on the radio of the rioting and shooting in Korea, I immediately thought of the Mutual Security Administration bill the American taxpayer is going to be saddled with again. I wondered how much American tax money was used in the shooting of opponents to Syngman Rhee who want nothing more than free elections, and deserve nothing less. Where are our friends in Korea and who are our friends?

Syngman Rhee is not our friend. No man who claims the association and support of the American people could deny his people free elections and claim that helped America, much less his own country. If he were really our friend he would show the world that that friendship incited and inspired free elections as the political vehicle in Korea, even if it meant the defeat of Syngman Rhee. No, Syngman Rhee loves only Syngman Rhee, and endorses any hypocrisy to make sure the United States is misled into thinking him a friend.

I greatly admire the people of Korea. They deserve much praise and I wish them well. I wish for them democracy, freedom, prosperity, and happiness. I believe in our country helping them in many ways, but I do not believe we are helping Korea by supporting Syngman Rhee. I believe we are doing the people of Korea a disservice.

Now, some might say that I should not speak as I am not an expert in foreign affairs, much less in Korea. Well, I have been up here 4 years and every expert I have seen is a brainwashed, timid soul. I am an expert on the fact that the people of my district are sick and tired of being taxed for a foreign policy program which has not worked, is not working, and will not work.

Is South Korea to be another Cuba? Why did we not learn the lesson of Batista? I wonder if the hungry of South Korea blame the United States like the hungry of Cuba are being taught to do?

What about Trujillo? Is he doing us any good? I fail to believe he is, he can, or he will.

No my friends, the world knows you cannot buy friends—that is, all the world except the U.S. State Department, and those who champion its pattern of paternity for every nation which has brought about the accelerating decline of American prestige all over the world.

Meanwhile, we spend, and spend, and spend. We continue the patronage of the "Ugly American" all over the world, the most wasteful bureaucracy in the history of the modern world. The riders of the diplomatic cocktail circuits abroad do us daily harm. We have not won a major, or minor, diplomatic victory in the last decade. We have bought trouble for our generation and unjust debt for those to come after us.

We have so few real friends. We interfered in Suez, where we had no business. We thus doublecrossed our long-time friends, France and Britain, alienated or angered most of the Arab world,

and angered the Jews. I have heard a little rumor that we pleased some mighty big oil folks that way, that greed had a hand, a stronger hand than diplomacy, a stronger hand than the best interest of the people of the United States.

Then is our foreign policy based on greed? Are certain special interests dictating the terms every year, saying what shall be contained in the so-called mutual security legislation? Mutual security—what a misnomer. Is there any security in losing friends and losing face, more and more, year after year? Is there any security in the gradual loss of hope by the enslaved peoples of the world, such as the Hungarians?

Then, who does this spending benefit? Surely it does not benefit the peoples of the countries, else we would arouse some real friendship. And if it benefits the dictators of the world, can the American people afford the enmity of all those who hate the dictators? Can we afford the spending and the hate? Surely we have the hate, and it is largely our fault.

You know how it is. Your enemies can call you names and say all manner of mean things about you and it does not hurt much. People expect your enemies to run you down. But do some fool or ridiculous or wrongful act yourself and you are judged by that. So it is with the world today. We are in trouble because of what Americans have been doing. The Communists just sit back, spend little, and laugh at our mistakes.

Not one nickel of foreign aid should be voted until this program is revised and reformed to make it honest; maybe then I could vote for it. I would like to substitute consideration for our Latin and South American friends for others who are generating hatred for and suspicion of the American people and their Government.

All of my friends who have been abroad tell me we have few friends there.

No; our mutual security program is a program of retreat, retreat from security, retreat from common sense, retreat from world position. If we are losing—and the Communist gain is our loss—then why continue a program that is a losing proposition? It does not make sense and it is wrong.

I am opposed to further wasting the money of the American people in this program of waste, foolishness, and corruption. I shall vote against this legislation.

I thank the very distinguished and able chairman of the committee for yielding this time to me.

Mr. MORGAN. Mr. Chairman, I yield 8 minutes to the gentleman from New York [Mr. FARBSTEIN].

Mr. FARBSTEIN. Mr. Chairman, I have listened with great interest to some of the statements made here today, especially the criticisms that we heard about the mutual security program. Now, there is no doubt that so long as humans are made of flesh and blood, just so long will there be mistakes. When the millennium arrives, then no longer will we be concerned about the errors that were performed and perhaps will be performed until the end of time. But, I

say, let us not burn down the house to get a mouse.

Mr. Chairman, I wonder if those of us who oppose the mutual security program are aware that the Soviet Union's foreign aid program for underdeveloped countries, which is 5 years old, is now beginning to undertake substantial commitments and make great strides. Originally only a small number of major political targets were aimed at by Khrushchev, but now he is going to town. During January and February of this year the Soviets signed agreements extending \$694.4 millions in easy credits to five countries—the United Arab Republic, Indonesia, Cuba, Guinea, and Afghanistan. Where the Soviets have loaned or granted for economic and military purposes over \$3 billion to 20 countries since 1955, they have granted almost three-fourths of a billion the first 2 months of this year.

Aid extended from the China-Soviet bloc as a whole—\$740 million from eastern European satellites and \$140 million from Red China—is now about \$4 billion. Small compared to the \$32 billion we have provided in the way of military and economic assistance since 1948; but our assistance has been scattered among 55 countries and, with the newly emerging countries of Africa, will be spread even further.

In January and February 1960, \$287 million was loaned to Egypt's Nasser for the second stage of the Aswan Dam, \$250 million to Indonesia, \$100 million to Castro's Cuba, \$22.4 million for Afghanistan, \$35 million for the Guinean Republic. Last summer Ethiopia got a credit of \$100 million.

In the face of the foregoing, how can we even consider denying or reducing further assistance to our needy friends?

In our battle for the minds of men let us not forget that the contest will be determined in the uncommitted, underdeveloped areas of the world—Asia, the Middle East, Africa, and Latin America. The economy and the well-being of the underdeveloped nations must be built up. They must also be convinced that our way of life is best. Let us not now lose the gains we are making throughout the world and especially in Asia. As reported by visitors to Asia, the tide is turning in our favor due, in part, to Communist policies and actions—by Peiping and Moscow.

At this point, I would like to quote the findings of Ernest K. Lindley, a well-known writer, whom I had the pleasure of listening to while he testified before the Committee on Foreign Affairs. I believe that what he writes about Asia pretty much applies throughout the underdeveloped world:

The turn of the tide is due in considerable part to Communist policies and actions—by Peiping, Moscow, and local Communist leaders. Among the most important:

1. The suppression of Tibetan autonomy in violation of Peiping's public pledges and Chou En-lai's personal assurances to Nehru. This has had its sharpest impact in Indian and the Buddhist nations of southeast Asia.

2. The Chinese commune system, with its ruthless regimentation and assault on the family. This has cooled enthusiasm for the New China among the overseas Chinese

who are important minorities in every south-east Asian nation. It has also opened the eyes of many other Asians who formerly tended to regard Chinese communism as a possibly acceptable short cut to industrialization and a better economic future.

3. Growing realization that Peiping's boasts of enormous economic gains last year were wildly exaggerated. This is underscored by Peiping's backtracking now—in modifying some of the extreme commune features and abandoning the vaunted backyard steel production. (It would be a grave mistake though, to underrate Communist China's overall industrial advance.)

4. Failure of the Communist assault on the offshore islands last year. This deflated several myths about the Red Chinese.

5. The Communist threat to Iraq, which alarmed the Arab world, shifted Nasser's line, and now seems to have aroused el-Kassem.

6. The conduct of local Communists where they achieved power—as in Kerala and in the Cabinet of Ceylon—and obviously menacing internal Communist gains in such countries as Laos, Burma, and Indonesia.

7. Moscow's suppression of the Hungarian revolt and the subsequent execution of Nagy.

8. Many smaller incidents, such as the Soviet defections in Burma.

All these have had their impact on Asian opinion, but the United States, too, is partly responsible for the turn of the tide.

The favorable turn of the tide in free Asia is not due exclusively to reaction against the Communist policies and deeds. Side by side with more realism about the Communists there is better understanding of American purposes and, more widely than before, friendly attitudes toward us. This is due, Mr. Lindley says, in part to:

Time and experience having gradually convinced many doubting Asians that American policy really is anti-imperial, that it sincerely seeks to help the free peoples of Asia preserve their independence and achieve a better life. Most Asian governments now want the help of American private capital and management, although not all have taken the steps necessary to attract them.

Our policy of extending economic and technical aid, with no political strings attached, to the neutralist countries has improved their attitude toward us.

Year by year, there are more Asians who have had part of their education or training in the United States or under American guidance in their own countries. There are now scores of thousands of them—military officers, public health experts, agricultural specialists, teachers, all manner of occupations. Overwhelmingly—a few go sour—they are friendly to us and give others a sympathetic view of America.

With the passage of time and the completion of some projects which took several years, the results of our economic aid program are more visible and more widely appreciated. We have made mistakes but overall our aid program is a success.

Our defensive alliances and military aid program have helped to generate confidence and stability, especially in the frontline countries. Generally there is a good, comradely relationship between Asian officers and the Americans who work with them. SEATO is increasingly valued even in some of the nations which for various reasons have not joined.

We further reassured our friends by two actions last year: Sending troops into Lebanon and supporting Nationalist China in the Red assault on the offshore islands. Our Asian allies sometimes wonder whether we will come when needed. Evidence that we will, bolsters them. They find reassurance

also in the SEATO military exercises, in which Western forces take part.

Our refusal to recognize the Peiping regime is paying better dividends, now that the commune system and Tibet have shocked so many formerly neutralist Asians.

Many more individual Americans and Asians have come to know and like each other. Most Asians like American informality. Americans find that most Asians, when approached as equals and in a friendly way, respond cordially. Gradually we have built up a corps of people who understand the various Asian peoples and have won their confidence. Officially we are well represented. We have sent some misfits in the past and undoubtedly have some in Asia now. But on this last tour I encountered only a few and they were in minor posts.

It is time to discard the ugly fiction that we have bungled in Asia. We have made mistakes but, on the whole, our policies are sound, reasonably well executed, and productive of heartening results.

We should continue aiding our friends who are in need of assistance for reasons other than political. A healthy well-fed, well-housed man thinks not only of food and shelter; he thinks of some of the better things of life. He will not think of clothes and some of the other comforts of existence when he has need for food and shelter. So let us feed him, saving thereby storage costs for agricultural products. When the economy of his country is built up, work may be found for the individual. When he earns some money he may find need for products we manufacture.

It is simple economics; by assisting the people of the countries that are developing we can make good customers for our products. How can the representative of a state manufacturing X products that benefits from the sale of those products throughout the world possibly be against a bill that will help build up a country to want more X products?

How can we better create a climate where a demand will be created for our products than to so conduct our foreign policy that economic progress can be promoted back in the countries who receive our assistance as well as in our own country. How better can we exhibit our desire not to resist the revolution of rising expectations of people than to assist them in finding a better way of life?

H.R. 11510 should prevail.

Mrs. BOLTON. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, I rise to support the mutual security program this year, as I have in past years. I am glad to note the decrease in the appropriations requested, and wish to compliment the International Cooperation Administration on the management steps it has taken for efficiency.

In support of my position favoring this legislation I quote from the message of February 16, 1960, from the President of the United States relative to the mutual security program, wherein he points out the real need for the program:

A year ago in my message to the Congress on the mutual security program, I described it as both essential to our security and important to our prosperity. Pointing out that our expenditures for mutual security are fully as important to our national defense as expenditures for our own forces, I stated that the mutual security program is not only

grounded in our deepest self-interest but springs from the idealism of the American people which is the true foundation of our greatness. It rests upon five fundamental propositions:

- (1) That peace is a matter of vital concern to all mankind.
- (2) That to keep the peace, the free world must remain defensively strong.
- (3) That the achievement of a peace which is just depends upon promoting a rate of world economic progress, particularly among the peoples of the less developed nations, which will inspire hope for fulfillment of their aspirations.
- (4) That the maintenance of the defensive strength of the free world, and help to the less developed, but determined and hard-working, nations to achieve a reasonable rate of economic growth are a common responsibility of the free world community.
- (5) That the United States cannot shirk its responsibility to cooperate with all other free nations in this regard.

It is my firm conviction that there are only a few in the United States who would deny the validity of these propositions. The overwhelming support of the vast majority of our citizens leads us inexorably to mutual security as a fixed national policy.

The mutual security program is a program essential to peace. The accomplishments of the mutual security program in helping to meet the many challenges in the mid-20th century place it among the foremost of the great programs of American history. Without them the map of the world would be vastly different today. The mutual security program and its predecessors have been an indispensable contributor to the present fact that Greece, Turkey, Iran, Laos, Vietnam, Korea, and Taiwan, and many nations of Western Europe, to mention only part, remain the homes of freemen.

The mutual security program is a program essential to world progress in freedom. In addition to its mutual defense aspects, it also is the American part of a cooperative effort on the part of freemen to raise the standards of living of millions of human beings from bases which are intolerably low, bases incompatible with human dignity and freedom.

Equally with military security, economic development is a common necessity and a common responsibility. An investment in the development of one part of the free world is an investment in the development of it all. Our welfare, and the welfare of all freemen, cannot be divided—we are dependent one on the other. It is for each of us, the strong and the weak, the developed and the less developed, to join in the great effort to bring forth for all men the opportunity for a rewarding existence in freedom and in peace. World economic expansion and increase in trade will bring about increased prosperity for each free world nation.

For the total mutual security program I ask \$4.175 billion. The need for these amounts has been examined and reexamined with great care in the executive branch. I am entirely satisfied that the needs for which funds are sought are needs which must be met and that the funds sought are the most reasonable estimates of requirements we can produce. There is no question but that the Nation can afford the expenditures involved; I am certain we cannot afford to ignore the needs for which they are required.

I quote from the testimony of Hon. Thomas S. Gates, Jr., our competent and able U.S. Secretary of Defense, when he appeared before the Foreign

Affairs Committee on Tuesday, February 23, 1960. I call special attention to the emphasis he has placed on the security aspect of this program for the United States and the free world:

At that time I indicated that this budget of \$43 billion would provide for a U.S. military structure of approximately 2½ million men. I now emphasize to you that the \$2 billion included therein for military assistance will facilitate the effective utilization of an allied military structure of over 7 million men.

I know of no more forceful way to emphasize the essential role played by military assistance in assuring the security of this Nation than to cite this fact: our Joint Chiefs of Staff have recently said, with complete unanimity, that they would not want \$1 added to the Defense budget for 1961 if that dollar had to come out of our recommended military assistance program.

My last point concerns the return we receive on our investment.

I know of no program which rewards us better. In terms of actual military strength, the results are impressive. In 1947 every nation had to go it alone for want of strong leadership which only the United States could give and therefore the entire free world was no stronger than the weakest link.

Today we and our allies are in a far better posture. The armies receiving military assistance have increased from 3½ million to 5 million men; allied navies have increased from 1,000 to 2,200 combat ships; allied air forces have increased from about 17,000 to over 25,000 aircraft, about half of which are jet. All allied forces are better trained, better equipped, and better able to perform their assigned missions in the framework of our total strategy. Their self-confidence is strong. Their determination to resist has become steadily firmer. They know that the United States stands with them and, accordingly, when the going gets tough—as it can be made tough by the Communists even in time of peace—they do not falter or fall back.

I want to outline the justification for the current defense support authorization under the U.S. mutual security program.

The executive branch requested \$724 million in new obligational authority for fiscal year 1961 for defense support. The House Committee on Foreign Affairs has voted a cut of \$49 million in this figure and reported the pending bill which authorizes \$675 million.

This level is justified in terms of the concrete actions it is aimed to accomplish which have been presented by the executive branch in great detail and thoroughly reviewed by the committee. This level is also justified in terms of the longer view which has been directed by the Congress.

The House, last year, initiated an amendment to require the development of plans for the progressive reduction and, where practicable, the elimination of grant economic assistance such as defense support.

Last year the conference report on the Mutual Security Act of 1959 had this to say regarding the forward plans required by section 503(c):

The committee feels that such plans are essential to assure that programs do not simply perpetuate themselves by limited planning from year to year, but that they have definite goals toward which they are directed and toward which progress can be measured.

In response to section 503(c) the executive branch has developed and submitted an extensive multiyear analysis of defense support needs and of steps required to secure the above objective. The amendment both required and permitted the taking of a multiyear perspective which is a prerequisite to sound U.S. planning and to effective negotiation and joint planning with the other nations. Two-thirds of the defense support country programs are currently scheduled to reduce in fiscal year 1961. More extensive reductions may reduce the possibility of satisfactory termination. Such a rate of reduction almost certainly will put off the date by which successful termination can be reached.

Progressive reduction has and is taking place:

Fiscal year	Amount	Reduction from prior year
1959	\$808,000,000	
1960	766,000,000	\$42,000,000
1961 (executive request)	724,000,000	42,000,000
1961 (committee bill)	675,000,000	91,000,000

I should like to point out the accomplishments of the U.S. defense support programs under the Mutual Security Act.

SUMMARY

Defense support, with other U.S. national security and foreign policy actions, has contributed to:

- First. The successful maintenance of a deterrent to general war.
- Second. The protection of vulnerable areas against local aggression.
- Third. The restoration and maintenance of internal security.
- Fourth. The survival of a number of nations whose continued independence without assistance was doubtful.
- Fifth. The provision of a minimum of economic stability as a basis on which these countries will have an opportunity to move toward self-sustaining growth.

ACCOMPLISHMENT BY COUNTRY
SPAIN

The defense support program, along with other forms of U.S. assistance, has helped maintain a spirit of cooperation which permitted smooth and efficient construction of the bases and the transition to an operational base complex; made available outside resources which helped to keep inflation within tolerable limits and which permitted economic development resulting in a real increase in gross national product of about 6 percent per year since 1953, an increase in per capita gross national product from about \$230 in 1953 to about \$300 in 1959; encouraged adoption by the Spanish Government of an economic stabilization program which has resulted in sounder fiscal and monetary policies, stable internal prices, import liberalization, and a sharp reversal in the steady loss of foreign exchange reserves.

The defense support program specifically has contributed to the following, during period since signature of the defense and economic aid agreements in 1953:

Strategic rail lines and highways have been strengthened and rehabilitated; for

example, railroad freight carrying capacity has increased by 10 percent.

Hydroelectric and thermal power generating capacity has been increased by more than 3 million kilowatts, thus making electricity cutoffs the exception rather than the rule.

The electric power transmission system has been greatly improved, line losses having been reduced from about 25 percent to 18 percent.

Land under irrigation has increased by 500,000 acres, or 100 percent; per seta value of agricultural production has increased fivefold in some areas placed under irrigation.

Crude steel production more than doubled; steel sheet production increased by 25 percent and the production of tin plate doubled.

GREECE

Greece has accepted as an objective the achieving of NATO force goals established to permit fulfillment of an important strategic role in European and Western defense. The role of the defense support program is to assist Greece in making progress toward these goals while maintaining political stability. Defense support in Greece provides local currency support to the Greek defense budget and supplies the equivalent in goods to the economy to counteract the inflationary impact of the additional defense spending. It thus makes possible a higher level of defense preparedness than could otherwise be maintained without increased inflationary pressure or decreased investment for economic development. The U.S. financed imports are made available to private importers for the equivalent in local currency. The Government of Greece deposits the local currency in a counterpart account from which withdrawals are made, with U.S. approval, for the defense budget. Thus the assistance adds to the resources available for expenditure by the government. The government has steadily increased its revenues from direct and indirect taxes but not enough to permit expenditures for the defense budget sufficient to meet NATO defense objectives. Greece is now devoting 5 percent of gross national product to defense—a larger proportion than most NATO countries despite the fact that Greece is one of the poorest of the NATO countries. Greece has been able in recent years to make some degree of progress in achieving both quantitative and qualitative improvements in its defense posture while simultaneously carrying out a substantial development program. Defense support assistance has been an important element in making possible these two areas of progress.

IRAN

Iran's present degree of internal stability and economic growth are attributable in very large measure to the size and effectiveness of U.S. financial assistance provided over the period fiscal year 1954 through fiscal year 1957. Agricultural output and productivity have increased, diseases have been brought under control, old schools have been enlarged and new ones have been established, and government administration

has been somewhat improved. Therefore, no defense support in grants for general budget support has been provided since fiscal year 1957. Since fiscal year 1956 a small amount of defense support has been provided annually to generate local currencies to help cover local costs of joint United States-Iran technical cooperation projects and also Iranian-developed and controlled agriculture, health, education, and community development programs. In fiscal year 1959, a rural development program was initiated, for the support of which the government of Iran and the United States made matching local currency contributions.

PAKISTAN

Despite political tensions, changes in administration and recurrent economic difficulties, Pakistan has maintained an encouraging degree of national stability and has remained a friend and ally of the United States. Without U.S. assistance the living standards would have deteriorated markedly. Our aid program since 1952 has made it possible substantially to maintain the level of per capita gross national product. The defense support program provided the means to import essential raw materials and equipment to keep the economy running. Without the substantial imports of food grains under the Public Law 480 program, nutritional standards, already among the lowest in the world, would have been further depressed or scarce foreign exchange would have been used at the expense of other essential imports. Political stability, which appears to have increased, could not have been maintained if living standards had deteriorated markedly.

The Pakistan rupee proceeds of commodities imported under defense support and Public Law 480 proceeds are important sources of noninflationary financing for the country's military expenditures and development projects.

TURKEY

Turkey is emerging from a decade during which internal economic conditions deteriorated to a critical point, Middle Eastern regional politics were in ferment, and revolutions in neighboring countries created dangerous international crises. Overly ambitious investment activity brought Turkey to a financial crisis of serious proportions during the 1955-58 period. In the summer of 1958, the Turkish Government adopted a stabilization program to control credit, stabilize the currency, restore trade and reduce inflationary pressures.

Despite the retarded rate of progress in recent years, Turkey has nearly doubled its gross national product and its agricultural production since the beginning of the mutual assistance program in 1948. The number of industrial establishments increased by 144 percent, industrial production by 80 percent, the generating capacity of electric power by 211 percent, mineral production by 59 percent. The base for development has thus been laid. Further gains are possible if Turkey pursues appropriate policies to maintain and extend the initial favorable impact of its stabilization measures.

CAMBODIA

Defense support assistance provided through fiscal year 1959 has enabled Cambodia to preserve its independence and maintain economic stability. U.S. economic aid also has enabled Cambodia to strengthen its Government administration and to improve and expand the country's productive base, thereby helping to insure Cambodia's future as a free, independent state.

A Cambodian military force, financed in large part with defense support funds, has upheld the authority of the national Government and bolstered confidence in the nation. With the defense support assistance provided to date, basic training has been given to 2,500 police; a new Royal Police Academy was opened early in 1960 with an initial class of 250; surveys for a national police radio network have been completed; and 180 jeeps and other police equipment have been delivered and placed in operation.

Defense support assistance has made possible substantial rehabilitation and expansion of Cambodia's transportation network, particularly of the highway system, which had deteriorated as a result of wartime damage and neglect. The 130-mile long Khmer-American Friendship Highway was officially opened to traffic in July 1959. This new two-lane all-weather highway connects the capital, Phnom Penh, with the new French-financed seaport at Sihanoukville, on the Gulf of Siam, where a new city is developing. The new highway and the new port provide direct access to the sea and free Cambodia from its historic dependence on foreign ports. The new highway is also accelerating the development of agriculture and forestry in the area through which it passes. An additional 1,250 miles of major roads and 65 bridges have been rehabilitated with U.S. help.

Other aid-financed improvements to basic transportation facilities include provision of two 40-ton ferryboats to handle traffic across the Mekong River and four dredges to keep the river channels and Phnom Penh Harbor navigable. All-weather runways have been completed at three strategically located airfields which handle both military and commercial aircraft. Similar construction is in progress at two more locations.

Rehabilitation of Cambodia's irrigation facilities, which has absorbed about \$2.5 million of U.S. aid, has helped to expand the agricultural production base of the economy. Through repair of existing canals and restoration of several long-abandoned systems—including the ancient Barai Occidental, near Angkor Wat—irrigation has been restored to 212,000 acres of farmland. Heavy construction machinery, valued at \$700,000, imported for restoration of the Barai and other systems, is now being used to maintain and add to the country's basic irrigation facilities.

Protection of Cambodia's 9½ million acres of forest reserves, one of the country's most valuable resources, is being provided by construction of firebreaks covering 2½ million acres and of nearly 100 miles of timber access roads. Recently completed aid-financed aerial mapping surveys provide the basis for

development of a complete inventory of national timber resources, the first for Cambodia.

Campaigns against two of Cambodia's major national health hazards—malaria and water-borne diseases—have been launched and sustained largely with local currency proceeds of Defense Support aid.

After 5 years of spraying which has protected 1 million residents in malarial areas, the project has advanced to the "surveillance" stage. Improvement of urban water supply systems at 5 provincial capitals is in progress, and more than 600 wells have been sunk in rural areas. U.S. technicians have expedited installation of village wells by devising new self-help drilling methods and designing a simple hand pump, now locally produced.

As major construction projects financed by ICA have been completed, and as other aid activities have begun to make an impact on the Cambodian people in terms of improved health and education and higher income, the Cambodian Government has demonstrated a growing appreciation of U.S. assistance and greater understanding of U.S. policies and motivations.

CHINA (TAIWAN)

Defense support assistance helped transform into effective military units the GRC forces that came to Taiwan from the mainland in 1949. It assisted directly in the build-up of military strength by financing the local costs of military construction, certain other non-recurring costs and raw materials, and also helped maintain the economic stability which must underpin military strength. Increases in agricultural and industrial production, employment and exports, and the beginnings of economic diversification have been made possible in an important measure by defense support.

Defense support-financed imports of capital equipment were instrumental in achieving a 125 percent increase in industrial production from 1952 to 1959. The expansion of plants producing chemical fertilizer was a major factor in the sizable increases in agricultural output during the same period.

KOREA

Supplied during this period as non-project aid, ICA-financed improvements in irrigation and flood control facilities have helped to stabilize production. Progress also has been made in the reforestation of denuded lands to improve fuel and lumber supplies; and uplands development has encouraged crop diversification, reduced losses due to erosion, and is providing food for increased livestock production.

The provision of supplies and equipment for fishing boats and modern processing and marketing facilities have enabled the fishing industry to make progress in regaining its important prewar position. Although the fishing fleet and shore facilities were severely damaged by Typhoon Sarah in September 1959, output of fish and other marine products in 1959 is estimated at nearly 400,000 tons, only slightly less than the postwar peak in 1957. The steady gains which are

being made in industrial output, both in physical volume and in the variety and types of goods produced, are attributable almost entirely to equipment and supplies and other assistance financed with defense support funds. Korea now produces some types of paper, tires and other rubber products, asbestos, pesticides and other chemicals, plastics, glass, shoes, textiles and clothing. However, Korea is still heavily dependent on aid-financed imports of the raw materials needed for some of these industries.

The largest of the chemical plants, the fertilizer plant at Chungju, was completed in December 1959. Since then it has been producing ammonia for use in making urea fertilizer. The urea section of the plant is expected to begin operations shortly. When the plant is operating at full capacity, output should meet about one-third of the country's fertilizer requirements and save foreign exchange amounting to \$10 to \$12 million annually.

Many small and medium-size, privately owned plants, designed to produce a wide range of basic commodities, are in various stages of completion. The next 5 years could see a sizable expansion of industrial output which would enable Korea to meet a substantially larger share of its requirements from domestic sources.

Improvements in transportation are contributing to the growth of the economy. Since the close of the Korean war, Korea's railway system has been almost completely rehabilitated and approximately 220 miles of additional main and spur lines have been constructed. Maintenance shops have been rebuilt and additional locomotives, rolling stock and other equipment provided, including 95 diesel engines and 1,900 freight and passenger cars.

The primary road system has been undergoing continuous improvement, largely through the institution of regular maintenance schedules and the use of more modern equipment. By the end of 1959, practically all of the war-damaged streets and roads had been repaired and more than 200 miles had been paved. A total of 400 bridges of various sizes have been rebuilt and an additional 200 are in the construction or planning stage.

Shipping has been facilitated by the rehabilitation of piers, wharves, unloading facilities, revetments and breakwaters, and the installation of navigational aids at major ports. Silting in Korea's major harbors has been reduced through dredging and flood control measures.

Communications services have been rebuilt and expanded to help meet military and growing industrial requirements. These installations, now approximately 90 percent complete, include teletype circuits and equipment, intercity toll lines and additional central office facilities in major cities, as well as an offshore radio system. As a result of improvements in Korea's electric power generating and distribution facilities, electric power output has tripled between 1954 and 1959. However, generating capacity still falls short of requirements.

Measures to help overcome the acute shortage of housing are beginning to show results. Financing has been provided through new and existing credit institutions for low and moderate cost housing. Interest has been stimulated in simplified housing design, reduction of construction costs and increased use of local materials to save foreign exchange. More than 30,000 applications have been received from potential homeowners; nearly 6,000 of these applications have been approved, and approximately 4,500 homes have been completed or are now under construction.

Financial assistance has also been given to the Armed Forces Assistance to Korea—AFAK—project. Utilizing the technical skills of U.S. military personnel and aid-financed commodities, this project has made a significant contribution to the repair and construction of schools, dispensary facilities, and other public buildings.

Educational and health facilities also have been aided directly with materials and equipment. Emphasis in these fields has now shifted from physical plant improvements to technical assistance, funded under the technical cooperation program.

LAOS

That Laos has remained free is attributable largely to U.S. aid. With ICA support, the Lao army was enlarged and, in the summer of 1959, succeeded in countering armed insurrection. The joint United States-French military training program, established just before the outbreak of hostilities, is developing the army into a more effective force.

Since ICA aid began in 1955, the strength of the civil police force has grown from 600 to 3,200 men. An intensive training program is now under way at the National Police Academy, established in February 1959 with U.S. help.

ICA financial assistance has enabled the Lao Government to control inflation and eliminate currency speculation, to achieve financial stability, and to improve government services and fiscal administration. With the achievement of a sounder currency, capital flight from Laos has ceased to be a serious issue.

Progress also has been made in improving the deficient and disrupted highway system. With ICA technical and financial help, the roads linking Vientiane, the administrative capital, with the most important provincial centers have been extended to a total of almost 500 miles.

As part of the drive to increase food production and meet dietary deficiencies, eight irrigation and diversion dams have been completed with ICA aid, bringing new acreage under cultivation.

The training of Lao Government malaria service staff has continued on schedule and 87 Lao technicians are now actively participating in the program. House-spraying goals have been surpassed and protection is being provided to 950,000 persons, almost half of the total population.

Operation Brotherhood teams, under a program jointly sponsored by the Philippine and Lao junior chambers of commerce, and assisted by ICA, have combined to provide medical and public

health services to some of the remote rural areas. Teams of Filipino doctors and nurses—now totaling 80 persons—are operating 7 outpatient clinics and providing medical care to approximately 40 percent of the population, principally villagers who otherwise would be without these services.

PHILIPPINES

Many of the projects included in the military construction program, which is financed in part from local currency generated by defense support aid, are in various stages of use, construction, or design.

Under the defense support program in past years, the Philippines received significant amounts of machinery and equipment both for industry and agriculture, as well as essential raw materials, including surplus agricultural commodities. These have contributed to notable increases in agricultural and industrial production and to substantial improvement of the transportation system.

Defense support assistance has made possible the reconstruction, rehabilitation, and expansion of the College of Agriculture at Los Banos; the nationwide demonstrations of the value of chemical fertilizers; and the completion of more than 300 large pump-irrigation and 13 large gravity-irrigation systems, which provide water for more than 300,000 acres. Food production on this newly irrigated land is expected to be a significant factor in the country's total food supply—approximately enough to feed 1.6 million people or about 6 percent of the present population.

More than 450 miles of roads and 150 bridges have been built on the large and undeveloped island of Mindanao. Settlement and agricultural development have followed, underscoring the importance of roads in fostering economic growth. Defense support assistance also has made possible considerable road rehabilitation and construction elsewhere throughout the country, and has helped to improve harbors and other elements of the transportation network.

Through the Industrial Development Center, an agency of the Philippine Government, technical advice and loans of defense support generated local currency have been extended to several hundred industrial firms. This assistance has been an important factor in increasing production of cement, textiles, plywoods, and veneer.

Defense support assistance has made possible a more extensive and accurate survey of the mineral and other natural resources on which the future industrial development of the Philippines will so largely depend. Extremely promising laterite and other mineral deposits have been identified and mapped. Other accomplishments of the defense support program include rehabilitation, modernization, and equipment of schools, hospitals, and other public buildings; and improvement and expansion of community water supplies.

THAILAND

Most of the defense support assistance provided in the past has been used to help Thailand develop its primary high-

way system. The 90-mile Friendship Highway, completed in 1958, is a major segment of the road from Bangkok to Nongkai on the border of Laos. The Friendship Highway not only has speeded communications between the Thai capital and Laos, but also has served to stimulate economic development of the relatively depressed north-east region of Thailand through which it passes. Construction of about half of the East-West Highway has been completed. This 80-mile road from Pitsanulok to Lomsak in north-central Thailand is also opening a previously isolated area for development.

In addition to these major construction projects, the Thai have undertaken a program for general rehabilitation and improvement of the highway system. Over 700 modern bridges have replaced dangerous wooden structures, thus enabling heavy trucks to use roads previously impassable to them. Improvement of the highway system has been reflected in an increase in traffic and in the development of areas which previously were almost completely isolated.

With ICA assistance, the Thai railways have been rehabilitated and modernized. The 33-mile extension of the railway from Nongkai to the Laos border on the Mekong River has greatly facilitated the movement of goods into that landlocked country.

To meet a critical shortage of power for both domestic and industrial uses in the Bangkok area, ICA financed the procurement of 10 diesel 1,000-kilowatt generators. These units were put into service in September 1959. When power from the Yan Hee Dam becomes available, the generators will be relocated in various provincial centers to supply power to rural areas not served by national transmission lines. ICA assistance also has been instrumental in the development of a lignite mine which will provide fuel for an adjacent 12,500 kilowatt thermal powerplant. When completed this year, this plant will provide urgently needed power to three cities in northern Thailand.

Air navigation and communications equipment, and other airport equipment provided by ICA, has been installed at Bangkok and 21 Thai provincial airports. This equipment has enabled 23 international airlines to use the Bangkok airport and has contributed to significant development of commercial air transportation within Thailand, thus increasing accessibility to relatively isolated areas and speeding commerce throughout the country.

VIETNAM

When the Indochina war ended 6 years ago, Vietnam seemed to have little chance of survival because of serious internal political factionalism, complete disruption of the economy, and widespread subversion directed against the new pro-Western government. The United States was faced with the choice of providing the large-scale support necessary to preserve Vietnam from total collapse or allowing this strategic area to fall behind the bamboo curtain. Following a decision that the preservation of Vietnam's independence was important to the United States, large-scale

military and economic aid was provided. Since then, Vietnam has made substantial progress and is now one of the strongest supporters of U.S. policy in Asia. This recovery results from Vietnamese Government efforts and U.S. support.

Defense support assistance has helped to preserve Vietnam's independence by enabling the country to maintain adequate military forces, rehabilitate war-damaged facilities, undertake essential economic development projects, and provide basic public services to the people.

Large-scale provision of commodity imports through commercial channels has helped to control inflation and has enabled the Government to maintain living standards. It has also helped to promote private investment through the importation of machinery and raw materials for local production of consumer goods, such as glass and textiles, and other essentials such as jute sacks for rice.

With the exception of silted canals in rice-producing areas, which were abandoned during the war, wartime neglect and destruction have been largely repaired. Much of the road network has been rehabilitated and improved, resulting in increased mobility of the security forces and the settlement and development of new areas. In August 1959, after an interruption of 13 years, through rail service was resumed from Saigon to Dong Ha near the 17th parallel, a distance of 700 miles.

Popular support of the Government has been strengthened through ICA-assisted activities in the fields of health and education which directly affect the welfare of the people. Health stations have been established in 2,660 villages. Approximately 400 wells have been drilled to provide potable water supplies. More than one million houses have been sprayed under the malaria eradication program, previously wholly supported by defense support but now supported in part from the worldwide malaria eradication fund. With ICA help, the Government has also constructed 1,400 elementary classrooms which make it possible for an increasing number of Vietnam's children to receive at least a basic education.

A concerted effort has been made to develop civil police forces to carry out regular police functions and also to help meet internal security requirements. Almost 60,000 men have been trained, some of them in the United States.

Finally, I would like to point out and compliment our good friends, the people of Israel, on their fine and intelligent progress to this time. The Government and people of Israel have accepted the benefits of the U.S. mutual security programs with a deep responsibility for efficient use of the funds and agricultural commodities they receive. We should continue our U.S. aid to Israel in the 1961 fiscal year through the Development Loan Fund, through U.S. Public Law 480 distribution of U.S. agricultural surplus products, and we should continue our special assistance-type programs at the same rate of \$7½ million

as Congress had authorized for the current fiscal year ending June 30, 1960. We in the United States must remember that the State of Israel is a basic foundation of our U.S. foreign policy in the Mideast, and the freedom and progress of the people of Israel are keystones in the building of a free, prosperous, and secure world.

Mrs. BOLTON. Mr. Chairman, I yield 15 minutes to the gentlewoman from Illinois [Mrs. CHURCH].

Mrs. CHURCH. Mr. Chairman, it would not be fitting for me to speak even 1 minute on this very important bill without first expressing my appreciation to the chairman of our committee and to the Members who so graciously permit disagreements within their ranks. That graciousness, I would say, has grown during the chairmanship of the gentleman from Pennsylvania. We who signed the minority report appreciate tremendously the courtesy that has been shown to us and the demonstrated willingness to listen—willingness, I might say, Mr. Chairman, in recent years even to think that our position was significant enough to be considered. For all of that, we are grateful.

Mr. Chairman, I come today with no eloquent plea. During the 8 years that I have been a member of the House Committee on Foreign Affairs—during the 8 years that I have in my humble way assisted in trying to make this bill as good as it could be—never once have I come before the House trying to influence any Member as to how he or she should vote or as to how he or she should judge this bill.

Mr. Chairman, indeed, as I sat here this afternoon listening to the debate, I have been impressed with how much I could agree with so many of the statements made by those who favor this legislation—or rather, the goal of this legislation. The peace of the world and the rise of people and nations to their heritage of freedom are indeed jointly held desiderata. Equally, the safety and economic well-being and in fact the survival of our great free country, in this troubled world, is for all of us a common goal.

Mr. GROSS. Mr. Chairman, the gentlewoman from Illinois [Mrs. CHURCH] is making a very important speech and I believe more Members should be present to hear her so I make the point of order that a quorum is not present.

Mrs. CHURCH. Mr. Chairman, may I ask the gentleman from Iowa to withdraw the point of order?

Mr. GROSS. Mr. Chairman, I insist on the point of order.

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

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

[Roll No. 51]

Addonizio	Barden	Burleson
Allen	Barrett, Pa.	Cahill
Andersen,	Bass, Tenn.	Celler
Minn.	Bolling, Mo.	Coffin
Anderson,	Bonner	Cooley
Mont.	Bowles	Daddario
Auchincloss	Brock	Davis, Tenn.
Balley	Buckley	Dent
Baker	Burdick	Derounian

Diggs	Kelly	Prokop
Dooley	Keough	Rogers, Tex.
Evins	Kilburn	Rooney
Fallon	King, Utah	St. George
Fenton	Kluczynski	Sheppard
Fisher	Lafore	Short
Flood	Landrum	Sisk
Foley	McGovern	Smith, Miss.
Forand	McIntire	Stagers
Ford	McMillan	Taylor
Garmatz	Machrowicz	Teague, Tex.
Gathings	Mack	Teller
Gavin	Madden	Thompson, La.
Glenn	Magnuson	Thompson, Tex.
Grant	Meader	Utt
Hargis	Merrow	Vinson
Harrison	Metcalfe	Walter
Hays	Mitchell	Wharton
Hechler	Montoya	Whitten
Hollifield	Moorhead	Williams
Holland	Morris, N. Mex.	Willis
Holt	Morrison	Withrow
Horan	Moulder	Young
Inouye	Norblad	Younger
Jones, Ala.	Oliver	
Kearns	Powell	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H.R. 11510, and finding itself without a quorum, he had directed the roll to be called, when 329 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mrs. CHURCH. Mr. Chairman, before the quorum call, I was saying that I had been interested to note how much there was with which I could agree in the words of those who have spoken in favor of this bill this afternoon. This is true despite my earlier statement that as in other years I had felt constrained in committee to vote against reporting out this particular measure.

Mr. Chairman, I am surely not unaware of the world in which we live, and move, and have our being. I know the danger, I know the conflict, I know the insistence of an implacable enemy hostile to everything for which we stand. I know the determination of that enemy to take over the world by economic means if not by military. I know that there is still no peace. Within the last 6 months I have stood with our subcommittee on the 38th parallel in Korea and looked across that thin line which separates our forces from what I still believe to be possible Communist aggression. I have stood at the end of the bridge in the leased territory near Kowloon, and watched others walk across the short line to Communist China. I know the threat of danger under which we live.

I know something else. I know that in the last 10 years there has been the greatest change in the world that history has ever known, an explosive outbreak of freedom which we should swiftly recognize and certainly hail. I know that from that outburst of freedom conditions have arisen which demand new consideration.

I know all that, Mr. Chairman, and I know something more. I know that to this country the world would like to look for sound and right leadership. As I have said in other years and say again, our national well-being lies not in material possessions, nor in our material prosperity, but rather in the endemic

strength of our own freedom. We have poured out our substance and the lives of our sons in the cause of freedom—nor have we as a nation or as people ever turned our back on human need.

I face all that. I face also the fact that the committee has labored long and earnestly and sincerely, particularly during the last 2 or 3 years, trying to write a bill that would bring order into the program. Nevertheless, very frankly, in this as in other years, I look at this Mutual Security Act, and I know that no matter what we have attempted, the bill is not adequate, the program is not adequate, the results are not adequate; and I for one am not willing to accept second best. Nor should the American people be asked to condone—and pay at such sacrifice for—a program in which extravagance, waste, and inadequacy of planning, administration, and control are still so evident.

I do not think that we can lightly toss off our responsibility by laughingly referring to "horrors" when waste is pointed out. I would say with very humble sincerity that neither the committee nor the Congress has a right to accept for itself a certain sentence on page 7 of the majority report, which reads:

The Congress must reconcile itself to the fact that occasional mistakes will continue to be made and some money will be mispent.

Mr. Chairman, we have been forced so far to accept mistakes and waste, but may I never live to see the day when the committee or the Congress "reconciles" itself to the idea that such mistakes and such waste are inevitable. And by the same token, referring to another sentence in the majority report, although I would say to the gentleman from Pennsylvania that in most cases it is an excellent statement of the majority case, I would disagree with the thought behind the sentence on page 6 which says that "no technique has been devised by which only the funds likely to be wasted can be cut from the program in advance."

Mr. Chairman, of course, no one has the gift of second sight to know which funds will be wasted, but certainly a responsible Congress will make sure that every possible effort to control waste is made before admitting defeat. A responsible Congress will make sure that every step is taken that can be taken to eliminate the possibility of such waste of funds.

Mr. Chairman, I am not at this late hour going to go into all the reasons that might be given for just criticism of this measure. I was one of those fortunate people who made that astounding journey around the world with the Subcommittee on Foreign Economic Policy under the dedicated leadership of the gentleman from Georgia; and I doubt if any American ever looked with such clear eyes at the problems of his generation and of his country. I would like to direct the attention of the entire House to the formal report of that subcommittee. I refer to House Report No. 1386, Report of the Special Study Mission to Asia, the Western Pacific, the Middle

East, Southern Europe, and North Africa. I would like the Members of the House to read that report and, particularly, to note the conclusions. I would point out that the report was signed by a very representative group of Members of this body. It was signed by Mr. PILCHER, the gentleman from Georgia, as chairman; Mr. McDOWELL, of Delaware; Mr. FASCELL, of Florida; Mr. CURTIS, of Massachusetts; and Mrs. CHURCH, of Illinois.

I commend that report to your attention not with any pride in its partial authorship but because it represents a very honest attempt to face the facts, admit the truth, and call for a determined remedy.

Mr. Chairman, I am going, as is my custom, when we get back into the House, to ask permission to include in my remarks the conclusions of the minority group of the Committee on Foreign Affairs who voted against reporting out this bill.

It does not, of course, represent any more than does any joint report the exact and complete reaction of any one of us. It does indicate certain of the reasons why some of us feel constrained to say again this year that despite the best intentions of the committee and despite the improvements in the program that have taken place, this bill is not adequate.

Mr. Chairman, I always have one sentence in mind when I come to a discussion of this legislation. Those of you who have been patient enough to listen to me before may remember it. It goes something like this:

There is more faith in honest doubt, believe me, than in half the creeds.

Mr. Chairman, I am sure that those members of the Committee on Foreign Affairs with whom we are in partial but important disagreement know our sincerity. I hope that we on the committee and other Members of the House will rise to our responsibility in this day and age of danger and face honestly the inadequacies and errors of past attempts. I know—I admit gladly—that much has been done. It would be a sorry thing, indeed, if we had spent over \$80 billion and tried so hard, without some noticeable results.

I am reminded nevertheless of the ancient words of Pericles:

I am more afraid of our own mistakes than of all the devices of our enemy.

We cannot run from our responsibilities. We must find a new and realistic approach to our problem. There is ground for suspicion that we are dealing with wornout tools; and in this day and age, wornout tools, Mr. Chairman, are not enough to meet the threat that we recognize.

I am inclined to feel that the closing sentence of our report, on page 118, is all too true:

To refuse to face the facts and in the very name of mutual security and freedom fail to demand adequate remedy for current deficiencies would be a negation of our congressional responsibility.

The time is long overdue when we must take out that part of the program

which is useless, eliminate the waste, and get ahead with problems that face us and do the best we can with them until such time as the program can be rated unnecessary. We should not be willing to make of this program so sacred a cow that to criticize it is to bring upon oneself opprobrium, that to insist on improvement is considered to be nonrecognition of a need. I think that the time has come when even the Congress in its entirety should not be content annually just to pour out billions and use the action as an anesthetic under which to forget the program until another year rolls around. I repeat that it is time to face up to the need, face up to the danger of what we are not doing, and the time for us to decide between now and next year to give the program and the policy and the legislation a complete review and revision. If we can come in here next year with waste and inadequacies eliminated, with inefficiency rejected, with congressional control of the program once more in our hands, then we will have a right to come to you and say: This is the best that we can do. This year, five members of the committee voted against reporting out this bill. Three signed the minority statement which I here include:

MINORITY VIEWS OF MR. PILCHER, MRS. CHURCH, AND MR. ADAIR ON H.R. 11510

For some years, as earnest participants on the committee considering the Mutual Security Act, we have felt compelled to be realistic and honest critics, not of what is sought to be done but of the inadequate planning and poor administration of the program. Despite efforts this year to make some improvements in this basic legislation, we can see no indication that the actual planning and administration of the program will be radically changed. As in previous years, we who find this present bill unsatisfactory again assert that we believe in mutual security. We do not believe, however, that the present measure, H.R. 11510, adequately meets the challenge to provide such mutual security. It does not present the new imaginative program which is so necessary to further the efforts of the United States to build peace and progress in this troubled world.

Despite conclusive evidence that, due to obvious uncorrected weaknesses, the program has failed to achieve the anticipated results toward the establishment of security in the free world, H.R. 11510, as reported out by the Committee on Foreign Affairs, authorizes an appropriation of \$1,318,400,000, a reduction of \$136,500,000 from the Executive request. In addition, there are continuing authorizations, agreed to by the committee last year, for military assistance, the Development Loan Fund, and other smaller items, in the amount of \$2,720,100,000. In other words, the total amount proposed to be appropriated for fiscal year 1961 is \$4,038,500,000. Furthermore, under Public Law 480, additional funds will be made available to the mutual security program.

Last fall a study mission comprised of members of the Committee on Foreign Affairs completed a 40,000-mile tour to study the impact of U.S. foreign aid programs in the areas around the world. The chairman of this minority report was also chairman of the study mission. Another signer of the minority report accompanied him. In its report the study mission pointed up the reality and justice of our former criticisms. The final conclusions of the report had this to say about foreign aid:

"The study mission is convinced that a realistic review and reappraisal of our aid

program is immediately necessary, and that greater supervision must be given to its operations. However noble the purpose or well advised the goal, the quality and success of performance remain an essential criterion of success. We have pointed out in this report specific cases of poor programming and excessive spending. There is indication in more than one instance that, as suggested by the Comptroller General in 1959, the field operations have actually been hampered by an excess rather than a paucity of funds. A far more vigorous effort, moreover, must be made to correct conditions and weaknesses that are known to exist and that have been pointed out again and again. There is some indication that blame for such weaknesses should be placed as much, if not more, on the planners in Washington than on those in the field. In any event, there is ample justification for our insistence that there be a complete revision of programs and operations.

"In fact, there is justification for insistence on a broader vision and a more imaginative approach. Such approach should aim to produce in the peoples of the world greater and more successful self-reliance and stable political institutions under which the people in each country could live in freedom and dignity with full enjoyment of economic progress under democratic institutions.

"What is desperately needed in this world to build sound bodies and sound minds is an adequate food supply and elementary education. In generations to come, grandiose dams and multi-million-dollar fertilizer plans might bring ultimate benefit, but we express again our fear of the inconsistent and strikingly dangerous gap between such grandiose projects at the top and the millions of human beings still starving, still untaught, who have neither the stamina to undertake nor the capacity to understand self-government. Without such understanding and capacity there is little chance for orderly progress. Such a course only adds to economic dislocation and confusion. Premature advance toward industrialization not only seriously strains the present capacity of countries but is bound to produce an insecure economic base. We would urge, therefore, that primary attention be given to food production and the teaching of at least elementary knowledge.

"Since the end of World War II, the United States has spent well over \$80 billion in aid to the nations of the world. The program has assisted in the effort of keeping them free and improving their economic position. In recent years changing conditions in the United States and in the world require reappraisal and revision of the program. The struggle to maintain freedom and encourage economic development involves the future of all free nations and, therefore, must be regarded by them as a joint responsibility.

"The financial condition of the United States makes an expenditure each year of \$3 to \$4 billion an extremely difficult burden to carry. Such an effort can be justified only if the programs and obligations succeed in achieving their objectives. The American citizen today is paying more peacetime taxes than ever before. Interest on the public debt is taking approximately one-twelfth of all taxes collected. The American dollar, once the strongest and most-sought-after currency in the world, is selling at a discount in some countries (e.g., Canada, Switzerland, Belgium). Our gross national debt is approximately \$292 billion.

"Those nations which the United States helped to rehabilitate after World War II, and which are now financially strong, should make every effort to assist, both militarily and economically, in strengthening the less developed countries. The United States should no longer carry so large a share of the military and economic assistance to the other free nations of the world.

"Furthermore, since 1947, the United States has so given to other countries its technical know-how and the dollars to develop it, that its own formerly unchallenged economic supremacy of the free world is under successful attack. The United States faces stronger economic competition than ever before—a competition that can have an immeasurable effect not only on our trade but on our industrial prosperity and the high living standards of our workers. Every possible wise step must be taken to protect our own position in world trade as well as the stability of the American dollar.

"These facts, in addition to the findings of the study mission, underlie our insistence for an immediate detailed examination and careful review and revision of programs and operations.

"In particular, the study mission comes back impressed by obvious evidence that ultimate failure is inherent in the program unless we can somehow develop plans and operations that will reach down to the people themselves of each country."

Paul G. Hoffman, in his pamphlet, "One Hundred Countries, One and One-Quarter Billion People," succinctly states the problems confronting underdeveloped countries:

"The underdeveloped countries need high level manpower just as urgently as they need capital. Indeed, unless these countries are able to develop the required strategic human resources they cannot effectively absorb capital. But human resources of the less-developed nations have been shamefully neglected. Only a very small percentage of the people who live in these countries have ever had an opportunity to acquire an education and only a few have ever had positions of responsibility. There is a huge need for training of all types from on-the-job training of artisans to training in more complex technological and management sciences.

"Of all the resources required for economic development, high-talent manpower requires the longest leadtime for its creation. Dams, power stations, textile factories, and steel mills can be constructed in a few years, but it takes 10 to 15 years to develop managers, engineers, and the administration to operate them. The existence of such manpower, however, is essential if the countries are to achieve self-sustaining growth.

"Thus, while it is imperative that these countries survey their natural resources and draw up programs spelling out priorities for the strategic investment of capital in their development, so must they draw up some kind of a high-level manpower budget for the next 10 or even 20 years. This should be an integral part of their development plan."

Eugene R. Black, President of the International Bank for Reconstruction and Development, in a speech made at Oxford University, England, on March 3, 1960, stated:

"We think that in administering economic aid quality is more important than quantity; even the most enthusiastic supporters of economic aid recognize that the outside world cannot provide more than a small margin of the resources needed; the really crucial economic and human resources must come from within. Therefore, it is only realistic, we think, to try to use economic aid primarily to promote proper standards in the art of managing a country's resources."

This present legislation in no sense gives the true picture of what is available for mutual security. Attention is directed to the following figures showing mutual security funds by program and amount available for expenditure for fiscal year 1960, which were inserted in the CONGRESSIONAL RECORD of March 31, 1960, by Hon. OTTO E. PASSMAN, chairman of the Subcommittee on Foreign Operations of the House Appropriations Committee.

Mutual security funds by program and amount (available for expenditure (fiscal 1960))

	<i>Total available for expenditure</i>
1. Military assistance:	
Unexpended, June 30, 1959	\$2,547,998,755
New funds, fiscal 1960	1,331,247,000
Sale military material, fiscal 1960	30,200,000
Total	3,909,445,755
2. Defense support:	
Unexpended, June 30, 1959	787,500,953
New funds, fiscal 1960	695,000,000
Sale military material, fiscal 1960	500,000
Total	1,483,000,953
3. Development Loan Fund:	
Unexpended, June 30, 1959	782,010,480
New funds, fiscal 1960	550,000,000
Loan repayments, fiscal year 1960	15,700,000
Total	1,347,710,480
4. Development assistance, unexpended, June 30, 1959	97,768,490
5. Special assistance:	
Unexpended, June 30, 1959	173,389,255
New funds, fiscal 1960	245,000,000
Estimated reimbursement, fiscal 1960	100,000
Total	418,489,255
6. President's Asian fund, unexpended, June 30, 1959	85,846,438
7. President's contingency fund:	
Unexpended, June 30, 1959	139,789,149
New funds, fiscal 1960	123,753,000
Total	263,542,149
8. Technical cooperation, bilateral:	
Unexpended, June 30, 1959	158,717,287
New funds, fiscal 1960	150,000,000
Estimated reimbursement, fiscal 1960	700,000
Total	309,417,287
9. Technical cooperation, U.N.:	
Unexpended, June 30, 1959	8,292,101
New funds, fiscal 1960	30,000,000
Estimated reimbursement, fiscal 1960	0
Total	38,292,101
10. Technical cooperation, Organization of American States:	
Unexpended, June 30, 1959	1,307,960
New funds, fiscal 1960	1,200,000
Total	2,507,960
11. Joint control, unexpended, June 30, 1959	472,167

Mutual security funds by program and amount (available for expenditure (fiscal 1960))—Continued

	<i>Total available for expenditure</i>
12. Atoms for peace:	
Unexpended, June 30, 1959	\$9,280,648
New funds, fiscal 1960	1,500,000
Total	10,780,648
13. North Atlantic Treaty Organization, unexpended, June 30, 1959	1,088,558
14. Intergovernment Committee for European Migration:	
Unexpended, June 30, 1959	10,829,222
New funds, fiscal 1960	7,371,000
Total	18,200,222
15. U.N. Refugee Fund:	
Unexpended, June 30, 1959	1,200,000
New funds, fiscal 1960	1,100,000
Total	2,300,000
16. Escapee program:	
Unexpended, June 30, 1959	6,887,757
New funds, fiscal 1960	4,632,000
Total	11,519,757
17. U.N. Children's Fund:	
Unexpended, June 30, 1959	8,925,635
New funds, fiscal 1960	12,000,000
Total	20,925,635
18. U.N. Relief and Works Agency:	
Unexpended, June 30, 1959	8,956,957
New funds, fiscal 1960	25,000,000
Total	33,956,957
19. Ocean freight:	
Unexpended, June 30, 1959	1,662,992
New funds, fiscal 1960	1,910,000
Total	3,572,992
20. Control Act, unexpended, June 30, 1959	119,101
21. Administrative expenses, ICA:	
Unexpended, June 30, 1959	4,956,497
New funds, fiscal 1960	38,000,000
Estimated reimbursement, fiscal 1960	800,000
Total	43,756,497
22. Administrative expenses, State:	
Unexpended, June 30, 1959	708,341
New funds, fiscal 1960	8,100,000
Total	8,808,341
Grand total	8,111,521,750
RECAPITULATION	
Unexpended funds, June 30, 1959	4,837,708,750
New funds, appropriated, fiscal 1960	3,225,813,000
New funds, other, fiscal 1960	48,000,000
Total	8,111,521,750
INADEQUATE PLANNING AND POOR ADMINISTRATION	
Since the end of World War II the United States has spent more than \$80 billion to	

assist nations in remaining free and in improving their economic conditions. Newly independent nations seek to build prestige by building huge dams, steel mills, and super highways before there is need for such grandiose projects. As a result the International Cooperation Administration has acceded to too many requests for such programs and there have been too many projects begun without proper planning, determination of need, or benefits to be derived. Too often the people at the grass-roots do not derive any immediate benefits from these grandiose projects—but continue to live in poverty and hunger under circumstances which certainly are not conducive to economic well-being or the development of democratic processes. Too much emphasis has been placed on meeting the personal desires of the political leaders of the recipient governments and too little emphasis on the needs of the little people who, after all, determine the potential and the future of each country.

There is a true need for technical assistance in all of the underdeveloped nations, but such assistance should be given on the basis of a smaller number of better selected projects. A study mission, of which two of the signers of this minority report were members, found more than 600 projects in being in one country and more ready to be started before completion of the existing projects. The criticism that a multiplicity of projects has been undertaken is justified by the appended compilation showing aid to and projects in countries which the study mission visited.

In too many instances inadequate planning has resulted in the undertaking of impractical and unsuitable projects in underdeveloped nations which have led to excessive spending and waste of U.S. funds. We cite the following examples in support of these charges: A highway program in Vietnam on which the costs have skyrocketed from \$18 million to \$85 million, and may exceed \$100 million before its completion; a fertilizer plant in Taiwan, started with foreign aid money and estimated to cost approximately \$34 million, which is nonoperable because some of the equipment does not meet the specifications for the desired operations, and on which the Taiwanese Government has instituted proceedings against the manufacturer for contractual noncompliance; radio towers installed in Saigon which have never been put in operation because their utility is undetermined and their location in doubt.

As a further illustration, it seems worth while at this point to go into the problem of the Saigon water program in detail, and quote from the previously mentioned subcommittee report:

"Everyone agrees Saigon badly needs a new water system, but plans have bogged down in a heated dispute between two schools of thought. On one side is the International Water Corp. of Pittsburgh which believes in deep wells. It has done business in Saigon for 30 years and has drilled most of the city's wells. On the other side is the Hydro-Technique Corp. of New York which believes in dams and pipelines.

"Our foreign aid authorities gave the Hydro-Technique Corp. a \$200,000 contract for a survey 2 years ago. Hydro-Technique came up with a report favoring a dam and filtration plant on Dang Nai River near Bien Hoa, 18 miles north of Saigon. From this plant a 72-inch pipeline would lead to Saigon. The International Water Corp. made several surveys, all of which showed again that deep wells are quite adequate. What is more, the International Water Corp. said they would be much cheaper and provide water much sooner. The Hydro-Technique pipeline project is estimated to cost \$19.5 million to be put in by the United States.

The International claims it can give Saigon all the water it needs indefinitely for \$12 to \$14 million. The Vietnamese seem to favor the dam and pipeline system, but the military of both Vietnam and the United States have raised the question of security. It was at Bien Hoa that two American military advisers recently were killed when Red terrorists tossed a grenade into a movie audience.

"It is pointed out that the 18-mile above-ground pipeline could be sabotaged and the already hard-pressed Vietnamese armed forces probably would have to furnish daily patrols, as well as guards for the river plant.

"In November 1959 the Development Loan Fund approved a \$19.5 million loan for the water system and called for another survey. Who gets the contract for this survey and what it will cost, we do not know."

The most urgent need in many of the underdeveloped countries is the employment of manpower, which is one of their greatest economic resources. There is intense need for development of the agricultural regions and the implementation of small industries so that this excessive supply of manpower may be put to productive use, instead of the multimillion-dollar projects carried out by contract with large business firms only interested in making a profit, with little or no regard for the utilization of local manpower.

LOSS OF CONGRESSIONAL CONTROL

We regret that each year there is further shrinkage in the degree of control exercised over the program by the Congress. Progressive loss of control of funds inevitably leads to loss of administrative control. In the face of our repeated criticisms over the years of the administrative deficiencies in the foreign aid program, the executive branch this year requested an appropriation of \$4,175 million for mutual security. During fiscal year 1959 total U.S. mutual security expenditures were \$3,898 million. Despite the fact that we are being asked to continue to pour vast sums of money into the program, this request for funds in fiscal year 1961 makes no suggestion for strengthening congressional control over the programing and expenditure of funds. Nor is any recognition seemingly given to the fact that many of the projects do not have economic justification, let alone a defense requirement.

It is true that the bill for this year contains no authorization for military assistance. The mutual security law was changed last year so as to provide that for fiscal years 1961 and 1962 such sums as might be necessary could be appropriated for military assistance. This is an open-end authorization. There is no possible way to indicate just how much will actually be spent for the military under the unlimited amount authorized. We definitely feel that such authorization further weakens the control of the Congress over the funds and over the program.

In our judgment, the Congress made a serious mistake when it changed the pattern of congressional action as regards the military aid programs which previously had prevailed for nearly 10 years. It is urgent that we return to the original procedure whereby military assistance funds were annually authorized and annually appropriated.

BUREAUCRACY IN MUTUAL SECURITY PROGRAMS

The foreign aid program is administered by an increasingly large number of personnel without any noticeable increase in efficiency. This has led to the creation of an entrenched, self-perpetuating bureaucracy, still growing in size, power, and inefficiency. In this regard, the figures speak for themselves. In December 1948, a total of 2,858 persons were employed in the economic aid program. Today there are more than 42,000 personnel employed in the administration of the mutual security program.

INADEQUACY OF INSPECTION

The Office of Inspector General and Comptroller was created in last year's mutual security legislation to undertake the required actions to correct a program warped with waste and inefficiency. It was hoped that the creation of such an office would bring to the program a fresh review through impartial inspection by competent personnel whose judgment would not be prejudiced through longtime association with the practices and operations under consideration. It was brought out in the hearings on the program this year that personnel who have worked with the International Cooperation Administration in various capacities throughout the years are now being employed in this new Office of Inspector General-Comptroller. We find no personal fault with those administering the Office of Inspector General-Comptroller but we do feel that the decision to place the inspection of the program in the hands of those who have been intimately associated with its development was a wrong decision.

DANGERS IN THE DEVELOPMENT LOAN FUND

The Development Loan Fund continues to be an adjunct of the foreign-aid program for the making of loans rather than grants. When the Development Loan Fund was created, many of us were given the impression that the making of loans to underdeveloped countries for economic development would result in a reduction of economic grant assistance. There has been no appreciable reduction in the use of economic grant assistance funds.

Testimony received during the hearings indicates that money in the fund has been earmarked for certain countries without having received from those countries specifications and plans for particular economic projects. As a result of this unorthodox and inefficient procedure, many countries with worthy projects have been denied the assistance that they require because of the lack of funds. Until sound methods are utilized, the Development Loan Fund cannot possibly achieve maximum success.

NEED FOR REVIEW AND REVISION OF MUTUAL SECURITY PROGRAM

In prior years we have expressed our strong conviction that a realistic and objective review of the mutual security program and the legislation by which it is implemented should be immediately undertaken. Although annual revision of the act has been made, the basic legislation has not been thoroughly considered or rewritten since 1954. We are hopeful that the entire mutual security legislation will be reviewed by the committee in the next session of Congress.

Again this year we urge a thorough study, a reappraisal, and a redefining of foreign policies and methods. What is needed is a deeper understanding of the fundamental problems, better programing, and more efficient administration. To continue to vote large appropriations for the mutual security program is not enough. To refuse to face the facts and in the very name of mutual security and freedom fall to demand adequate remedy for current deficiencies would be a negation of our congressional responsibility.

Mr. MORGAN. Mr. Chairman, I yield 8 minutes to the gentleman from Alabama [Mr. SELDEN].

Mr. SELDEN. Mr. Chairman, the authorization in this bill as reported by the committee is \$1,318,400,000. This is a reduction of slightly less than 10 percent from the amount requested by the executive branch. This is just about the same percentage by which the committee reduced the executive branch request last year. I hasten to add that the committee

does not regard 10 percent as a sacred percentage; the repetition is strictly coincidental.

The amount of this year's bill is, of course, considerably below that of other years because the military authorization and the Development Loan Fund authorization were voted last year. The fact that authorization for these two programs had previously been approved did not deter the committee from going into both of those programs thoroughly. If one examines the hearings, he will note that we have had responsible witnesses address themselves to our military aid program and to the work of the Development Loan Fund just as though they were part of this year's bill. The reason for this was not idle curiosity. It is simply that the mutual security program is a package of related programs that take on meaning only as all the component parts are explained. For example, defense support, an economic activity which is in the bill before the House can only be justified in relation to the military assistance that is not in this bill. The same may be said of special assistance. To cite another example, the extent of our grant aid is determined, in part, by the size of the programs that can be financed from the Development Loan Fund.

Under the able guidance of the chairman of the House Committee on Foreign Affairs, Dr. Thomas Morgan, the committee hearings ran over a period of 17 days. More than 70 witnesses from the executive branch, from the legislative branch, and from private organizations appeared. The result of our work will be found in the printed hearings totaling almost 1,200 pages. These do not, of course, contain all the testimony given. In matters touching upon security there are the usual deletions. But the Members of the House should know that this year, as a result of committee insistence, the deletions have been much fewer than in any year since I have been a committee member.

The hearings were followed by several weeks devoted to the committee's mark-up sessions when all parts of the bill were discussed in great detail. Out of those deliberations came the committee's recommendations cutting the executive branch request by \$136,500,000. These reductions are confined to three programs—defense support was reduced \$49 million; special assistance was reduced \$12,500,000; and the contingency fund was reduced \$75 million.

I may add that I supported all of these reductions. It was my amendment that reduced the contingency fund from \$175 million to \$100 million. As the name implies, it is a fund that cannot be programmed in advance as can other parts of the program. It is designed to meet emergency conditions that can be expected to arise during the next year. For the current year the appropriation for the contingency fund is \$155 million.

The request of the executive branch for fiscal 1961, for the contingency fund in the committee's opinion, can be safely reduced. In the first place, there has been more careful planning throughout the whole program as evidenced by the presentation material. Contingencies,

of course, cannot be planned for; but barring some unusual circumstance, the amounts available for the programed activities should be adequate to carry them out and thus permit the contingency fund to be used for the unexpected. Second, the transfer authority of section 501 makes possible the transfer of limited amounts of funds from one type of activity to another.

The reduction in special assistance of \$12,500,000 is a reduction of 5 percent from that requested by the executive branch. Defense support was reduced slightly over 7 percent. Last year Congress inserted in the Mutual Security Act a new provision, section 503(c), requiring a report of the plans of the executive branch for progressively reducing and terminating, wherever practicable, bilateral grants of economic assistance in the defense support and special assistance categories. Pursuant to the law Under Secretary of State Dillon submitted such a report. Additionally he gave to the committee a more detailed classified version. Mr. Dillon's principal conclusions included:

Defense support assistance is being provided to 12 countries; substantial special assistance is being provided an additional 10 countries. Furthermore, small programs of special assistance are being extended to nine countries.

For the last group, the limited size of the programs and their special purposes are such that it is not feasible to prepare meaningful plans for their reduction or elimination. They should and will, of course, be subject to an annual assessment of their continuing value in promoting basic U.S. interests. Decisions to modify or eliminate will be taken in the light of that annual review.

Of the remaining 22 programs, progress has been sufficient in 10 of them so that the possibility of terminating grant assistance can be foreseen within a period of 5 years. In the case of eight more programs, our plans call for progressive reductions in grant aid.

Finally, there are three countries in which the situation as of this moment seems intractable, and where I, therefore, consider it to be unrealistic to attempt planning beyond the current fiscal year.

Of course, events over which we have no control may prove Mr. Dillon a false prophet. But this is the first candid appraisal we have had of how we are doing and how soon, in some cases, we may expect to terminate our assistance.

During the past several years the committee's focus has been not only on the dollar amounts but has extended into the whole range of management and organization of the mutual security program. The Office of Inspector General and Comptroller was established last year as a result of the committee's efforts. Unfortunately, this office has been slow in getting under way in the job that we hoped it would accomplish. Also, the Inspector General and Comptroller in building up an organization has drawn to a large extent on personnel already connected with the mutual security program. This, I believe, is unwise. These facts have been pointed out in the committee report with the observation:

Unless the Inspector General and Comptroller clearly demonstrates the effectiveness of his operation during the months to come,

the committee intends to take further action to assure that deficiencies in the operations of the program are detected and remedied.

As a result of our committee's work, acting through a specially constituted subcommittee for mutual security review, ICA has reviewed its procedures to require, as a general rule, full readiness for implementation before obligations are incurred. After our subcommittee found large unsubobligated amounts in selected projects, ICA has undertaken a systematic review of projects and has been able to reduce unsubobligated funds from 54 to 23 percent. We noted that there was a lack of adequate local commercial interest on entrepreneurial-type projects. ICA established an Office of Private Enterprise to develop local entrepreneurial interest and action. The Development Loan Fund has emphasized this aspect as shown in securing private participation in a Turkish steel mill project. In Taiwan the expansion of the private sector of the economy has been given greater emphasis.

Those who will examine the classified volumes on the committee table will find they are far more complete than in previous years. Moreover, they contain detailed information showing for countries receiving defense support funds all the relevant factors taken into account to determine the size of the program for that country.

But despite continuing efforts on the part of both the executive and legislative branches of our Government to eliminate waste in the mutual security program, we are all aware that unnecessary expenditures continue. Therefore, as long as the program is necessary for the safety of our Nation, the problem of wasteful spending must be constantly attacked. A vital part of that attack is a careful and continuing review by the legislative branch of our Government.

It may appear painfully commonplace to say that communism is still a threat to our security. World leaders are commuting and communing all around the world. High-level meetings are going on almost continuously. But for all the hustle and bustle I have not been able to detect any positive accomplishments. I must reluctantly conclude that the conditions that I described in this House last year still exist today.

While I fully realize the mutual security program is not all pluses or minuses, I am convinced that it would not be in the national interest to discontinue this program at the present time. Therefore, Mr. Chairman, in again supporting the mutual security bill this year I do so because I am convinced this program is still a necessary part and parcel of the defense effort of our Nation and the free world.

Mrs. BOLTON. Mr. Chairman, I ask unanimous consent that the gentleman from New Hampshire [Mr. MERROW] may extend his remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mr. MERROW. Mr. Chairman, it is my privilege to speak again in behalf of

the mutual security program of the United States. I have supported this most important legislation ever since its inception. It is a source of genuine satisfaction to me that it has not only become a major tenet of U.S. foreign policy but of the fabric of security of the free world. I believe just as strongly today in its essential validity as I did when I first examined the initial bill.

FORCE OF MUTUAL SECURITY PROGRAM IN THE WORLD TODAY

Mr. Chairman, we are considering the mutual security program for 1960 today in the dawn of a new decade of the affairs of nations. As we look out into the span of the next 10 years, most of us, I am certain, share my conviction that the present peace of the world can only be maintained through a continuing posture of strength by the United States in the field of foreign affairs.

We see no relaxation in the thrust and purpose of Soviet policy. We know all too well the effects of that policy on the lives of free people. We have seen the military, the political, the economic and the psychological aspects of that policy in action. We have seen one or more of these instruments operate to the disadvantage of the free world in the struggle between democracy and communism for the political organization of men.

We have also seen these techniques turned against the Communists in situations in which the military or political or economic threat to a specific country has been counterbalanced with outside assistance when the capabilities of the threatened country were clearly inadequate. This has been the great force of the mutual security program in the post-war period on the international posture of the United States and its allies.

SUMMARY OF 1960 PROGRAM

The new program is based on the action of Congress last year in authorizing the military assistance program for 3 years running through fiscal 1962 with such funds as may be necessary, the Development Loan Fund for 2 years running through fiscal 1961 up to \$1.1 billion, and three special assistance programs totaling \$20.1 million.

This is a total previous authorization of \$2.7 plus billion through fiscal 1961. The new program for fiscal year 1961, therefore, sought a new money authorization of \$1,454,900,000 for the defense support, technical cooperation, and special assistance elements of economic assistance, plus the contingency fund. The appropriation request is for \$4,175 million, making a difference of \$2,720,100,000 for which no authorization is required.

The principal money elements of the program requested break down as follows:

Chapter II, economic assistance:	
Title I, defense support.....	\$724,000,000
Title III, technical cooperation.....	206,500,000
Title IV, special assistance.....	349,400,000
Total.....	1,279,900,000
Chapter III, contingency fund	175,000,000
Total.....	1,454,900,000

The Committee on Foreign Affairs cut \$136,500,000, or 9 percent, from the \$1,454,900,000 total request. The cut breaks down as follows:

454,900,000 total request. The cut breaks down as follows:

(In thousands)

	Admin- istra- tion re- quest	Com- mit- tee ac- tion	De- crease
Chapter II—Economic Assistance:			
Title I, Defense Support.....	\$724,000	\$675,000	—\$49,000
Title III, Technical Co- operation.....	206,500	206,500	-----
Title IV, Special Assis- tance.....	349,400	336,900	—12,500
Total.....	1,279,900	1,218,400	—61,500
Chapter III—Contingency Fund.....	175,000	100,000	—75,000
Total.....	1,454,900	1,318,400	—136,500

I hope the House will accept these figures without further reductions. They have been carefully considered in committee and arrived at after due deliberation. The committee is convinced that they will not seriously hamper the administration in the execution of the program.

ADMINISTRATION OF THE PROGRAM

It has become increasingly apparent that the difficulty with the foreign-aid legislation is not the basic validity of the program or the purposes of the categories of assistance, but the administration of them. The administration of the mutual security program must be under constant surveillance. All errors should be corrected immediately and every effort exercised to bring about proper, efficient, and economical handling of the various projects.

CRITICISMS OF THE PROGRAM

On page 969 of the hearings, as a part of Under Secretary of State Dillon's testimony before the Committee on Foreign Affairs on February 18, will be found various examples provided by ICA of justified criticisms, overdramatized criticisms, and unsubstantiated criticisms. I know of no program conducted by the U.S. Government that has been so thoroughly criticized as has the mutual security program—some of it with justification; some of it without any basis in fact. It has become the whipping boy for about everything one can think of. I have no brief for errors or mistakes, but it seems to me that if we are to approach this matter realistically we must conclude that the remedy is certainly not the scuttling of the program or arbitrarily slashing it to shreds but is in improving its administration.

Secretary Dillon lists five examples of what he calls justified criticisms, two in Vietnam dealing with highways and bridges, and radio towers; two others in Japan and Korea on logistics, and one in Pakistan concerning cantonment construction.

Examples of overdramatized criticisms, as a result of motivated or overzealous newspaper reporters, deal with ship repairs in general, logistics in the Middle East, deep freezers in Vietnam, the Helmand Valley Dam in Afghanistan, and aircraft storage in Iran.

Examples of simply unsubstantiated criticisms, also appearing in the press, following exhaustive Executive investigations, deal with racial discrimination

and inequitable distribution of aid in Pakistan, the loan program in Nepal, the American Highway and success of Communist aid in Cambodia, the university project in Laos, transportation costs in Ethiopia, the alleged 84-year supply of oil in Germany, and nylon stockings for WAC's in Korea.

Secretary Dillon's discussion of these criticisms has been intelligently handled and will assist the Members in their review of the program. It will contribute to their understanding of some of the difficulties under which the Executive labors in its administration of a program of this magnitude and complexity.

Mr. Chairman, the Committee on Foreign Affairs has been actively examining the mutual security program since the close of the last session of Congress. I wish to make special mention of the efforts of its subcommittee for the review of the mutual security program and its staff survey team who spent almost three months on a trip around the world, examining particularly the programs in Korea, in Thailand, and in Iran. The team reported generally favorably on their observations of the program in action. They did, however, inquire into several questionable aspects of administration and were particularly successful in pointing up the need for remedial action in Korea and in Iran.

MUTUAL SECURITY FUNDS AS ESSENTIAL AS OTHER DEFENSE EXPENDITURES

Mr. Chairman, I attempted to accomplish one thing in the hearings on the mutual security program this year with each of the executive principal witnesses. I asked one compelling question. That question was, "Do you feel that the funds which we spend on the mutual security program are as essential for our national security as funds we spend in any other area of defense?"

I want to draw your attention to the specific answers as they appear in the committees' record of the hearings. On page 10, Secretary of State Herter replied on February 17, as follows:

I think they are both an essential part of our security. Obviously we have to have sufficient military strength to deter any sort of aggression on the part of the Communists.

In addition to that, though, we require this type of a program if the process of nibbling away at countries by peaceful means, bit by bit, is something that isn't going to faze us. * * *

This is a problem that we cannot escape. It is one that the free world must cooperate in trying to meet. * * *

If we should abandon the military assistance, I think we would find very soon that our own military expenditures, from the point of view of our Department of Defense budget, would have to be increased many, many times over that which we spend for the military assistance.

Again, on page 54 of the hearings, we hear from Under Secretary of State Dillon: In response to my question if there are any areas in the proposed legislation that cannot be reduced without great risk to our security, Mr. Dillon stated:

I think it is all absolutely required. * * * It is all equally important and equally necessary, and I think it is a minimum amount for the best interests of the United States.

Again, on page 76 of the hearings, Secretary of Defense Gates has stated:

I think it is equally important and equally vital.

On the next page on the same day, General Lemnitzer, Chief of Staff of the Army, speaking for the Chairman of the Joint Chiefs of Staff, says in response to my question:

So long as the threat retains its present scope and magnitude * * * the Joint Chiefs of Staff, in looking at the overall problem, both of our own capabilities and the capabilities of our allies under the mutual security program, believe this figure makes military sense and, as a matter of fact, economic sense. We feel that if any smaller amounts are appropriated, as was the case last year, some very important programs will have to be reduced—reduced below what we believe to be the minimum level at which they should be maintained, and it may be necessary to eliminate some programs in their entirety.

These programs are the very minimum as we see them. These are the programs which the Joint Chiefs of Staff have gone into thoroughly. There will be a reduced level of defense resulting from any reductions in this program. We feel that and feel it very strongly.

These statements, Mr. Chairman, are most persuasive. I am convinced that these witnesses are sincere in what they say. The President has stated, and they have stated, that this is an absolutely vital program to the security of the United States. While they naturally are opposed to any reductions, I am certain that the administration can live with the recommendations of the Foreign Affairs Committee. I opposed the reductions but I am prepared to accept them. My only concern is that no further cut be made in the program at this time.

AID TO CUBA

Mr. Chairman, I wish to invite the attention of the Members to one other matter in connection with this bill. That is the matter of terminating aid to Cuba. I supported the committee's amendment terminating all remaining economic assistance to Cuba, once we had learned that the administration itself had terminated all military assistance.

Even though the amount of economic assistance programed is small, I share the feeling of my colleagues on the committee and millions of Americans who see no hope for improvement of relations with Cuba while Castro is in power. By this action we are hopeful that the Cuban people will recognize this measure as a rebuff to the Government and not to their economy and take appropriate steps to remedy a rapidly deteriorating situation. Provision is made for escape from the restriction if the President determines that it is in the national and hemispheric interest of the United States.

The time has come when we must indicate to Castro, in no uncertain terms, that we do not approve of his unreasonable, intemperate, and flagrant criticism of the United States. Castro must be made to understand that we are fed up with his actions and that we do not intend to give economic assistance—whether under the Mutual Security Act

or in the purchase of sugar—while he continues his present policies and vicious attacks on the United States.

Mr. Chairman, the mutual security program is one of the most important pieces of legislation before the Congress. It is a vital and significant instrument of U.S. foreign policy. I hope the House will pass overwhelmingly H.R. 11510.

It has been my privilege to discuss the mutual security program in many sections of the United States. I have found that a large majority of people everywhere are in favor of its continuation. They want it administered effectively and are for the immediate termination of errors. They feel that the mutual security program is one of the most valuable instruments of our foreign policy and believe it is a vital part of our defense in the universal struggle which is joined around the world. We must, in the interests of U.S. security, continue this program with full and adequate funds to make it increasingly effective.

Mrs. BOLTON. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Chairman, this bill calls, I have been told, for a rather large appropriation; I ask the gentleman from Iowa whether that is right.

Mr. GROSS. Oh, yes; just \$4 billion plus.

Mr. HOFFMAN of Michigan. Four billion?

Mr. GROSS. That is all.

Mr. HOFFMAN of Michigan. I knew the gentleman had the facts for no one reads the hearings with better result.

Mr. Chairman, it occurred to me that perhaps we should look at the amount with a rather critical eye because, in view of a recent decision by the U.S. Supreme Court last Monday, there is a possibility that we will need far more money here at home. We are all aware of the fact that there are several million people in this country who will need assistance by way of medical care, probably hospitalization—many things. Then, of course, there are the postal workers, the schoolteachers, Federal aid to education, and I can think of a number of additional proposals calling for other additional billions.

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

Mr. HOFFMAN of Michigan. Gladly.

Mrs. BOLTON. Just to correct the record, this bill calls for \$1,318,400,000, not the figure of \$4 billion that the gentleman mentioned.

Mr. HOFFMAN of Michigan. Will the gentleman from Iowa [Mr. GROSS] accept that correction? I am sure he will.

Mr. GROSS. Oh, I will accept any correction by the gentleman from Ohio that has to do with foreign spending.

Mr. HOFFMAN of Michigan. So will I. We know the amount is large. But, when this decision came down—it was printed last night and I read it again this morning—I reached the conclusion that we will need more money here at home. Now, why?

Here is one of the reasons.

There was a time when employees were at the mercy of employers.

Congress recognized the situation and wrote the Wagner law in 1935. Experience demonstrated the need for amendments and, in 1947, the Taft-Hartley Act was enacted.

To further protect and aid workers Congress gave us—45 U.S.C. 151-164—the Norris-La Guardia Act to protect employees. Section 4 of that act specifically withdrew jurisdiction from a district court to prohibit any person or persons from "ceasing or refusing to perform any work or to remain in any relation or employment in any case involving or growing out of any labor dispute."

Congress declared the policy of the Interstate Commerce Act to be, in part, "to promote economical and efficient transportation services at reasonable charges" and the Court has declared that "it is a primary aim of that policy to secure the avoidance of waste."

In another decision, the Court said:

Congress has long made the maintenance and development of an economical and efficient railroad system a matter of primary national concern.

The power of the unions to enforce their demands has now grown to such an extent that the life of a business, small or great, depends upon the extent of the union's demands, the ability, not the will of the employer to comply.

For several years I have, time and again, often to the annoyance of my colleagues, requested, tried to insist, that the Congress repeal the Norris-La Guardia Act or make it applicable to labor organizations which were being unduly protected by it.

Though almost insistently calling attention to what has happened, to the need for the enactment and the enforcement of legislation which would bring about some degree of equality, at least a semblance of equal justice under law, a request for legislation obviously not only needed, but necessary if private enterprise is to survive, I have not been able to even get a hearing before the Committee on Education and Labor, a committee of which I am a member, much less action by the Congress on the bills introduced.

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

Mr. HOFFMAN of Michigan. I yield.

Mr. PASSMAN. Of course, the gentleman understands that you must add to this bill now under consideration the amount of the advance authorization that the Foreign Affairs Committee and the Congress granted last year, which was a departure from the manner in which this bill had been handled in the past. So, the appropriation, to carry out the advance authorizations and the new authorizations provided in this bill, would be in excess of \$4 billion for the fiscal year 1961, if such an amount should be approved in the appropriation bill, which is now being considered by our Subcommittee on Foreign Operations Appropriations. I am confident that I can say, however, the Appropriations Committee shall not recommend and the Congress shall not approve any such fantastic amount as that.

Mr. HOFFMAN of Michigan. I shall now get back to the thought that I had

which was that the Supreme Court, in a way, has turned the tables on us. Congress and Congressmen individually have been rather critical of some of the decisions of the Supreme Court. The Court in this decision has acknowledged that there is this very, very bad condition that exists in connection with labor disputes and legislation and says that something must be done. The judges who wrote the opinion and those who dissented agree that the obligation for needed legislation rests upon, not the Court, but the Congress.

It was last Monday, the 18th, that the U.S. Supreme Court handed down a decision in the case of the Order of Railroad Telegraphers, et al., petitioners, against Chicago and North Western Railway Co., a corporation, which shows the need for the legislation which has been suggested by me.

The Chicago & North Western Railway Co., a corporation, operates a rail system of over 9,000 miles in nine States. It is an integral part of the nationwide railway system which is important to the transportation of passengers and freight in interstate commerce. The railroad has twice been involved in bankruptcy; during the last quarter of 1956, operated at a loss of \$8 million.

Under laws enacted by the Congress and the States, it was found that it was operating certain sections of its lines at a loss and secured permission to close those sections of its road.

The union threatened to strike. The company sought an injunction restraining the calling of the strike because, as it alleged, under Federal legislation it was for an unlawful purpose. The Supreme Court held that a labor dispute was involved and overruled the decision of the Court of Appeals for the Seventh District, which had made the injunction permanent.

It is obvious that, if the railroad cannot exercise its option to abandon the unproductive portions of its system, it must go out of business, but that the remedy lay in legislation by the Congress.

The majority opinion stated:

It may be, as some people think, that Congress was unwise in curtailing the jurisdiction of Federal courts in railroad disputes as it did in the Norris-La Guardia Act. Arguments have even been presented here pointing to the financial debilitation of the respondent Chicago & North Western Railroad and to the absolute necessity for the abandonment of railroad stations. These arguments, however, are addressed to the wrong forum. If the scope of the Norris-La Guardia Act is to be cut down in order to prevent waste by the railroads, Congress should be the body to do so. Such action is beyond the judicial province and we decline to take it.

It is conceded that, if the section of line which the company desires to abandon is closed, the jobs now held by certain union men will end. The union insisted that, under present legislation, that could not be done even though some of the employees who would lose their jobs now worked as little as 12 minutes a day, though the average daily work time on its one-man stations is only 59 minutes; that all receive a full day's pay

and that in some cases the hourly rate was as high as \$300 per hour.

If it be argued that union employees should be permitted to strike—unless the company submitted to its demands—it might be well to read the statement of Mr. Justice Clark as hereinafter printed—which is, in effect, that granting the union the right to tell the company when it presents its request to negotiate to go to —. See the second paragraph of Justice Clark's opinion as hereinafter printed.

To me, a pertinent observation is to ask the five members of the Supreme Court to justify the strike as to just where the company is to get the funds to comply with the demand of the union if and when it calls a strike. Will the Court issue process and follow through to the resources of the individual stockholders or will the union come to Congress with a demand for an appropriation of funds sufficient to enable the unneeded nonworking employees to continue to do nothing at public expense? If that be true, should we not save a part of the money called for by the pending bill for future use?

Realizing the utter futility of inducing this Congress to enact obviously needed, obviously necessary remedial legislation, I will not longer take the time of the House, other than to read an editorial from the morning Chicago Tribune which gives a concise and accurate view of the problem. It reads as follows:

ANOTHER BLOW AT THE RAILROADS

No matter what the railroads do, some agency of the Government tells them it's wrong.

Two years ago a Senate committee bawled out the railroads for not doing enough to help themselves. Among the things specifically recommended by the committee was abandonment or consolidation of nonpaying branch and secondary lines. About the same time the Chicago and North Western railway, which was in poor financial shape, sought to better itself by eliminating full-time agents at several hundred little-used stations. Permission to do so was obtained from the public utility commissions of South Dakota, Iowa, Minnesota, and Wisconsin.

The railroad did not propose to throw out all the superfluous agents without notice and without compensation. It suggested to the telegraphers union several means of cushioning the effects. The agents no longer needed might be transferred to other jobs or granted severance pay, or have their jobs abolished only through death, retirement, or resignation. The union countered by threatening to strike unless the North Western promised that no job existing on December 3, 1957, would be abolished except by agreement between the railroad and union.

The North Western sued for an injunction to restrain the strike. The Federal district court in Chicago refused to issue an injunction, but the court of appeals reversed the lower court, holding that "this is an attempt by the union to arrogate to itself the prerogatives that have been traditionally and rightfully management's, while, at the same time, assuming none of the corresponding burdens and responsibilities."

Now the U.S. Supreme Court, in a 5-to-4 decision, has reversed the court of appeals. The majority opinion, written by Mr. Justice Black, noted the railroad's contention that station abandonments were necessary but held that, under the circumstances, the courts were barred by the Norris-La Guardia Act from enjoining a strike.

"If the scope of the act is to be cut down in order to prevent waste by the railroads, Congress is the body to do so," the Court held.

Mr. Justice Whittaker, who wrote the principal dissenting opinion, concluded that a lawful labor dispute was not involved and that therefore the Norris-La Guardia law was not applicable. Mr. Justice Clark, in a separate dissenting opinion, said he did not believe Congress intended to put the railroads in such a situation.

In view of the Court's decision, it is obviously the duty of Congress to clarify this matter without delay. On the one hand Congress cannot berate the railroads for being inefficient while at the same time requiring them by law to be inefficient.

The question here goes far beyond the telegraphers on the North Western Railway. All the railroads and their employees are involved. The question is whether a railroad must get the consent of a union whenever it wishes to abolish a job made unnecessary by changing conditions or technological improvements. As Mr. Justice Clark said, "Everyone knows what the answer of the union will be."

If the unions are to have veto power over the abolishment of jobs there is no chance for the railroads to help themselves.

The decision to which reference has been made by me and by the Tribune reads as follows:

DECISION

(Supreme Court of the United States—No. 100—October term, 1959; *The Order of Railroad Telegraphers, et al., Petitioners, v. Chicago and North Western R. Co., a Corporation*; on writ of certiorari to the U.S. Court of Appeals for the Seventh Circuit.)

(April 18, 1960)

Mr. Justice Black delivered the opinion of the Court.

According to the verified complaint filed in a United States District Court in Illinois by the respondent, Chicago & North Western Railway Co., against the petitioner, the Order of Railroad Telegraphers and its labor union officials, "This is an action for injunction to restrain and enjoin the calling and carrying out of a wrongful and unlawful strike or work stoppage on plaintiff's railroad." Section 4 of the Norris-La Guardia Act provides, however, that "No court of the United States shall have jurisdiction to issue any restraining order or temporary or permanent injunction in any case involving or growing out of any labor dispute to prohibit any person or persons from (a) Ceasing or refusing to perform any work or to remain in any relation of employment." The main question in this case then was, and still is, whether this prohibition of the Norris-La Guardia Act bars an injunction in the circumstances of this case.

Respondent railroad, owning and operating a rail system over 9,000 miles in the States of Illinois, Wisconsin, Iowa, Minnesota, Michigan, Nebraska, South Dakota, North Dakota, and Wyoming, is an integral part of the nationwide railway system important to the transportation of passengers and freight in interstate commerce. When the railroad began operations, about 100 years ago, traffic was such that railroad stations were established about 7 to 10 miles apart. Trucks, automobiles, airplanes, barges, pipelines, and modern roads have reduced the amount of railroad traffic so that the work now performed at many of these stations by agents is less than 1 hour during a normal 8-hour day. Maintenance of so many agencies where company employees do so little work, the complaint alleges, is wasteful and consequently in 1957 the railroad filed petitions

with the public utility commissions in four of the nine States in which it operated, asking permission to institute a "central agency plan whereby certain stations would be made central agencies * * *," and others abolished. The plan would necessarily result in loss of jobs for some of the station agents and telegraphers, members of the petitioner union. A few weeks after the State proceedings were filed and before any decision had been made, the petitioner union, the duly recognized, certified, and acting collective bargaining agent for the railroad's employees, notified the railroad under section 6 of the Railway Labor Act, 45 U.S.C., section 156, that it wanted to negotiate with the railroad to amend the current bargaining agreement by adding the following rule:

"No position in existence on December 3, 1957, will be abolished or discontinued except by agreement between the carrier and the organization."

The railroad took the position, according to its complaint, that this request did not constitute a "labor dispute under the Railway Labor Act," that it did not raise a bargainable issue, and that the union had no right to protest or to seek relief except by appearing before the State public utility commissions which had power to determine whether station agencies could be discontinued, a power which private parties could not thwart by entering into a bargaining agreement. The respondent added that maintenance of the unnecessary agencies was offensive to the national transportation policy Congress adopted in the Interstate Commerce Act, 49 U.S.C., sections 1-27, and that the duties that act imposed on railroads could not be contracted away.

The union contended that the District Court was without jurisdiction to grant injunctive relief under the provisions of the Norris-La Guardia Act because this case involved a labor dispute, and that the railroad had refused to negotiate in good faith on the proposed change in the agreement in violation of section 2, First, of the Railway Labor Act, 45 U.S.C., section 152, First, which requires the railroad to exert every reasonable effort to make and maintain agreements concerning rates of pay, rules and working conditions. Therefore, the union argued, an injunction in Federal court is barred if for no other reason because of section 8 of the Norris-La Guardia Act which provides:

"No restraining order or injunctive relief shall be granted to any complainant who has failed to comply with any obligation imposed by law which is involved in the labor dispute in question, or who has failed to make every reasonable effort to settle such dispute either by negotiations or with the aid of any available governmental machinery of mediation or voluntary arbitration" (29 U.S.C., section 106.)

See *Brotherhood of Railroad Trainmen v. Toledo, P. & W.R. Co.*, (321 U.S. 50).

After hearings, the district court found, so far as is relevant here, that the railroad "refused to negotiate, confer, mediate or otherwise treat with defendant telegraphers on the proposed change in agreement set forth in the section 6 notice," although the railroad "did show willingness to negotiate upon the central agency plan, including a possibility concerning severance pay;" that the proposed contract change referred to in the section 6 notice "relates to the length or term of employment as well as stabilization of employment" and that collective bargaining as to the length or term of employment is common place; that "the dispute giving rise to the proposed strike is a major dispute and not a minor grievance under the Railway Labor Act, and no issue involved therein is properly referable to the National Railroad Adjustment Board";³ and that the contract

change proposed in the section 6 notice, related to "rates of pay, rules and working conditions," and was therefore a bargainable issue under the Railway Labor Act. On its findings and conclusions of law, the district court granted temporary relief but declined to grant a permanent injunction on the ground that it was without jurisdiction to do so.

On appeal the court of appeals did grant a permanent injunction upon its decision that "the district court's finding that the proposed contract change related to rates of pay, rules, or working conditions, and was thus a bargainable issue under the Railway Labor Act, is clearly erroneous."⁴ It held that the Norris-La Guardia Act did not apply to bar an injunction against this strike,⁵ and we granted certiorari (381 U.S. 809), to consider this important question.⁶

We hold, with the district court, that this case involves or grows out of a labor dispute within the meaning of the Norris-La Guardia Act and that the district court was without jurisdiction permanently to enjoin the strike.

Section 4 of the Norris-La Guardia Act specifically withdraws jurisdiction from a district court to prohibit any person or persons from ceasing or refusing to perform any work or to remain in any relation of employment in any case involving or growing out of any labor dispute as herein defined.⁷ Section 13(c) of the act defines a labor dispute as including "any controversy concerning terms or conditions of employment, or concerning the association or representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms or conditions of employment, regardless of whether or not the disputants stand in the proximate relation of employer and employee."⁸

Unless the literal language of this definition is to be ignored, it squarely covers this controversy. Congress made the definition broad because it wanted it to be broad. There are few pieces of legislation where the congressional hearings, committee reports and the language in the legislation itself more clearly point to the necessity for giving an act a construction that will protect the congressional policy the act adopted. Section 2 of this act specifies the public policy to be taken into consideration in interpreting the act's language and in determining the jurisdiction and authority of Federal courts; it is one of freedom of association, organization, representation, and negotiation on the part of workers.⁹ The hearings and committee reports reveal that Congress attempted to write its bill in unmistakable language because it believed previous measures looking toward the same policy against nonjudicial intervention in labor disputes had been given unduly limited constructions by the courts.¹⁰

³ *Chicago & N.W.R. Co. v. Order of Railroad Telegraphers* (264 F. 2d 254, at 260).

⁴ *Ibid.* See *Brotherhood of Railroad Trainmen v. New York Central R. Co.* (246 F. 2d 114). But see *Bull Steamship Co. v. Seafarers' International Union* (250 F. 2d 326).

At the time of the district court's decision, two States (South Dakota and Iowa) of the four in which the railroad had sought permission to institute its central agency plan (the other two were Minnesota and Wisconsin) had granted permission, and the plan was promptly placed in effect. Since then, we are given to understand, the commissions in the remaining two States have issued orders approving the plan.

⁵ Compare *Marine Cooks & Stewards v. Panama Steamship Co.* — (U.S. —) decided this day.

⁶ 29 U.S.C., sec. 104.

⁷ 29 U.S.C., sec. 113(c).

⁸ 29 U.S.C., sec. 102.

⁹ See *Allen Bradley Co. v. Local Union No. 3* (325 U.S. 797, 805); *United States v. Hutch-*

Plainly the controversy here relates to an effort on the part of the union to change the "terms" of an existing collective bargaining agreement. The change desired just as plainly referred to "conditions of employment" of the railroad's employees who are represented by the union. The employment of many of these station agents inescapably hangs on the number of railroad stations that will either be completely abandoned or consolidated with other stations. And, in the collective bargaining world today, there is nothing strange about agreements that affect the permanency of employment. The district court's finding that "collective bargaining as to the length of term of employment is commonplace," is not challenged.

We cannot agree with the court of appeals that the union's efforts to negotiate about the job security of its members "represents an attempt to usurp legitimate managerial prerogative in the exercise of business judgment with respect to the most economical and efficient conduct of its operations."¹⁰ The Railway Labor Act and the Interstate Commerce Act recognize that stable and fair terms and conditions of railroad employment are essential to a well-functioning national transportation system. The Railway Labor Act safeguards an opportunity for employees to obtain contracts through collective rather than individualistic bargaining. Where combinations and consolidations of railroads might adversely affect the interests of employees, Congress in the Interstate Commerce Act has expressly required that before approving such consolidations the Interstate Commerce Commission "shall require a fair and equitable arrangement to protect the interests of the railroad employees affected."¹¹ It requires the Commission to do this by including "terms and conditions" which provide that for a term of years after a consolidation employees shall not be "in a worse position with respect to their employment" than they would otherwise have been.¹²

In 1942 this Court held that when a railroad abandons a portion of its lines, the Interstate Commerce Commission has power to include conditions for the protection of displaced workers in deciding "what the public convenience and necessity may require." We so construed the Interstate Commerce Act specifically on the basis that imposition of such conditions "might strengthen the national system through their effect on the morale and stability of railway workers generally." *Interstate Commerce Commission v. Railway L. Exec. Assn.* (315 U.S. 373, 378), citing *United States v. Lowden* (308 U.S. 225). The brief for the railroad associations there called our attention to testimony previously given to Congress that as early as 1936 railroads representing 85 percent of the mileage of the country had made collective bargaining agreements with their employees to provide a schedule of benefits for workers who might be displaced or adversely affected by coordinations or mergers.¹³ In an effort to prevent a disruption and stoppage of interstate commerce, the trend of legislation affecting railroads and railroad employees has been to broaden, not narrow, the scope of subjects about which workers and railroads may or must negotiate and bargain collectively. Furthermore, the whole idea of what is bargainable has been greatly affected by the practices and customs of the railroads and their employees themselves. It is too late now to argue that employees can have

eson (312 U.S. 219, 230-236); *Milk Wagon Drivers' Union v. Lake Valley Farm Products* (311 U.S.C. 91, 102-103).

¹⁰ 264 F. 2d, at 259.

¹¹ 49 U.S.C., sec. 5(f). And see sec. 5(c).

¹² 49 U.S.C., sec. 5(f).

¹³ Hearings before the House Committee on Interstate and Foreign Commerce on H.R. 2531, H.R. 4862, 76th Cong., 1st sess. 216-217.

³ See *Brotherhood of Railroad Trainmen v. Chicago River & I.R. Co.* (353 U.S. 30).

no collective voice to influence railroads to act in a way that will preserve the interests of the employees as well as the interests of the railroad and the public at large.

The railroad has argued throughout the proceedings that the union's strike here may be enjoined, regardless of Norris-La Guardia, because its effort to bargain about the consolidation and abandonment of railroad stations is unlawful. It is true that in a series of cases where collective bargaining agents stepped outside their legal duties and violated the act which called them into being, we held that they could be enjoined.¹⁴ None of these cases, however, enjoined conduct which the Norris-La Guardia Act withdrew from the injunctive power of the Federal courts except the Chicago River case which held that a strike could be enjoined to prevent a plain violation of a basic command of the Railway Labor Act "adopted as a part of a pattern of labor legislation." 353 U.S. 30, 42. The Court there regarded as inapposite those cases in which it was held that the Norris-La Guardia Act's ban on Federal injunctions is not lifted because the conduct of the union is unlawful under some other, nonlabor statute.¹⁵ Here, far from violating the Railway Labor Act, the union's effort to negotiate its controversy with the railroad was in obedience to the act's command that employees as well as railroads exert every reasonable effort to settle all disputes "concerning rates of pay, rules, and working conditions." 45 U.S.C., section 2, first. Moreover, neither the respondent nor anyone else points to any other specific legal command that the union violated here by attempting to bring about a change in its collective bargaining agreement. It would stretch credulity too far to say that the Railway Labor Act, designed to protect railroad workers, was somehow violated by the union acting precisely in accordance with that act's purpose to obtain stability and permanence in employment for workers. There is no express provision of law, and certainly we can infer none from the Interstate Commerce Act, making it

unlawful for unions to want to discuss with railroads actions that may vitally and adversely affect the security, seniority, and stability of railroad jobs.¹⁶ And for a number of reasons the State public utility proceedings, invoked by the railroad to obtain approval of consolidation or abandonment of stations, could not stamp illegality on the union's effort to negotiate this whole question with the railroad. The union merely asked for a contractual right to bargain with the railroad about any voluntary steps it might take to abandon stations or to seek permission to abandon stations and thus abolish jobs. Nothing the union requested would require the railroad to violate any valid law or the valid order of any public agency. There is no testimony and there are no findings that this union has set itself up in defiance of any State mandatory order. In fact, there was no State order of any kind at the time the union first asked to negotiate about the proposed contractual change. Even if a Norris-La Guardia "labor dispute" could not arise out of an unlawful bargaining demand, but see *Afran Transp. Co. v. National Maritime Union*, 1959 Am. Mar. Cas. 326, the union's proposal here was not unlawful.

The union contends that, whether the State rulings were mandatory or permissive, the States are without authority to order an abandonment of stations that would conflict with collective bargaining agreements made or to be made between the railroad and the union. Whether this contention is valid or not we need not decide since there is no such conflict before us. And the district court expressly refused to find that the union's proposal was prompted by the railroad's action in seeking State authority to put its central agency plan into effect. Instead, the district court specifically found that the dispute grew out of the failure of the parties to reach an agreement on the contract change proposed by the union.

Only a word need be said about the railroad's contention that the dispute here with the union was a minor one relating to an interpretation of its contract and therefore one that the Railway Labor Act requires to be heard by the Railway Adjustment Board. We have held that a strike over a minor dispute may be enjoined in order to enforce compliance with the Railway Labor Act's requirement that minor disputes be heard by the Adjustment Board. *Brotherhood of Railroad Trainmen v. Chicago River & I.R. Co.* (353 U.S. 30). But it is impossible to classify as a minor dispute this dispute relating to a major change, affecting jobs, in an existing collective bargaining agreement, rather than to mere infractions or interpretations of the provisions of that agreement. Particularly since the collective bargaining agreement which the union sought to change was a result of mediation under the Railway Labor Act, this is the type of major dispute that is not governed by the Adjustment Board.

In concluding that the injunction ordered by the court of appeals is forbidden by the Norris-La Guardia Act, we have taken due account of the railroad's argument that the

¹⁶ Moreover, this railroad operates in nine States; it has instituted proceedings in the State regulatory commissions of four only and at the time of the district court's decision, only two of these had rendered decisions. Yet the union's proposal was to negotiate for a clause which would apply to respondent's entire system. The railroad's refusal to bargain was not limited, however, to operations in the four States in which proceedings had begun. And even assuming that the order of one State, South Dakota, was mandatory and that this fact is of importance, it would not relieve the railroad from any duty it had to bargain on the proposed contract change in the eight other States involved.

operation of unnecessary stations, services, and lines is wasteful and thus runs counter to the congressional policy, expressed in the Interstate Commerce Act, to foster an efficient national railroad system. In other legislation, however, like the Railway Labor and Norris-La Guardia Acts, Congress has acted on the assumption that collective bargaining by employees will also foster an efficient national railroad service. It passed such acts with knowledge that collective bargaining might sometimes increase the expense of railroad operations because of increased wages and better working conditions. It goes without saying, therefore, that added railroad expenditures for employees cannot always be classified as wasteful. It may be, as some people think, that Congress was unwise in curtailing the jurisdiction of Federal courts in railroad disputes as it did in the Norris-La Guardia Act. Arguments have even been presented here pointing to the financial debilitation of the respondent Chicago & North Western Railroad and to the absolute necessity for the abandonment of railroad stations. These arguments, however, are addressed to the wrong forum. If the scope of the Norris-La Guardia Act is to be cut down in order to prevent waste by the railroads, Congress should be the body to do so. Such action is beyond the judicial province and we decline to take it.

There are other subsidiary questions raised with reference to the validity of a second 30-day restraining order issued by the district judge and an injunction pending appeal under Rule 62(c) of the Federal Rules of Civil Procedure. But since we have determined the main controversy between the parties, we think it inadvisable to decide either of these questions now. We intimate no opinion concerning either at this time.

The judgment of the court of appeals is reversed and that of the district court is affirmed insofar as it held that the court was without jurisdiction under the Norris-La Guardia Act to enter the injunction.

It is so ordered.

(Supreme Court of the United States—No. 100—October term, 1959: *The Order of Railroad Telegraphers et al., Petitioners v. Chicago and North Western R. Co., a corporation*—On writ of certiorari to the U.S. Court of Appeals for the Seventh Circuit.)

(April 18, 1960)

Mr. Justice Clark, dissenting.

The respondent, suffering from financial headaches, conducted an efficiency survey of its operations. This indicated that it was carrying considerable deadweight on its payroll in the form of local one-man stations. Some of its local agents worked as little as 12 minutes a day and the average daily work-time on its one-man stations was only 59 minutes. All drew a full day's pay. In fact, the pay for time worked, it was found, ran in some cases as high as \$300 per hour. Meanwhile, the railroad was facing a slow death for lack of funds—all to the ultimate but certain detriment of the public, the employees, and the management. It then proposed—and, after hearings, four States approved—a consolidation of work so that an agent would have sufficient duties to perform to earn a full day's pay. This would also permit the railroad, without any curtailment of its service to the public, to reduce its employee force over its entire system by several hundred agents. It proposed to negotiate with the union as to the severance pay and other prerequisites for those agents whose services would no longer be needed. This the union refused to do, demanding that before any agent's position be abolished the railroad obtain its consent. The union offered but one alternative: "comply with" its demand or suffer a "strike." The railroad, in the face of such a ukase, brought this suit.

¹⁴ *Brotherhood of Railroad Trainmen v. Chicago River & I.R. Co.* (353 U.S. 30); *Brotherhood of Railroad Trainmen v. Howard* (343 U.S. 768); *Graham v. Brotherhood of Locomotive Firemen & Enginemen* (338 U.S. 232); *Tunstall v. Brotherhood of Locomotive Firemen & Enginemen* (323 U.S. 210); *Virginian R. Co. v. System Federation No. 40* (300 U.S. 515). See also *Textile Workers Union v. Lincoln Mills* (353 U.S. 448, 457-459). And see *Steele v. Louisville & N.R. Co.* (323 U.S. 192).

¹⁵ The Court cited the following cases to show that unlawfulness under nonlabor legislation did not remove the restrictions of the Norris-La Guardia Act upon the jurisdiction of Federal courts: *Milk Wagon Drivers' Union v. Lake Valley Farm Products, Inc.* (311 U.S. 91, 103 (alleged violations of Sherman Act)); *East Texas Motor Freight Lines v. International Brotherhood of Teamsters* (163 F. 2d 10, 12 (violation of Interstate Commerce Act and Motor Carriers' Act)).

Of course, a holding here that mere unlawfulness under any law is enough to remove the strictures of the Norris-La Guardia Act, would require a modification or abandonment of our statement that "For us to hold, in the face of this legislation, [the Clayton and Norris-La Guardia Acts] that the Federal courts have jurisdiction to grant injunctions in cases growing out of labor disputes, merely because alleged violations of the Sherman Act are involved, would run counter to the plain mandate of the [Norris-La Guardia] Act and would reverse the declared purpose of Congress." *Milk Wagon Drivers' Union v. Lake Valley Farm Products, Inc.* (311 U.S. 91, 103). See also *Lee Way Motor Freight v. Keystone Freight Lines* (126 F. 2d 931, 934).

Today the Court tells the railroad that it must bargain with the union or suffer a strike. The latter would be the death knell of the railroad. Hence, for all practical purposes, the Court is telling the railroad that it must secure the union's approval before severing the hundreds of surplus employees now carried on its payroll. Everyone knows what the answer of the union will be. It is like the sultor who, when seeking the hand of a young lady, was told by her to "go to father." But, as the parody goes, "She knew that he knew that her father was dead; she knew that he knew what a life he had led; and she knew that he knew what she meant when she said 'go to father.'"

I do not believe that the Congress intended to put the railroads in such a situation. In fact, its overall purpose has been to prevent the devastating effects of strikes from paralyzing our transportation systems, the efficient operation of which is so vital to the public welfare. As I read the Interstate Commerce Act—the provisions of which were reaffirmed as late as the Transportation Act of 1958—the Congress told the railroads to go to the States—not the union—before abandoning or consolidating its local stations. Respondent went to the States and obtained their approval. The Court today gives to the union a veto power over this action of the States. Until this power is removed, the railroads will continue to be plagued with this situation—so foreign to the concept of a fair day's pay for a fair day's work, which has been the basis of union labor's great achievements.

For this reason, as well as those so ably enumerated by my Brother Whittaker in his dissent, which I join, I am obliged to disagree with the Court. Perhaps the Congress will be obliged, in the face of this ruling, to place the solution of such problems within the specific power of the Interstate Commerce Commission or under the Railway Labor Act, each of which, as well as the courts, is today held impotent.

(Supreme Court of the United States—No. 100—October Term, 1959—*The Order of Railroad Telegraphers, et al., petitioners v. Chicago and North Western R. Co., a Corporation*—On Writ of Certiorari to the U.S. Court of Appeals for the Seventh Circuit.)

(April 18, 1960)

Mr. Justice Whittaker, with whom Mr. Justice Frankfurter and Mr. Justice Clark join, dissenting.

The Court concludes, as I read its opinion, that the union's demand for a covenant that no existing position may be abolished without its consent was a lawfully bargainable one under the Railway Labor Act; that the Union did not, by its demand, attempt unlawfully to "set itself up in defiance of" public regulatory orders; that the "union merely asked for a contractual right to bargain with the railroad about . . . abandon[ing] stations . . . and thus abolish[ing] jobs"; that "[e]ven if a Norris-La Guardia 'labor dispute' could not arise out of an unlawful bargaining demand . . . the union's proposal here was not unlawful," and that the Norris-La Guardia Act deprived the court of jurisdiction to enjoin the threatened strike to enforce acceptance of the union's demand.

With all deference, I believe that these conclusions are contrary to the admitted or indubitable facts in the record, to the provisions and policies of acts adopted by Congress, and also to principles established by many decisions of this Court; and being fearful that the innovation and reach of the Court's conclusions will be destructive of congressional policy and injurious to the public interest, I feel compelled to state my dissenting views.

Inasmuch as I read the record somewhat differently than does the Court, my first effort will be to make a plain and chronological statement of the relevant facts.

The Chicago and North Western Railway Co. (North Western) is a major interstate common carrier by railroad. The Order of Railroad Telegraphers (union) is a railway labor union, certified by the National Mediation Board as the representative of the station agents and various other employees of North Western. North Western's lines extend westerly and northerly from Chicago into and serve nine largely agricultural Midwestern States. They were laid out and constructed near the middle of the last century, and, to accommodate that day's mode and conditions of rural travel, stations were established at close intervals along its lines—one every 7 to 10 miles along its branch lines through rural sections—to enable its patrons to travel, by horse or horses and wagon over dirt roads, from their homes to the station and return in 1 day.

Although originally an efficient and profitable railroad, North Western, in more recent years, failed both to maintain and to modernize its lines, facilities and equipment, and also permitted many outmoded, inefficient and wasteful practices to continue—producing the highest ratio of wage and salary expense to the revenue dollar of all major American railroads—resulting ultimately in its inability effectively to compete with new forms of transportation, or even with modernized railroads. In consequence, its net revenues so steadily and extensively declined that it lost \$8 million in the first quarter of 1956, and this so reduced its cash position that its payrolls of \$330,000 per day to its 18,000 employees were in jeopardy.

Alarmed by these conditions, North Western's new managers undertook a number of steps in the spring of 1956 to improve its physical condition and competitive position, including the elimination of many outmoded, costly, and wasteful practices. It then had several hundred one-man stations, principally located on branch lines from which—due to lack of need, occasioned by the advent of paved roads and motorized vehicles—all passenger trains and many freight trains had been removed and over which the few remaining freight trains passed at hours when many of the agents were not even on duty.¹ Its studies disclosed many instances where such agents were drawing a full day's pay for as little as 15 to 30 minutes' work. Conceiving this to be a wasteful practice and violative of the national transportation policy,² North Western promulgated a plan—known as its central agency plan—which contemplated the discontinuance of a full-time agent at most of such stations and provided, instead, for a centrally located agent to perform the necessary agency services at the central station and also at the neighboring station or stations to either side.

Accordingly, North Western filed petitions with the public utility commissions of South Dakota, Iowa, Minnesota, and Wisconsin to effectuate its central agency plan. The first of those petitions was filed with the South Dakota commission on November 5, 1957, asking authority to effectuate the central

¹ The fact that many of these agents were not on duty when the freight trains passed their stations was due to a union requirement that their day's work must begin at 8:30 a.m.

² Act of Sept. 18, 1940, ch. 722, title I, sec. 1, 54 Stat. 899, preceding pt. I of the Interstate Commerce Act, 49 U.S.C. sec. 1, titled "National Transportation Policy." In pertinent part, it provides: "It is hereby declared to be the national transportation policy of the Congress to provide for fair and impartial regulation of all modes of transportation subject to the provisions of this act . . . to promote safe, adequate, economical, and efficient service and foster sound economic conditions in transportation and among the several carriers."

agency plan with respect to 69 one-man stations in that State. Hearings were held by that commission beginning November 26, 1957, and ending January 17, 1958. The union appeared in that proceeding, presented evidence, a brief, and an oral argument in opposition to the petition. It contended, among other things, that its existing bargaining agreement with North Western prohibited abolishment of any agency jobs without its consent. On May 9, 1958, the commission entered its order. It found that the workload of the agents at the stations involved varied from 12 minutes to 2 hours per day and averaged 59 minutes per day. It further found:

"That the maintenance of full-time agency service at all of the subject stations, because of the lack of public need, constitutes mismanagement, and a dissipation of carrier's revenues which has and will impair its capacity to render adequate railway service to the public at reasonable rates."³

Thereupon the commission, electing to act under a South Dakota statute authorizing it to order changes to be made in station operations where necessary in the public interest, directed North Western to make the plan (establishing 16 central agency stations and abolishing 53 full-time agency positions) effective immediately.

On December 23, 1957, about 6 weeks after North Western filed its petition with the South Dakota Commission, the union, purporting to act under the provisions of section 6 of the Railway Labor Act,⁴ sent a letter to North Western requesting that their bargaining agreement be amended by adding the following provision:

"No position in existence on December 3, 1957, will be abolished or discontinued except by agreement between the carrier and the organization."

North Western responded the next day, saying that it did not consider the request to be a proper subject of bargaining,⁵ but it offered, without waiving its position, to meet with the union's officers and to discuss the

³ The South Dakota commission further found that the expenses of operating the 69 stations involved exceeded related revenues by \$170,399 in 1956, and that if the central agency plan had been in effect during that period there would have been a surplus of \$58,884.

Hearings were afterward conducted upon the similar petitions before the Iowa, Minnesota, and Wisconsin commissions. The union appeared in each of those proceedings and presented evidence, briefs, and arguments in opposition to the petitions, but each was granted.

The Iowa commission found that the agents at the stations there involved worked an average of 1 hour and 14 minutes per day, a decrease of 28 percent since 1951, and that the estimated average workload under the central agency plan would be 3 hours and 15 minutes per day. It said, inter alia, "Savings must be made by reducing or eliminating service no longer needed. The case before us is a proposal to reduce agency service to the level of actual need." And it found that such was necessary "to insure efficiency, economy, and adequate railway transportation."

The union appealed from the orders of the respective commissions to the courts of the respective States, but the commission action was affirmed in each instance.

⁴ 48 Stat. 1197, 45 U.S.C. sec. 156.

⁵ North Western's reply stated, inter alia, that, in its view, the union's request was "not a proper subject for a section 6 notice in that it does not in fact concern rates, rates of pay, or working conditions, but instead constitutes an attempt to freeze assignments regardless of the controlling agreement and regardless of the necessity or justification for such assignments."

matter further. Conferences were thereafter held by the parties but no agreement was reached, and the union invoked mediation under the Railway Labor Act. On February 24, 1958, the National Mediation Board began its efforts to mediate the controversy, and its representative conducted a number of meetings between the parties to that end,⁶ but was not successful, and thereafter the Board, acting pursuant to section 5, first, of the Railway Labor Act,⁷ wrote the parties on May 27, requesting them to submit the controversy to arbitration under the provisions of section 8 of the Railway Labor Act.⁸ But both parties declined—the union on May 28 and North Western on June 12—and on June 16 the Board terminated its services and so advised the parties in writing.

On July 10, the union sent to its members a strike ballot under an accompanying letter.⁹ The vote was almost unanimous in favor of a strike, and, on August 18, the union called a strike of its members to begin at 6 a.m. on August 21.¹⁰ A renewed proffer of mediation services by the Board was accepted by the parties and, through it, further efforts were made on August 19 to compose the controversy, but without success, and, on August 20, the Board again advised the parties that it had terminated its services.

⁶In the mediation meetings and other meetings between the parties, North Western suggested several means of cushioning the effects of discontinuing these one-man agency jobs, including (1) the transfer of the agents affected to productive jobs; (2) the limiting of job abolishments to an agreed number per year; and (3) the payment of supplemental unemployment benefits to employees affected. The union refused to discuss these proposals.

At a meeting between North Western's chief executive officer and the union's president and its general counsel at Madison, Wis., during the period of the mediation efforts, North Western's official asked if there was any possibility of working out these station-closing matters and the discontinuance of these station agents either on a South Dakota or a system basis. The union's president asked his general counsel for his views on the matter. The latter replied, "I think we are too far apart," and North Western's official then said, "I want you to know that my door is always open."

The union's president testified at the subsequent district court trial that " * * * the only alternative which up to the present I have offered the North Western Railroad was to comply with this rule or strike."

⁷ 155 U.S.C. sec. 5, first.

⁸ 45 U.S.C. sec. 158.

⁹The union's letter of July 10, 1958, after referring to the efforts of North Western to abolish many of the one-man agency jobs and to the union's efforts in opposition, stated among other things: "However, it became evident at an early date that to meet this onslaught effectively would require strengthening of our agreements. * * * We must prevent a continuance of such a program."

"While we hope the commissions in the other States will be more reasonable than the South Dakota commission, we have no assurance that we will not soon see a repetition in other States of what has happened in South Dakota."

¹⁰The strike call, after referring to the union's efforts to prevent the abolishment of jobs at one-man stations said, *inter alia*, that: "The need for the proposed rule has again been tragically demonstrated in the last few days. What happened in South Dakota was repeated in Iowa except that this time 70 positions were abolished and 27 assignments enlarged."

On August 20, North Western filed a complaint against the union and various of its officials in the U.S. District Court for the Northern District of Illinois, alleging that the union's contract demand was not a lawfully bargainable subject under the Railway Labor Act; that the impending strike, called to force acceptance of that demand by North Western, would be illegal; that North Western had a right arising under the laws of the United States, particularly the Interstate Commerce Act and the Railway Labor Act, to be free of such an illegal strike, and it prayed that it be enjoined. The court entered a temporary restraining order on that date. Thereafter, following full hearing, the court held that the union's demand "relates to rates of pay, rules, and working conditions" and is a bargainable issue under the Railway Labor Act; that a strike to force acceptance of that demand would not be unlawful; and, on September 8, 1958, the court entered its decree restraining the strike until midnight, September 19, denying any further injunctive relief¹¹ and dismissing the complaint. The court of appeals, holding that the union's contract demand was not a lawfully bargainable one and that its acceptance could not legally be forced by a strike, reversed and remanded with directions to enter an injunction as prayed in the complaint (264 F. 2d 254). This Court granted certiorari (361 U.S. 809), and now reverses the judgment of the court of appeals upon grounds which with deference, I think are not only injurious to the public interest but also demonstrably legally erroneous, as I shall endeavor to show.

Congress, in comprehensively providing for the regulation of railroads, their transportation services and their employer-employee relations, has declared its policies in several related acts, including part 1 of the Interstate Commerce Act,¹² the Railway Labor Act,¹³ and the Norris-La Guardia Act,¹⁴ and, at least in cases such as this, none of them may meaningfully be read in isolation but only together as, for they are in fact, an integrated plan of railroad regulation. And if, as is frequently the case in such undertakings, there be overlappings, "[w]e must determine here how far Congress intended activities under one of these policies to neutralize the results envisioned by the other" (*Allen Bradley Co. v. Local Union* (325 U.S. 797, 806)).

By part 1 of the Interstate Commerce Act, Congress has provided a pervasive scheme of regulation of all common carriers engaged in transportation by railroad in interstate commerce. The declared policy of that act was to promote economical and efficient transportation services at reasonable charges¹⁵ and, as this Court has said, "It is a primary aim of that policy to secure the avoidance of waste. That avoidance, as well as the maintenance of service, is viewed as a direct concern of the public. (*Texas v. United States* (292 U.S. 522, 530).) "Congress has long made the maintenance and development of an economical and efficient railroad system a matter of primary national concern. Its legislation must be read with this purpose in mind" (*Seaboard R. Co. v. Daniel* (333 U.S. 118, 124-125)).

To aid in effectuating that policy, Congress has contemplated the abandonment of railroad lines, stations, depots and other facilities and services when found by designated public regulatory bodies to be bur-

densome and no longer required to serve the public convenience and necessity. To this end, it has empowered the Interstate Commerce Commission, upon application and after notice and public hearing, to issue a certificate authorizing the abandonment of "all or any part of a line of railroad," and it has provided that "[f]rom and after issuance of such certificate * * * carrier by railroad may, without securing approval other than such certificate * * * proceed with the * * * abandonment covered thereby."¹⁶ And in the Transportation Act of 1958 (72 Stat. 568), Congress has empowered the Commission, under stated conditions, to authorize the abandonment of "any train or ferry."¹⁷ However, Congress has not sought completely to accomplish its abandonment policies through the Commission. Rather, it has sought to make use of State regulatory commissions, as additional instruments for the effectuation of its policies, in respect to the abandonment of some railroad facilities and services. Among others, it has long left to State regulatory commissions abandonments of railroad stations and station agency service; and, in 1958, after extensive review of that subject in the process of enacting the Transportation Act of 1958, it deliberately reaffirmed that policy.¹⁸ Moreover, in its report on S. 3778, which culminated in the Transportation Act of 1958, the Senate Subcommittee on Interstate and Foreign Commerce critically attributed a major part of the financial plight of the railroads to their failure to apply to regulatory bodies for permission to abandon burdensome and needless services in accordance with congressional policy, and strongly advocated that such be done.¹⁹

For the fair and firm effectuation of these policies, Congress has provided that issues respecting the propriety of an abandonment shall be determined by a public regulatory body. It has contemplated that the carrier shall propose to the proper regulatory body the abandonment of particular facilities or services and that, after notice and hearing—at which all persons affected, including employees and their union representatives, may appear and be heard—the public regulatory

¹⁶ 49 U.S.C., secs. 1(18), 1(19), 1(20).

¹⁷ Act of Aug. 12, 1958, Public Law 85-625, sec. 5, 72 Stat. 571, 49 U.S.C., sec. 13a.

¹⁸ The Transportation Act of 1958, 72 Stat. 568. (See hearings before Subcommittee on Surface Transportation of Senate Committee on Interstate and Foreign Commerce on problems of the railroads, 85th Cong., 2d sess., pp. 1816, 1817, 1821, 2027, 2028; 104 CONGRESSIONAL RECORD, pp. 10850, 12522, 12537, 15528; S. Rept. No. 1647 on S. 3778, 85th Cong., 2d sess.; H. Rept. No. 1922 on H.R. 12832, 85th Cong., 2d sess.; Conference Report No. 2274, 85th Cong., 2d sess.)

¹⁹ "The railroad industry has not, in the subcommittee's opinion, been sufficiently interested in self-help in such matters as consolidations and mergers of railroads; joint use of facilities in order to eliminate waste, such as multiple terminals and yards that require expensive interchange operations; reduction of duplications in freight and passenger services by pooling and joint operations; abandonment or consolidation of non-paying branch and secondary lines; abolishing of unnecessarily circuitous routes for freight movements; improved handling of less-than-carload traffic; coordination of transportation services and facilities by establishment of through routes and joint rates with other forms of transportation; and modernization of the freight-rate structure, including revision of below-cost freight rates to levels that cover cost and yield some margin of profit as well as adjustment of rates excessively above cost to attract traffic and yield more revenue" (S. Rept. No. 1647, 85th Cong., 2d sess., p. 11).

¹¹ By order of Sept. 16, 1958, the district court further restrained the impending strike pending determination of North Western's appeal.

¹² 49 U.S.C. secs. 1-27.

¹³ 45 U.S.C. secs. 151-164.

¹⁴ 29 U.S.C. secs. 101-115.

¹⁵ See note 2 for the pertinent provisions of the National Transportation Policy.

body shall determine whether the proposal is in the public interest, and its order, unless reversed on judicial review, is binding upon all persons. These procedures plainly exclude any right or power of a carrier, at its will alone, to effectuate, or of a labor union representing its employees to veto, any proposed abandonment. Although both may be heard, neither of them, nor the two in agreement, even if their agreement be evidenced by an express contract, may usurp the Commission's decisional function by dictating the result or thwarting its effect. It is obvious that any abandonment, authorized by a proper regulatory body, will result in abolishment of the jobs that were involved in the abandoned service. And, inasmuch as the maintenance of these jobs constituted at least a part of the wasteful burden that necessitated the abandonment, it is equally obvious that Congress intended their abolishment. Yet, here, the union has demanded, and threatens to force by a strike, acceptance by the carrier of a covenant that no job in existence on December 3, 1957, will be abolished without its consent. Certainly that demand runs in the teeth of the recited provisions and policies of the Interstate Commerce Act. It plainly would destroy the public regulation of abandonments, provided and contemplated by Congress in the public interest, and render them subject to the union's will alone. A demand for such a contractual power surely is an unlawful demand.

The union argues, and the Court seems to find, that there is a basis for the claimed legality of the union's demand in the provision of section 5(2)(f) of the Interstate Commerce Act²⁰ that the Commission in approving railroad mergers or consolidations "shall require a fair and equitable arrangement to protect the interests of the railroad employees affected." Instead of supporting legality of the union's demand, I think the provisions of that section and its legislative history are further proof of its illegality. While that section authorizes the Commission to require temporary mitigation of hardships to employees displaced by such unifications, nothing in it authorizes the Commission to freeze existing jobs. However, in the course of its enactment an effort was made to amend it to that end. On the floor of the House, Representative Harrington advocated the following proviso: "Provided, however, That no such transaction shall be approved by the Commission if such transaction will result in unemployment or displacement of employees of the carrier or carriers, or in the impairment of existing employment rights of said employees."²¹ While the bill was in conference, the Legislative Committee of the Interstate Commerce Commission sent a communication to Congress condemning the principle of the Harrington amendment in the following words:

"As for the Harrington proviso, the object of unifications is to save expense, usually by the saving of labor. Employees who may be displaced should, in the case of railroad unifications, be protected by some such plan as is embodied in the so-called Washington Agreement of 1936 between railroad management and labor organizations [providing for the mitigation of hardships by the payment of certain monetary benefits for a limited period of employees whose jobs are abolished by such approved unifications]. The proviso, by prohibiting any displacement of employees, goes much too far, and in the long run will do more harm than good to the employees."²²

Congress rejected the Harrington proviso in the form proposed. Yet, the union's demand here is designed to accomplish the very purpose that Congress rejected. Of the Harrington proviso this Court said in *Railway Labor Executives Association v. United States* (339 U.S. 142), that it "threatened to prevent all consolidations to which it related [but Congress] made it workable by putting a time limit upon its otherwise prohibitory effect" (339 U.S. at 151, 153). But Congress actually did more. It eliminated any power to freeze existing jobs. It is not to be doubted that a carrier and a labor union, representing the carrier's employees, lawfully may bargain about and agree upon matters in mitigation of hardships to employees who are displaced by railroad unifications or abandonments; but they may not agree, nor may any regulatory body order, that no jobs shall be abolished, and thus defeat unifications or abandonments required in the public interest (*Railway Labor Executives Association v. United States, supra*; *Interstate Commerce Commission v. Railway Labor Executives Association* (315 U.S. 373); *United States v. Lowden* (308 U.S. 225)).

There is no dispute in the record that the carrier sought to bargain and agree with the union upon matters in mitigation of hardships to employees displaced by the station abandonments. It offered to bargain about (1) transferring the agents affected to productive jobs, (2) limiting the job abolishments to an agreed number per year, and (3) paying supplemental unemployment benefits to the employees affected.²³ Short of foregoing the station abandonments, this is all it lawfully could do. It is not suggested that it should have done more in this respect. Indeed, the union refused even to discuss these proposals.²⁴ Instead, as its president testified at the trial, the only "alternative" the union "offered the North Western Railroad was to comply with this rule or strike."²⁵

This also answers the Court's argument that there is nothing in the Interstate Commerce Act "making it unlawful for unions to want to discuss with railroads actions that may vitally and adversely affect the security, seniority, and stability of railroad jobs." The quoted statement is literally true. But the further truth is that the carrier offered to bargain and agree with the union about those matters, but the union refused even to discuss them. *Ibid.* The union's demand was not for a right "to discuss" such matters with the carrier, but was, rather, that the carrier agree that no jobs in existence on December 3, 1957, be abolished without the union's consent. And the only "alternative" it offered was: "Comply with this rule or strike." *Ibid.* The foregoing likewise answers the Court's argument that the union "merely asked for a contractual right to bargain with the railroad about any voluntary steps it might take to abandon stations * * * and thus abolish jobs." Plainly the union's demand was not for a right "to bargain with" the carrier about "abolish[ing] jobs," but was for a unilateral right to prohibit the abolishment of any job without its consent.

The Court fails to find any testimony in the record "that this union has set itself up in defiance of any State mandatory order." Although, in my view, the question is not whether it has set itself up in defiance of any valid existing State mandatory order, but rather is whether it lawfully may demand, and force by a strike, acceptance of a covenant in derogation of the law; yet, in very truth, it "has set itself up in defiance," or, at least, in derogation, of a "State mandatory order." As earlier noted, the order of the South Dakota Commission—the valid-

ity of which cannot be questioned here—was a mandatory one. It directed the carrier to make the Central Agency Plan effective in that State and, thereunder, forthwith to abolish 53 full-time agency jobs. That order was entered on May 9, 1958, and if the union's demand, that no job in existence on December 3, 1957, may be abolished without its consent, is a lawful one and may be enforced by a strike, then the South Dakota order is not only defied but defied successfully. Moreover, while such orders of State commissions, like those of the Interstate Commerce Commission, are in the nature of things usually permissive in character, they are nevertheless binding administrative determinations made, as Congress contemplated and Mr. Justice Brandeis said, "to protect interstate commerce from undue burdens," *Colorado v. United States* (271 U.S. 153, 162), and may not be overridden or thwarted by private veto.

Section 2, first, of the Railway Labor Act makes it the duty of carriers and their employees to exert every reasonable effort "to make and maintain agreements concerning rates of pay, rules, and working conditions, and to settle all disputes, whether arising out of the application of such agreements or otherwise."²⁶ Here, the union's demand was simply for a covenant that no existing jobs may be abolished without its consent. It thus seems plain that the demand did not relate to the rates of compensation to be paid to employees nor to their working condition, but, rather, it related solely to whether the employment relation, as to any existing job, might be severed altogether. It, therefore, seems clear enough that the demanded covenant was, in terms, beyond the purview of section 2, first. But even if this conclusion may be doubted, surely it must be agreed that Congress did not contemplate that agreements might be made, under the aegis of that section, in derogation of the commands, policies and purposes of related acts which it has promulgated for the regulation of carriers and their employer-employee relations in the public interest. Here, as has been shown, the union's demand was in derogation of the provisions and policies of the Interstate Commerce Act. It could not therefore be a lawfully bargainable subject within the purview of section 2, first, of the Railway Labor Act. The carrier could not lawfully accept it,²⁷ and hence a strike to force its acceptance would be one to force a violation of the law.

Surely, in such circumstances, the carrier, in discharging its duty to safeguard the public interest,²⁸ has a legal right to be free of a strike to force it to accept a demand which Congress has made unlawful. But there is no administrative remedy in such a case, and, hence, the legal right will be sacrificed, and Congress' policies will be thwarted, unless a preventive judicial remedy is available. Certainly Congress did not intend to create and "to hold out to [the carrier and the public] an illusory right for which it was denying them a remedy" (*Graham v. Brotherhood of Firemen* (338 U.S. 232, 240)).

Nor does the Norris-La Guardia Act render Federal courts impotent to enjoin unlawful conduct or strikes to force acceptance of unlawful demands. That act, in terms, permits Federal courts to enjoin "unlawful acts [that] have been threatened and will

²⁰ U.S.C., sec. 152, first.

²¹ *Brotherhood of Railroad Trainmen v. Howard* (343 U.S. 768).

²² *Virginian Railway Co. v. System Federation No. 40* (300 U.S. 515). "Courts of equity may, and frequently do, go much farther both to give and withhold relief in furtherance of the public interest than they are accustomed to go when only private interests are involved." 300 U.S., at 552.

²³ See note 6.

²⁴ *Id.*

²⁵ *Id.*

²⁶ U.S.C. sec. 5(2)(f).

²⁷ 84th CONGRESSIONAL RECORD (1939), pt. 9, p. 9882.

²⁸ Interstate Commerce Commission Report on S. 2009, Omnibus Transportation Legislation, p. 67 (76th Cong., 3d sess., House committee print), transmitted Jan. 29, 1940.

be committed unless restrained."²⁹ This court has consistently held that the Norris-La Guardia Act does not prevent a Federal court from enjoining an unlawful abuse of power conferred upon a labor union by the Railway Labor Act or a threatened strike to force acceptance of an unlawful demand.

In *Brotherhood of Railway Trainmen v. Chicago River & Indiana R. Co.* (353 U.S. 30), a union threatened a strike to force a carrier to accept demands which Congress had placed within the exclusive jurisdiction of the Railroad Adjustment Board. Holding that the demands were in derogation of that act of Congress and therefore illegal, a Federal court enjoined the threatened strike to enforce them. The union contended here that the court was without jurisdiction to issue the injunction because "the Norris-La Guardia Act has withdrawn the power of Federal courts to issue injunctions in labor disputes [and that the] limitation applies with full force to all railway labor disputes" (353 U.S., at 39-40). In rejecting that contention, this court said:

"We hold that the Norris-La Guardia Act cannot be read alone in matters dealing with railway labor disputes. There must be an accommodation of that statute and the Railway Labor Act so that the obvious purpose in the enactment of each is preserved. We think that the purposes of these acts are reconcilable" (353 U.S., at 40).

And finding that the union's demands violated the provisions of the Railway Labor Act, this court held "that the specific provisions of the Railway Labor Act take precedence over the more general provisions of the Norris-La Guardia Act," and, reaffirming its decision in *Brotherhood of Railroad Trainmen v. Howard* (343 U.S., at 768), it further held "that the district court [had] jurisdiction and power [to enjoin the threatened strike] notwithstanding the provisions of the Norris-La Guardia Act." (353 U.S., at 42).

There, as here, the union's demand was in derogation of the specific provisions of an act of Congress, and here, as there, those specific provisions must "take precedence over the more general provisions of the Norris-La Guardia Act."

In *Virginian Railway Co. v. System Federation No. 40* (300 U.S. 515), this court held that a Federal court could lawfully issue an injunction in a labor dispute that was governed by the specific provisions of a Federal statute, and that "[s]uch provisions cannot be rendered nugatory by the earlier and more general provisions of the Norris-La Guardia Act." (300 U.S., at 563).

Steele v. Louisville & Nashville R. Co. (323 U.S. 192) involved the unlawful misuse by a union of the powers conferred upon it by the Railway Labor Act. Observing that "there is no mode of enforcement [of the rights that were being denied by such misuse of powers] other than resort to courts," this Court held that a Federal court had the "jurisdiction and duty to afford a remedy for a breach of statutory [rights]" (323 U.S. at 207). On almost identical facts, this Court reaffirmed that principle in *Tunstall v. Brotherhood of Locomotive Firemen & Enginemen* (322 U.S. 210). In a similar factual situation, this Court held in *Graham v. Brotherhood of Locomotive Firemen & Enginemen* (338 U.S. 232) that a Federal court may enjoin a labor union from unlawfully using or abusing powers conferred upon it by the Railway Labor Act, notwithstanding the Norris-La Guardia Act. And, after reviewing the then existing cases, the Court concluded:

"If, in spite of the *Virginian*, *Steele*, and *Tunstall* cases, supra, there remains any illusion that under the Norris-La Guardia Act the Federal courts are powerless to enforce these rights, we dispel it now."

Brotherhood of Railroad Trainmen v. Howard (343 U.S. 768) was an action to enjoin a union and a carrier from enforcing the provisions of a contract, made under the threat of a strike, that unlawfully deprived a class of railroad employees of legal rights which this Court held had been impliedly vouchsafed to them by the Railway Labor Act. Finding that the questioned provisions of that contract were "unlawful" and that the injured persons "must look to a judicial remedy to prevent the sacrifice or obliteration of their rights under the [Railway Labor] Act [inasmuch as] no adequate administrative remedy can be afforded by the National Railroad Adjustment or Mediation Board[s]," this Court concluded "that the district court has jurisdiction and power to issue necessary injunctive orders, notwithstanding the provisions of the Norris-La Guardia Act. We need add nothing to what was said about inapplicability of that act in the *Steele* case and in *Graham v. Brotherhood of Firemen* (338 U.S. 232, 239-240)" (343 U.S. at 774).

Resting upon its conclusion that the union's demand here was a lawful one, the court relegates the *Virginian*, *Steele*, *Tunstall*, *Graham*, and *Howard* cases to a footnote, and says, "None of these cases, however, enjoined conduct which the Norris-La Guardia Act withdrew from the injunctive power of the Federal courts." Does the court mean by this statement that, although it enjoined enforcement of the illegal provisions of the contract which had been forced upon the carrier by "the threat of a strike" in the *Howard* case, it would not, if asked, have enjoined the strike which forced acceptance by the carrier of that unlawful contract? At all events, it cannot be denied, and the court concedes, that the *Chicago River* case holds that a threatened strike to force compliance with unlawful demands may be enjoined. There, just as here, a threatened strike was enjoined. There, as here, the injunction issued because the union's demand was not a lawfully bargainable one under the Railway Labor Act. The demands in the *Chicago River* case were unlawful because jurisdiction over their subject matter had been exclusively vested by Congress in the Railroad Adjustment Board, while in this case the demand is unlawful because jurisdiction over its subject matter has been exclusively vested partly in the Interstate Commerce Commission and partly in State regulatory commissions. Today's attempted distinctions of that case were advanced in that case, but were found "inapposite" (353 U.S., at 42). Being "inapposite" there, they are so here. I submit that, on the point in issue, the *Chicago River* case is indistinguishable from this one, and that if the Norris-La Guardia Act did not prohibit a Federal court from issuing an injunction in that case, it does not do so in this one.

It is to be noted that the Court does not say that the Norris-La Guardia Act prohibits Federal courts from enjoining threatened strikes to force acceptance of illegal demands. It says, rather, that "Even if a Norris-La Guardia 'labor dispute' could not arise out of an unlawful bargaining demand . . . the union's proposal here was not unlawful." If it fairly may be inferred from that statement that the Court would have sustained jurisdiction had it found the demand to be unlawful, then my disagreement with the Court would be reduced to and turn on that simple issue. And as to it, I respectfully submit that the admitted facts show that the demand was in derogation of the provisions and policies of the Interstate Commerce Act. Believing that the demand was not a lawfully bargainable one under the Railway Labor Act, and that the district court had jurisdiction to enjoin the threatened strike, called to force acceptance

of that illegal demand, I would affirm the judgment of the Court of Appeals.

Memorandum of Mr. Justice Stewart.
I have strong doubt as to the existence of Federal jurisdiction in this case, for reasons well expressed by then Circuit Judge Minton, dissenting in *Toledo, P. & W.R. Co. v. Brotherhood of Railroad Trainmen* (132 F. 2d 265, 272-274). See *Brotherhood of Railroad Trainmen v. New York Central R. Co.* (246 F. 2d 114, at 122 (dissenting opinion)). If, however, the Federal district court had jurisdiction, as all my brethren seem to believe or at least assume, Mr. Justice Whitaker's dissenting opinion convincingly demonstrates for me that the district court had power to issue an injunction.

Mr. MORGAN. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania [Mr. DENT] may extend his remarks at this point in the RECORD.

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

There was no objection.
Mr. DENT. Mr. Chairman, although pressing matters in conjunction with a primary campaign in my home State compel me to leave before the final vote is taken on the subject matter, mutual, or better known as foreign aid, I would be remiss in my duties if I failed at this time to present views and opinions, some my own and some expressed by others.

I have tried in good conscience to bring myself to the belief that this program is now or will be in the future beneficial to the welfare of my country.

This Nation has lived and prospered under a Government best described as Democratic-Capitalism.

Foreign aid is simply a way to make a capitalist country pay for its own funeral.

The point is brought out very clearly in the first report of the Citizens Foreign Aid Committee entitled "Foreign Aid and You." This committee is composed of distinguished Americans. The report is a brilliant exposé of the fallacies of foreign aid. To begin with, the committee is not against reasonable assistance overseas. But it points out that aid "should have one purpose only—to provide for the common defense and promote the general welfare of the United States."

The truth about foreign aid today is that it is impeding the welfare of the Republic.

Let us look at the cost of foreign aid. The Marshall plan, proposing a maximum expenditure of \$13.5 billion in foreign aid, was launched in 1948, with a very definite promise from the then President that it would be wound up in 4 years. That first year, the committee notes, some 450 persons were employed by the Government to administer and distribute foreign economic aid. Ten years and \$41 billion later this staff has grown to 12,000 employees directing 2,000 projects. In addition, some 9,000 persons are engaged in the military-assistance program which has totaled \$23 billion.

Advocates of foreign aid advance the argument that foreign aid strengthens the defenses of the free world. The facts disprove this. "The population of prosperous European NATO countries,"

²⁹ 29 U.S.C., sec. 107(a).

the committee points out, "is 50 percent greater than ours." And the NATO countries are exceedingly reluctant to furnish troops for their own defense. The French only recently withdrew their fleet units from NATO control. No one in the NATO nations has suggested that the United States withdraw its foreign aid or its military equipment and manpower that protects Europe from Red aggression.

Foreign aid encourages ingratitude and dependence on America at the same time. But the problem goes deeper. A number of Central American, south Asian, and far Pacific countries have received in all more than \$10 billion in military assistance. Yet some of these recipients "are hostile to the United States."

Though we are spending billions each year, we are not better loved around the world. Nations have not been won to the cause of freedom by king-size gifts from the United States.

Actually, says the committee, foreign aid "has tended to promote philosophies akin to communism." Foreign aid to Britain after World War II helped British socialists finance the nationalization of private property. "Our dollars," the committee makes clear, "also have assisted Britain to adopt socialized medicine." Yet the President and other proponents are fighting medical care for the aged in this country.

Britain is not the only country in which foreign aid money has helped a bad cause. By giving our money to such countries as India, Poland, and Yugoslavia, we have helped dig the grave of free enterprise in those lands. American foreign aid, says the committee, is "helping establish the very system of state slavery we set out to combat."

For the United States to continue foreign aid is a disservice both to this country and to the countries that receive it. The longer this aid is continued the more we weaken American strength that protects freedom and the more unprepared other countries are to accept the responsibilities of self-sufficiency.

Last year Congressman Otto E. PASSMAN, chairman of the Foreign Operations Committee, presented figures to this Congress showing an unspent, available sum of \$8,766,343,107 for mutual security expenditures for the fiscal year 1959.

How much is still available? That is a good question and again we go to the same authority and find that there is even more money available for fiscal year 1960.

Imagine proponents of this legislative appropriation fighting against aid to education, area redevelopment, public works, medical care for the aged, social security amendments covering lowering of age limits, increasing benefits and further clarification of the disability clause in the act.

These are but a few of the needed and essential domestic issues faced by this Congress and opposed in the main by the argument that "we cannot afford them" or "where does the money come from?"

Too many of us fail to realize that the biggest build up of foreign competitive enterprise has been and is being sponsored under the guise of mutual aid.

The foreign development phase of this legislation is glossed over by the proponents because of the weakness of the whole proposal if we were to really study and know the full effect upon our economic well-being.

To say that this legislation is not part of the whole package consisting of trade agreements, foreign relations, international agreements, and our import-export balance in relationship to our gold reserves is to be blind to the actualities of the situation.

At this point let me read into the record a speech I made to a group of citizens alerted to the basic dangers involved in the passage of aid year after year to countries which have proven their ability to outsell, undersell, and in fact, are now creditor instead of debtor nations.

It has been argued by some that foreign aid has nothing to do with our trade status or that this spending does cost us American jobs. This is not true because the only excuse for economic foreign aid is to build up our "friends", and some who "may become our friends", to build up their competitive industries and after creating these foreign enterprises we must follow through by giving up our domestic as well as our foreign markets in order that these industries can sell their products.

A few examples of the extent of this type of aid given away in markets both here and abroad are contained in just a few examples of foreign raiding of our national economy.

How long can we kid ourselves into the belief that we can become stronger by building up our friends and our enemies to compete against us for the world markets as well as our own markets?

Unless we recognize the importance of full employment at home we cannot hope to help the needy peoples of the rest of the World.

Unless we are fortified with a prosperous economy domestically, how can we possibly sell our friends abroad on our ability to guide them to prosperity?

No Member of Congress really wants isolationism. However, by the same token, no Member of Congress wants unemployment, want, poverty, or depression. Because of our inability to cope with world problems except by opening up our Treasury to the world, giving away American jobs, and building our hopes of peace and security on mercenary troops and subsidized nations we are putting our country into a position of losing control of our own destiny. How many of our foreign missile bases will we be allowed to use in case of war with Russia?

I know and you know that we cannot live in a world of our own. Nevertheless, I cannot see living in a world where Japan and Germany, the conquered nations, are subsidized into prosperity when American workmen in the coalfields, glass, and manufacturing plants, and many other fields of enterprise are dependent upon charitable aid such as

unemployment compensation and welfare for their daily bread.

Sharing our wealth is commendable only if we have wealth to share.

If we are so rich, why do we have a national debt greater than all the other nations of the world put together?

If we are so prosperous, why are we taxed to feed millions of Americans who cannot find jobs to take care of themselves?

READ ALL THE NEWS

Too often we read only the news we like or want to read and forget to turn the pages to read the fine print. This can cost us a great deal, not alone in knowing both sides of a problem, but in fact, it can cost us our jobs, our liberty, and our personal well-being. If you buy a paper, read it—read all of it.

A case in point on the above admonition appeared in the New York Herald Tribune recently. One story covered the President's appeal to Americans to invest more money in foreign enterprises and quoted him as saying that the foreign countries needed money for expansion of their economy and this was the only country with money to spare. Another story on the same page showed that this country was short \$1 billion of currency in its everyday needs.

Our gold reserves have been depleted by nearly \$6 billion by the flight of gold to foreign countries.

To some of us little people it appears as though someone is wrong. Is it the President? I wonder.

Personally, I will not subscribe to the policy that any other country in the world is a better place for Americans to invest their money in. President or no President to the contrary.

OUR OWN BACK YARD

Last year the Westinghouse local union wired me about the loss of an \$18 million generator order to England. The Elliott Co., of Jeannette, Pa., lost a \$2 million generator contract to Switzerland. We tried to have the administration change the order to our own producers. There is not a set rule on imports. Before Eisenhower was elected, an American company was allowed a 25-percent differential, that is, it could be 25-percent higher than a foreign competitor and still be considered low bidder. Then, to the labor and economic conditions of the area in which the American bidder was situated was given added consideration. Few Americans lost work under this setup. But now, after Eisenhower issued his Executive order cutting the differential to 6 percent, all the foreign manufacturers are as happy as kids on a picnic while the Americans are on the outside looking in.

A spokesman for Allis-Chalmers, after losing out on a large order, made the statement to the effect that his company might as well quit bidding Government jobs, since it could not meet the foreign prices and still carry American taxes, pay unemployment compensation, social security, workman's compensation, hospitalization, and so forth, on payrolls.

I know he is right because for over 25 years I have fought for better working conditions and higher standards for la-

bor, teachers, public employees, and taxation based upon ability to pay.

How can anyone expect me and others like me to change our position and now vote to lower our American standards.

Ford Motor Co. has been buying tools and dies in Europe because they are cheaper. Chairman E. Breech, of Ford said wages paid Americans averaged \$2.44 an hour plus 55 cents an hour fringe benefits compared to \$1.05 in England and 69 cents an hour in Cologne, Germany. Ford has a plant in Cologne which, incidentally, luckily missed bombing in the war. Of course, Mr. Breech fails to tell us how American die and tool makers can buy Fords if they are unemployed. He also forgot to mention the difference between gross hourly pay and the take-home pay of an American worker. He forgot that the American worker is the heaviest taxed worker in the world.

Many district auto workers who are layed off will never be rehired according to President R. Leach of local 155 district. This is true because of the imports in both parts, tools and finished cars and the step-up in automation.

The industry leaders feel they can spend about \$20,000 in automation for every worker they can eliminate. R. E. Phlaumer of America-Marietta Co. said in part:

We can economically spend \$17,000 to \$20,000 on new machinery if it eliminates one worker—I have no emotional problems about replacing those nice guys who've been working on gang No. 2 for 20 years.

There you have it. We wonder how many products of his company will be bought by these machines when all companies and concerns go all the way and we have all automotive machinery.

THE ANSWER

There is no complete and final answer. It is a continuing and perplexing problem.

For the moment, with 5 million (acknowledged) unemployed, the answer must come quickly. My proposal for immediate emergency action would be to:

First. Reduce age limits on Social Security—raise benefits. Retire older workers, give younger workers work. They'll spend more for things they need and the older workers will be able to carry on with a good retirement pay.

Second. Stop imports, unless they are needed for our economic well-being and unless competitive prices are established that recognize our tax burdens as well as our standard of living.

Third. A shorter workweek for industrial workers whose jobs are eliminated by automation.

Fourth. A revision of our income tax law with lower rates and preferred treatment for American investments, rather than the idiotic system of favoring foreign investments.

Fifth. Grant foreign aid only for foreign aid, and not to build up competitive enterprises abroad to flood our American markets with foreign-made goods.

Sixth. Review Federal employment policies and reduce where possible Federal taxes. Especially check the enormous expenditures for defense to wipe

out waste, duplication and poor planning.

Seventh. Create public loans to communities, public facilities, and redevelopment programs.

Eighth. Increase public works in co-operation with State and local governments.

Ninth. Rebuild American pride in our own products from clothespins to missiles.

Tenth. Stop talking about the weather and do something about it. At least put up our umbrellas.

While on the general subject it might be helpful if at this time a thumbnail view of our gold reserve situation is presented to the House:

U.S. gold reserve, smallest since 1947, stands now at \$20.7 billion.

The law requires, as backing for currency and bank deposits, a gold reserve of \$11.9 billion.

Leaving, as free gold in the U.S. stockpile, \$8.8 billion.

But financial claims of foreign governments and citizens, if paid off in gold, could take \$11.7 billion.

Thus, in the event that foreigners were to demand and get gold for all these financial claims the United States would face a gold shortage of \$2.9 billion.

Despite the outflow of gold over the past year, foreigners still hold heavy dollar balances in this country. After offsetting U.S. credits, these foreign balances now total \$11.7 billion. Any day that the owners of these dollars want to turn them into gold, they are free to do so. The United States is committed to give an ounce of gold for every \$35 presented by another country.

Here, then, is the irony of the situation: these very countries to whom we owe the bulk of our gold reserve are high on the list receiving so-called mutual aid.

If ever the Congress should take time to reevaluate its position in a national policy this is the time.

I repeat, needs of some countries are compelling and for this Nation to close its eyes to these needs is unthinkable.

However, it is our duty as Americans to make sure our aid helps those intended to be helped without destroying or injuring our own ability to continue giving this required aid or in any manner to reduce our American standards of living.

To do this, we must refuse this legislation in the package presented at this time.

We must separate the items and pick out the worthwhile projects and give only to the nations on a basis of internal need.

I regret I cannot have the time required to properly air this entire question. I predict that within the not too distant future this legislation becomes the main issue in American politics and the long-suffering taxpayers will demand what is so obviously needed, a complete reexamination of all programs that are eating away at our national well-being.

Mr. MORGAN. Mr. Chairman, I yield 7 minutes to the gentleman from Missouri [Mr. CARNAHAN].

Mr. CARNAHAN. Mr. Chairman, I rise in support of H.R. 11510. Once again we have our annual consideration

of our mutual security program. I consider the mutual security program to be vital to our security and an indispensable arm of our Nation's foreign policy.

As a member of the Foreign Affairs Committee, I have, along with my colleagues, been engaged since February 17, 1960, in holding hearings on the Mutual Security Act for fiscal year 1961. Over 1,100 pages of testimony were taken from responsible citizens and officials of the administration, agencies, and the military. I am sure that not many of you have had the chance to read and digest these hearings. The committee report, while only 172 pages long, is still time consuming to study and digest.

My purpose today is to present to you as clearly as I can the reasons why I support this bill and urge its adoption.

All of us in this Chamber feel the heavy responsibility of meeting the challenges with which we are faced in the world. It is evident without belaboring the point that we are indeed living in a world of change. Space exploration opens up new frontiers. New discoveries and inventions call for frequent and oftentimes difficult adjustments. Yet these very changes hold out some of mankind's greatest promise for future growth and development.

In spite of almost daily and constant changes which confront us, there are certain things which seem to change very slowly. The harsh fact is that we are living in a world where but very few of the people live in a system of freedom and prosperity. Today about one-third of the people in this world live under the harsh domination of atheistic communism—a dictatorship of the worst sort. In addition to this ever-constant threat to human dignity there is another fact which will not be denied, namely, that outside the Communist-dominated nations there are literally several hundred millions of people who do not know what it means to go to bed with a full stomach. There is the constant struggle against disease, poverty, ignorance, and fear. These people have either seen or heard of better things and a better way of life and are restlessly seeking some of the world's goods. In many cases they are willing to take what might well appear to be a short cut. Any promise of effective relief from the crushing burden of anxiety, hunger, disease, and downright hunger holds an appeal to them.

There is one other fact not to be denied: In spite of smiles and handshakes and promises of peaceful coexistence the masters of world communism have not deviated one iota from their long-announced declaration to extend their totalitarian control over all the world. The old Marxian theory of the means justifying the end still holds as true today as when it was first promulgated. This means that all ethics are thrown out the window as our Communist adversary seeks to control the minds and bodies of men—especially those struggling to achieve what they consider to be their rightful share of the world's economic goods.

It would be a tragic mistake for us in the free world to ever underestimate the power of the Communist ideology. Just as much as any American at Valley

Forge, Gettysburg, Normandy beach-head, or Inchon landing, these Communists believe in and rely on the power of their ideology. They are fervent in the pursuit of this belief. They are unrelenting in the advocacy of their belief and are ever eager and ready to preach it to the young and old alike. They proclaim to any and all that their doctrine, their political setup, their economic system, will inevitably prevail and that they will become masters of the world. In order to enforce this belief the Communist world of today has thrown the full weight of the state and all its citizens behind the goal of accomplishing this end.

I know that you, my colleagues, share with me the conviction that we cannot ignore this powerful, crusading, and dedicated force. To do so would be inviting peril of the gravest sort. Our own way of life is so far different and our own international aims and concerns so far removed from the announced aims and intentions of the Communists that most Americans have a hard time seeing or believing that this is in fact the aim of the Communists. Therefore, given a brief period of international relaxation of tension it is ever too easy for the average American to discount as mere propaganda the ultimate aim of the Communist. In a word, the Communist believes that it is inevitable that the capitalistic system will fall into decay and be replaced by Communist dictatorship. They further believe that since capitalism and individual enterprise is wrong that they—the Communists—have a right to impose their beliefs on other peoples by any means. Therefore, Americans generally have difficulty in evaluating and comprehending the beliefs, motives, and actions of the Communists.

One thing can be said with absolute certainty about the Communists: They believe in their cause and they believe that any action which advances their cause is morally right. They believe in the dictatorship of the Communist Party of the Soviet Union and that every state must be brought under the control of such organization and that all shreds of capitalism and bourgeois morality must be eliminated from the minds of the people everywhere. Constantly they speak of a classless and stateless society and constantly they seek ways and means to promulgate their belief.

Not only do the Communists promulgate this belief through talk but they employ a variety of means to implement that talk. All of the resources of their empire, human and material, are aimed at the accomplishment of this end—the domination of the Communist system over the political and economic life of all nations. All that they possess, their military strength, their technology, their educational system—all of these are very real support powers which they fully dedicate to the accomplishment of their aims.

It is at this juncture that we as a free people face this great and powerful revolutionary force. We have two choices: First, to stand idly by and watch the rest of the non-Communist world gobbled up bit by bit; or second, we can once again

reiterate our firm national policy that this thing has gone far enough, and pledge the resources of our Nation, material, physical, human and above all else one weapon which the Communists do not have—the spiritual—to put an end to the expansion of the Communist empire by force or threat of force. Long ago, we as a nation decided to establish and maintain defensive military strength which will assure us that any aggression will not succeed. This domestic military defense posture was soon expanded to include the concept of a defensive military strength in cooperation with the joint efforts of other free nations determined to remain free. We have long since realized that our own defense is inextricably interwoven with the defense of our friends and allies. This collective power of our Nation and that of our allies has in the past deterred and must be maintained at a level adequate to continue to deter the Communist from seeking to expand his borders through use of force.

At this point in the development of our national policy another aspect came into the picture. We recognized the fact that military defenses alone are not enough to thwart the spread of communism. We learned, and it became a part of our national policy, that the demands of free people for economic security and a decent standard of living are legitimate, and that not only our own healthy economic well being is necessary to the security of the free world but that equally as important is the economic strength and progress of our friends and allies. This led after World War II to the European recovery program that resulted in a free Europe that today is healthy and strong. The problems have been somewhat different in Asia. There is one element in common though between our friends in Europe and those in Asia—a deep and growing desire and determination to improve their lot. Oftentimes the discontented and impatient have been tempted by the radical solutions of communism. It is less than no alternative to these peoples to offer them instead of communism a preservation of the status quo.

This road to a decent life for all peoples everywhere has become a major goal of American foreign policy. However, as we well know, it is not an easily accomplished task. The task is slow, laborious, and oftentimes fraught with disappointments and setbacks. Determination and sacrifice are the key requirements if this goal is to be achieved. However, if many of these nations were left alone to resources available to them, the day of economic liberation would be far delayed into the future to say the least. These people need and deserve help. Since the late General Marshall first publicly announced the program for aiding the marginal and underdeveloped nations of the world as well as helping to repair the wreckage of a world war, it has been our national policy to provide that help. Oftentimes the help has been marginal but just enough to enable these millions of people with their own energy and resources and ingenuity to advance along the paths of their own national self-determination. We have truly adopted

almost as a second motto for this Nation since the World War II the injunction of Holy Writ to "be our brother's keeper."

In spite of waste, administrative bungling, and lack of vision and planning, these efforts have been successful. Without this national policy many nations now free would be within the sphere of the Communist orbit. Instead of becoming slaves of the international Communist movement many of the world's nations have become independent and we in the United States have welcomed and encouraged this political evolution because we on this continent believe in the sacred principle of government by consent of the governed.

On the other hand, this newly found independence has created some problems of its own. The achievement of successful economic and political development is not an easy task and the resources of these newly independent nations has been severely taxed. This concern for the advancement and development of the free peoples of the world has been costly but at the same time has been in the enlightened self-interest of the United States. One example is the people of the other American Republics in this hemisphere. No one will deny the fact that it is in the interest of our own security that these sister Republics achieve a more rewarding and fruitful existence. Our first real efforts in this area was the program of inter-American technical cooperation. It stands today as a concrete demonstration of international cooperation among free and sovereign nations. The newly created International American Development Bank is yet another expression of our common concern and determination that together we can achieve our common goals of peace, prosperity and plenty and yet remain a free people in this hemisphere.

The Soviet Union, and its ally Red China, soon realized the importance of this type of program for in 1954 it initiated its own aid program. However, any casual study of the Communist aid program makes it crystal clear that the basic purpose of the plan is to promote the achievement of a Communist world.

In spite of Communist propaganda to the contrary notwithstanding, the purpose of our mutual security program is not to create a series of mimeographed "little United States" throughout the world.

As a part of our traditional creed we have sought to help others who wish to do so to defend themselves, to achieve progress, to learn to utilize their own national resources for the good of their peoples for we believe that it is the right of all peoples and nations to freely choose their own ways of life. The mutual security program is geared around the principle of cooperation, based upon respect; upon the belief in the dignity, rights, liberties, and importance of the individual and the subordination of the State to the interests and will of its citizens. The mutual security program seeks to extend to all peoples what we as Americans have long believed and proved to be right—decision by dis-

cussion and dissent; tolerance; government of laws and peace with justice. This is what our Nation is built on. Therein is its strength and greatness. It is because we do believe this that we are willing to join with others in the defense of these principles. It is because of this that we are willing to tax ourselves and share our resources and our technological and spiritual resources with free people across the world seeking to remain free and strengthen the fabric of their free way of life. We in America believe that because we have been so wonderfully blessed that we have a moral responsibility to share opportunity to others across the earth who wish a like opportunity to enjoy the blessings of a free society.

If one listens to Radio Moscow and digests the various Kremlin pronouncements emanating from Moscow he would be told that America has sinister motives in sending its goods, its know-how, its men and women and the financial fruits of its own labors to these nations. Let us go on record right now once again before the world in announcing that the high purposes of our mutual security program are to defend ourselves and to assure the security of those who desire to be defended; to support the right of every nation and government to freely determine its own national goals and direction; to help within the limits of our own national capability in the progressive betterment of all human beings. Nothing that the Communists can tell the peoples of the world contrary to this bears any semblance of the truth and the Communists know it.

Mr. Chairman, it is for these reasons and others which I do not have time to include at this time, that I have supported our mutual security program. It is for these reasons that I feel we must continue it.

Since February 17, 1960, we of the committee have been carefully considering this Mutual Security Act. I believe it has had as careful consideration as has any legislation ever considered by this body. It represents the very best thinking of your committee. It is a program designed to provide an adequate assurance to freemen everywhere that we in America will pledge our own sacred honor, as well as our tax dollars and other resources, to our fellow men that they too may be free.

The very basic features of this program again this year are twofold: First, the preservation of an adequate defensive strength; second, the encouragement and promotion of human betterment.

Let it be noted that our efforts in the United States are not the only efforts being expended today. The nations of Western Europe and Japan are responding to the desires of other nations to share in the march of material progress. Like ourselves, these nations, who themselves have been assisted by this very type of legislation, share our common objective and help shoulder the common responsibility. This program in 1960 is just as important, if not more so, than when Gen. George Marshall first announced it to a war-ravaged world. Here once again is an opportunity to

participate in a mutual effort for peace and progress in freedom.

I urge passage of this bill.

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

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

Mr. WOLF. I would like to ask the gentleman if he can state for the House how much of the money that will be invested in the mutual security program will actually be spent directly or indirectly in this country?

Mr. CARNAHAN. That is a question which I think a great many of our people do not understand. The records show that approximately 80 cents out of every dollar allotted to the mutual security program is spent in the United States. The dollars themselves never leave the country. It is only the goods that these dollars purchase that leave the country. The products of our farms and our factories and of our mines and our forests are sent abroad.

Mr. WOLF. Would that figure include both the military and economic parts of the program?

Mr. CARNAHAN. That would be an average for both the economic and military. The military is higher than the economic. About 90 percent of the military money does not leave the country.

Mr. WOLF. I thank the gentleman.

The CHAIRMAN. The time of the gentleman has expired.

Mrs. BOLTON. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, I want to correct a dereliction on my part earlier in the debate in not taking the opportunity to pay tribute to the distinguished chairman of our Committee on Foreign Affairs. He has extraordinary capacity to grasp all the details as well as the broad features of a comprehensive and complicated program like this. He has demonstrated great skill in conducting and chairing our committee meetings and in organizing and directing the work of the staff and the subcommittees. He has shown unflinching fairness, poise, good humor, and patience with a committee consisting of 32 members who hold many points of view and hold them strongly. All of us who have had the chance to work with and under him have come to appreciate more and more each month the great abilities and the unusual qualities of leadership of our distinguished friend and my medical colleague, the gentleman from Pennsylvania, Dr. MORGAN.

Mr. BOSCH. Mr. Chairman, I rise in opposition to H.R. 11510, the so-called mutual security authorization legislation now before us. This bill authorizes a total of \$4,380,500,000 for the fiscal year 1961 for the various purposes under the, in my opinion, overextended mutual security program.

We find that today there are some 43,000 employees and 10,000 trainees of the mutual security program scattered in some 76 nations in the world.

It would do very little good to here again reiterate what has been demonstrated from time to time to be the utter waste and extravagance experienced over the years in connection with this

program in the various countries of the world. It appears almost unbelievable to me that we can glibly consider an authorization of this magnitude, namely, \$4,380,500,000 without giving due consideration to the present status of the unexpended funds now in hand. It appears that the total funds unexpended and to be authorized by this legislation total the staggering figure of \$12,150,021,750.

These figures are:

Unexpended fund as of June 30, 1959	\$4,837,708,750
New funds appropriated for fiscal 1960	3,225,813,000
New funds—other—fiscal 1960	48,000,000
Proposed under this bill—fiscal 1961	4,038,500,000
Total	12,150,021,750

The Comptroller General of the United States has stated that the weakness of the program is too much money, not too little. How in good conscience can we therefore justify foisting upon the American taxpayers this additional obligation.

Now, I know it has been eloquently argued from time to time that without this assistance the nations benefiting under the program would most surely fall into the Communist camp and that this assistance, particularly in the field of military assistance, is our own best defense against the Communist war potential. How do we, Mr. Chairman, then explain away the following facts:

First. In Europe the communistic element is strongest in the very areas that have received the most financial foreign aid.

Second. In the Middle East communism has made substantial progress in spite of the millions we have appropriated. Communism has expanded in Indonesia, Thailand, and India.

Third. In Latin America our lavish gifts have not stopped insurrections in Bolivia, Venezuela, Cuba, Guatemala, Haiti, and the Argentine.

Thus we see that Communist expansion progresses regardless of our foreign aid. Of course, it is accomplished first by infiltration and then seizing the government in power. In truth our billions wastefully thrown to all corners of the globe have not stopped the expansion of communism.

I cannot, Mr. Chairman, in good conscience vote to further authorize this unconscionable amount when the total foreign aid costs, including interest on what we have borrowed to give away to foreign countries, now exceeds \$19 billion annually, or results in an approximate cost of \$795 for every family in the United States. I am firmly convinced that this program should be terminated; for the experiences of the past have amply demonstrated that we can neither buy friends, goodwill, nor peace.

Mr. REUSS. Mr. Chairman, I should like to take this opportunity to direct the attention of my colleagues to the section of the Foreign Affairs Committee report on the Mutual Security Act of 1960 titled "Point 4 Youth Corps" beginning on page 28 of the report.

The Youth Corps, which I first proposed as an amendment to the Mutual

Security Act in H.R. 9638 introduced January 14, 1960, would give young Americans an expanded opportunity to serve the United States in oversea technical assistance missions.

I am most grateful that the committee has chosen to announce in its report that it will make "a comprehensive survey of the possibilities for such an effort." I am equally grateful that Chairman MORGAN has extended to me an invitation, as the author of the original proposal, to take an active part in the committee's formulation and execution of this survey. The committee report states:

Should this study support the committee's present belief that there is substantial merit in the proposal, the committee will prepare specific recommendations for getting the program underway, and will expect the executive to make a serious and constructive effort to put the program into effective operation.

I originally proposed the Youth Corps as a means of improving U.S. aid programs—particularly in the developing areas of Asia, Africa, the Middle East and Latin America—and at the same time broadening the opportunities for young Americans to serve their country and to gain a better understanding of world problems.

The Foreign Affairs Committee report made much the same points.

The committee stated that its own study missions had found that some of the best American aid projects in the less-developed nations were those using young Americans with technical training in agriculture and similar skills.

The committee noted, however, that under existing limited programs "at least 10 highly qualified young graduates of agricultural colleges have volunteered for each position made available" by the Government.

It would be of great value not only in creating a favorable impression of the United States but also in promoting sound and basic improvements in economic development if more places for such young people were found in oversea operations—

The committee report continues.

The committee believes that the United States is failing to utilize one of its important assets by not developing a program for using such services.

If young Americans with * * * adequate technical training, who are willing to live in the villages and share in the daily work of the people and who would serve with only a minimum salary and subsistence allowance,

could be carefully selected and sent to the less developed countries, they could be unusually effective representatives of the United States—

The committee report declares.

The peoples of the developing countries not only need economic assistance, they can also profit from exposure to the ideas of Thomas Jefferson and Abraham Lincoln. Young Americans who are willing to help with an irrigation project, with digging a village well, with setting up a rural school, could be one of our best ways for creating such a picture of America.

Furthermore, young Americans in their late teens and early twenties need a sense of purpose—the excitement and stimulus of taking part in real events. If the evolution of the have-not nations is at once the greatest challenge and adventure of the age, young Americans are going to want to become involved in it.

I am confident that the action of the Foreign Affairs Committee will lead to the establishment of a Point 4 Youth Corps.

Mr. Chairman, the committee's action leads to the following commending editorial in the April 18, 1960, edition of the Christian Science Monitor:

PROGRESS ON THE YOUTH CORPS

With commendable speed and bipartisanship the House Foreign Affairs Committee has opened the way for a Point Four Youth Corps.

The proposed corps—an alternative to the draft which would let qualified young American volunteers serve in the rice fields instead of on the drill fields—deserves equally speedy and serious followup action.

This committee approval moves the proposal into the final study stage. Some foundation or experienced educational agency will now be sought to make a comprehensive survey of the idea, mapping out a system for carrying it out most efficiently, and presumably proposing legislation.

The House group lauded the youth corps idea (which this newspaper had previously endorsed). Its report stated that its own study missions had frequently found that the best American foreign-aid projects in developing nations were making use of young, technically trained Americans working at the village level. It said, however, that existing programs were so limited that at least 10 highly qualified young graduates of agricultural colleges have volunteered for each position made available by the International Cooperation Administration.

There has been some evidence of reluctance on the part of the State Department to en-

dorse the program. Professional diplomats understandably are hesitant to become embroiled with, and responsible for, a lot of young amateur diplomats.

But even America's limited experience in this field indicates strongly that the kind of young men and women dedicated to service in the villages of Asia, Africa, and Latin America—service at draft pay and with no PX pleasures—make good ambassadors.

Furthermore, these youths may be expected to form the nucleus of an unusually experienced and vigorous foreign service for the future.

We trust the Foreign Affairs Committee will be able to find suitable foundation support for its youth corps study with no delay.

Mr. CURTIS of Missouri. Mr. Chairman, on July 30, 1959, under special order, I discussed the Mutual Security Authorization Act for 1960 in what I believe to be its proper context: one of many programs of the Federal Government dealing with the economic conditions of non-Communist nations.

We have said our program should be trade, not aid, where possible and when aid is necessary it be loans, not grants. How indeed can we discuss one grant program out of several, the mutual security program, without knowledge of what the other grant programs are doing and without knowledge of what the many loan programs are doing, and without knowledge of what the trade programs in the private sector of the economy are accomplishing? Yet this is exactly what we are doing in the present debate based upon the committee's limited study and the committee's limited report.

Furthermore, what criteria should we use to determine whether all our programs, coordinated or haphazard, are producing the desired results? In my July speech I suggested that the per capita gross national product of the countries we profess to be helping is certainly one meaningful test. Yet during the 4 years, 1955, 1956, 1957, and 1958, referred to in my speech many, of the countries we are supposed to be helping, do not show increases in gross national product. In fact some show decreases.

Under unanimous consent, I include at this point my speech of July 30, 1959, and the tables contained therein:

ECONOMIC WELFARE OF FOREIGN NATIONS

The SPEAKER pro tempore (Mr. IKARD). Under previous order of the House, the gentleman from Missouri [Mr. CURTIS] is recognized for 10 minutes.

U.S. exports to Western Europe

[In millions of dollars]

	U.S. exports (excluding special category) ¹									
	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958
Western Europe, total.....	3,987	2,958	4,138	3,381	2,906	3,400	4,187	5,172	5,694	4,463
Spain, Finland, Yugoslavia.....	95	107	270	172	205	232	330	421	382	364
OEEC.....	3,892	2,851	3,868	3,209	2,701	3,168	3,857	4,751	5,312	4,099
United Kingdom.....	671	516	909	683	594	696	930	910	1,100	838
France.....	466	342	434	369	343	335	360	562	589	427
Germany ²	817	440	520	446	356	494	596	785	956	733
Italy (including Trieste).....	463	357	473	422	304	316	369	535	678	492
Greece.....	152	94	99	69	53	51	79	93	86	86
Turkey.....	83	61	64	68	70	87	102	116	140	127
Other OEEC.....	1,240	1,041	1,369	1,152	981	1,189	1,421	1,750	1,763	1,410

¹ The exclusion of "special category" exports from statistics by country was inaugurated in May 1949. Therefore, 1949 data are not strictly comparable with succeeding years.

² Data for 1949-51 include a small amount of exports to Eastern Germany.

Far East—Trade statistics

[Millions of U.S. dollars]

Country	Calendar year	Trade with United States ¹	
		Exports to—	Imports from—
Total, Far East.....	1954	774	1,546
	1955	1,009	1,579
	1956	1,046	1,985
	1957	1,084	2,672
	1958	1,202	1,634
Burma.....	1954	1	8
	1955	1	5
	1956	2	6
	1957	2	12
	1958	1	7
Cambodia.....	1954	9	1
	1955	10	3
	1956	10	6
	1957	10	3
	1958	9	7
Laos.....	1954		(²)
	1955		³ 1
	1956		³ 4
	1957		³ 6
	1958		³ 2
Vietnam.....	1954	⁴ 13	⁴ 21
	1955	16	32
	1956	8	61
	1957	11	66
	1958	5	62
Indonesia.....	1954	149	91
	1955	167	96
	1956	141	141
	1957	148	133
	1958	172	61
Japan.....	1954	283	849
	1955	457	774
	1956	543	1,065
	1957	607	1,626
	1958	671	834
Korea.....	1954	⁴ 14	⁴ 109
	1955	⁴ 8	⁴ 159
	1956	⁴ 11	⁴ 230
	1957	⁴ 5	⁴ 316
	1958	2	216
Philippines (imports f.o.b.).....	1954	246	331
	1955	240	356
	1956	242	301
	1957	225	337
	1958	274	291
China (Taiwan).....	1954	⁴ 5	⁴ 89
	1955	⁴ 6	⁴ 97
	1956	⁴ 6	⁴ 114
	1957	⁴ 4	⁴ 105
	1958	11	102
Thailand.....	1954	⁴ 54	⁴ 57
	1955	⁴ 104	⁴ 56
	1956	83	57
	1957	72	68
	1958	57	52

- ¹ Source: Country statistics.
² Not available.
³ Customs reports.
⁴ Estimated by ICA/W.
⁵ Foreign exchange statistics.

Latin America—Trade statistics

[Millions of U.S. dollars]

Country	Calendar year	Trade with United States ¹	
		Exports to—	Imports from—
Total, Latin America.....	1954	3,398	3,427
	1955	3,514	3,417
	1956	3,867	3,802
	1957	3,824	4,565
	1958	3,591	4,054
Argentina.....	1954	122	141
	1955	118	154
	1956	117	230
	1957	113	307
	1958	133	249
Bolivia.....	1954	63	25
	1955	61	31
	1956	57	39
	1957	33	43
	1958	9	29
Brazil.....	1954	579	537
	1955	602	309
	1956	735	355
	1957	690	548
	1958	666	330
Chile.....	1954	187	140
	1955	201	162
	1956	244	162
	1957	192	231
	1958	156	149

Latin America—Trade statistics—Continued

[Millions of U.S. dollars]

Country	Calendar year	Trade with United States ¹	
		Exports to—	Imports from—
Total, Latin America—Con.	1954	518	421
Colombia.....	1955	431	421
	1956	435	406
	1957	369	288
	1958	333	185
Costa Rica.....	1954	51	47
	1955	44	52
	1956	34	50
	1957	43	57
	1958	36	42
Cuba.....	1954	369	367
	1955	401	423
	1956	431	488
	1957	468	452
	1958	528	546
Dominican Republic.....	1954	71	55
	1955	64	64
	1956	59	71
	1957	65	73
	1958	72	76
Ecuador.....	1954	65	46
	1955	55	47
	1956	56	42
	1957	56	48
	1958	56	47
El Salvador.....	1954	76	51
	1955	69	52
	1956	50	55
	1957	63	59
	1958	49	45
Guatemala.....	1954	68	56
	1955	73	70
	1956	83	82
	1957	73	80
	1958	66	79
Haiti.....	1954	25	31
	1955	15	26
	1956	14	29
	1957	18	24
	1958	23	25
Honduras.....	1954	44	35
	1955	36	36
	1956	47	40
	1957	42	44
	1958	28	36
Mexico.....	1954	365	647
	1955	463	701
	1956	481	838
	1957	452	890
	1958	458	886
Nicaragua.....	1954	29	38
	1955	30	45
	1956	25	43
	1957	28	47
	1958	24	84
Panama.....	1954	16	45
Panama (total trade includes Colon Free Zone).	1955	19	45
	1956	17	50
	1957	21	58
	1958	24	84
Paraguay.....	1954	6	6
	1955	6	4
	1956	7	3
	1957	8	6
	1958	8	10
Peru.....	1954	88	130
	1955	98	150
	1956	115	179
	1957	115	191
	1958	124	167
Uruguay.....	1954	33	45
	1955	16	44
	1956	25	33
	1957	13	56
	1958	9	22
Venezuela.....	1954	623	564
	1955	712	581
	1956	835	607
	1957	992	1,063
	1958	892	809

¹ Source: Country statistics.

Near East and south Asia—Trade statistics

[Millions of U.S. dollars]

Country	Calendar year	Trade with United States ¹	
		Exports to—	Imports from—
Egypt.....	1954	19	51
	1955	26	63
	1956	14	72
	1957	22	47
	1958	18	52

¹ Based on country statistics, except where noted.

Near East and south Asia—Trade statistics—Continued

[Millions of U.S. dollars]

Country	Calendar year	Trade with United States	
		Exports to—	Imports from—
Greece.....	1954	15	46
	1955	24	70
	1956	23	78
	1957	30	83
	1958	37	73
Iran.....	1954	² 20	² 51
	1955	² 35	² 55
	1956	² 42	² 47
	1957	² 33	² 50
	1958	42	106
Israel.....	1954	14	79
	1955	16	93
	1956	19	117
	1957	20	109
	1958	18	105
Saudi Arabia.....	1954	² 59	² 44
	1955	² 59	² 72
	1956	² 77	² 77
	1957	² 41	² 69
	1958	72	59
Sudan.....	1954	4	3
	1955	3	3
	1956	4	3
	1957	3	6
	1958	4	2
Ceylon.....	1954	25	8
	1955	37	10
	1956	30	9
	1957	31	14
	1958	27	22
India.....	1954	185	155
	1955	195	189
	1956	184	198
	1957	276	358
	1958	191	313
Pakistan.....	1954	24	21
	1955	31	32
	1956	31	26
	1957	38	120
	1958	27	112
Turkey.....	1954	58	72
	1955	49	111
	1956	60	86
	1957	90	122
	1958	56	127

² Based on U.S. Customs data.

Mr. CURTIS of Missouri. Mr. Speaker, on June 16, 1959, during the debate on the Mutual Security Authorization Act, I placed in the RECORD a series of questions which relate largely to the fiscal aspects of the entire subject of our foreign relations, not just the fiscal aspects of what is called the mutual security program. These will be found in the CONGRESSIONAL RECORD, volume 105, part 8, pages 10966 and 10967. Through the courtesy of the chairman of the House Foreign Affairs Committee, my colleague, the gentleman from Pennsylvania, THOMAS E. MORGAN, I have received answers to these questions. I think this is material that is of value to the House membership and accordingly I am placing it in the RECORD. This material, of course, to be meaningful must be collated and commented upon. When I obtain additional information I expect to take the floor to discuss the subject matter rather fully.

At the present time there are two points I would like to make:

First. A test of whether or not a country is actually moving ahead economically is the increase of its gross national product but even more important, whether there is an increase in per capita national gross product. It is quite interesting to note that in the 4 years, 1955, 1956, 1957, and 1958, that many of the countries that we are supposed to be helping, do not show increases in gross national product and per capita gross national product. In fact, some show decreases. Certainly we should be asking ourselves the question of what have all the many programs we have in such countries been doing for them if they have not been moving ahead.

Total and per capita GNP, by country—By region

Country	Unit	Calendar years—				
		1955	1956	1957	1958 (estimated)	
EUROPE						
Austria	Total GNP (in 1957 prices)	Million dollars	4,194	4,419	4,670	4,825
	Per capita GNP	Dollars	601	632	667	689
Belgium-Luxembourg	Total GNP (in 1957 prices)	Million dollars	10,570	11,022	11,170	11,166
	Per capita GNP	Dollars	1,152	1,193	1,200	1,193
Denmark	Total GNP (in 1957 prices)	Million dollars	4,376	4,461	4,761	4,786
	Per capita GNP	Dollars	973	985	1,043	1,040
France	Total GNP (in 1957 prices)	Million dollars	43,555	45,692	48,666	50,061
	Per capita GNP	Dollars	1,007	1,047	1,104	1,125
Germany	Total GNP (in 1957 prices)	Million dollars	44,672	47,523	49,905	51,262
	Per capita GNP	Dollars	908	955	989	1,005
Italy	Total GNP (in 1957 prices)	Million dollars	22,915	23,618	25,003	25,770
	Per capita GNP	Dollars	477	489	515	530
Netherlands	Total GNP (in 1957 prices)	Million dollars	8,654	9,013	9,216	9,280
	Per capita GNP	Dollars	805	828	836	831
Norway	Total GNP (in 1957 prices)	Million dollars	3,680	3,832	3,942	4,022
	Per capita GNP	Dollars	1,073	1,107	1,128	1,137
Portugal	Total GNP (in 1957 prices)	Million dollars	1,905	1,962	1,996	2,042
	Per capita GNP	Dollars	217	222	224	227
Spain	Total GNP (in 1957 prices)	Million dollars	9,633	10,101	10,912	11,142
	Per capita GNP	Dollars	335	346	371	376
United Kingdom	Total GNP (in 1957 prices)	Billion dollars	59.7	60.8	61.9	61.1
	Per capita GNP	Dollars	1,265	1,181	1,199	1,178
Yugoslavia	Total GNP (in 1957 prices)	Million dollars	2,895	2,920	3,508	3,443
	Per capita GNP	Dollars	165	164	195	189
AFRICA						
Ethiopia	Total GNP (in 1957 prices)	Million dollars	794	805	845	805
	Per capita GNP	Dollars	45	45	47	44
Ghana	Total GNP (in 1957 prices)	Million dollars	780	757	809	775
	Per capita GNP	Dollars	170	161	169	161
Liberia	Total GNP (in 1957 prices)	Million dollars	90	95	94	(1)
	Per capita GNP	Dollars	90	95	93	(1)
Libya	Total GNP (in 1957 prices)	Million dollars	85	100	112	118
	Per capita GNP	Dollars	77	89	98	102
Morocco	Total GNP (in 1957 prices)	Million dollars	1,654	1,713	1,570	1,679
	Per capita GNP	Dollars	195	199	180	191
Somalia	Total GNP (in 1957 prices)	Million dollars	37.5	36.5	40.9	41.0
	Per capita GNP	Dollars	29	28	31	31
Tunisia	Total GNP (in 1957 prices)	Million dollars	457	497	453	508
	Per capita GNP	Dollars	122	131	119	132
NEAR EAST—SOUTH ASIA						
Afghanistan	Total GNP (in 1957 prices)	Million dollars	(1)	600	620	635
	Per capita GNP	Dollars	(1)	48	49	49
Ceylon	Total GNP (in 1957 prices)	Million dollars	1,158	1,128	1,201	1,160
	Per capita GNP	Dollars	133	126	131	123
U.A.R. (Egypt)	Total GNP (in 1957 prices)	Million dollars	3,065	3,190	3,254	3,314
	Per capita GNP	Dollars	134	136	136	135
Greece	Total GNP (in 1957 prices)	Million dollars	2,369	2,530	2,750	2,882
	Per capita GNP	Dollars	283	300	323	336
Fiscal year ending Mar. 31—						
			1955-56	1956-57	1957-58	1958-59
India	Total GNP (in 1957 prices)	Billion dollars	27.0	27.8	27.1	28.6
	Per capita GNP	Dollars	70	71	68	71
Iran	Total GNP (in 1957 prices)	Million dollars	2,355	2,500	2,700	2,750
	Per capita GNP	Dollars	120	126	134	134
Iraq	Total GNP (in 1957 prices)	Million dollars	1,030	1,020	990	1,065
	Per capita GNP	Dollars	164	159	151	160
Israel	Total GNP (in 1957 prices)	Million dollars	1,395	1,540	1,702	1,838
	Per capita GNP	Dollars	804	842	882	914
Jordan	Total GNP (in 1957 prices)	Million dollars	110	165	155	130
	Per capita GNP	Dollars	77	111	102	84
Lebanon	Total GNP (in 1957 prices)	Million dollars	522	597	618	500
	Per capita GNP	Dollars	368	413	419	333
Nepal	Total GNP (in 1957 prices)	Million dollars	(1)	(1)	350	365
	Per capita GNP	Dollars	(1)	(1)	40	40
Pakistan	Total GNP (in 1957 prices)	Million dollars	5,361	5,520	5,502	5,557
	Per capita GNP	Dollars	65	66	65	65
Saudi Arabia	Total GNP (in 1957 prices)	Million dollars	(1)	(1)	(1)	(1)
	Per capita GNP	Dollars	(1)	(1)	(1)	(1)
Sudan	Total GNP (in 1957 prices)	Million dollars	755	780	490	630
	Per capita GNP	Dollars	74	75	74	61
Turkey	Total GNP (in 1957 prices)	Million dollars	9,126	9,486	9,792	10,000
	Per capita GNP	Dollars	373	383	384	381
FAR EAST						
Burma	Total GNP (in 1957 prices)	Million dollars	1,009	1,041	1,134	1,100
	Per capita GNP	Dollars	52	52	56	54
Cambodia	Total GNP (in 1957 prices)	Million dollars	2,350	390	424	415
	Per capita GNP	Dollars	80	86	92	89
China (Taiwan)	Total GNP (in 1957 prices)	Million dollars	890	930	958	1,045
	Per capita GNP	Dollars	94	95	98	100
Indonesia	Total GNP (in 1957 prices)	Million dollars	4,870	5,120	5,500	5,209
	Per capita GNP	Dollars	60	62	65	60
Japan	Total GNP (in 1957 prices)	Million dollars	24,000	26,000	27,900	28,630
	Per capita GNP	Dollars	270	289	307	312
Korea	Total GNP (in 1957 prices)	Million dollars	2,770	2,833	3,213	3,402
	Per capita GNP	Dollars	129	130	145	150
Laos	Total GNP (in 1957 prices)	Million dollars	(1)	97	99	100
	Per capita GNP	Dollars	(1)	49	50	50

(1) Not available.

Total and per capita GNP, by country—By region—Continued

Country	Unit	Calendar years—				
		1955	1956	1957	1958 (estimated)	
FAR EAST—Continued						
Philippines.....	Total GNP (in 1957 prices).....	Million dollars.....	4,570	4,820	5,000	5,150
	Per capita GNP.....	Dollars.....	205	211	215	215
Thailand.....	Total GNP (in 1957 prices).....	Million dollars.....	1,930	2,020	1,945	2,100
	Per capita GNP.....	Dollars.....	95	98	92	98
Vietnam.....	Total GNP (in 1957 prices).....	Million dollars.....	1,870	1,950	1,900	1,960
	Per capita GNP.....	Dollars.....	156	160	153	156
LATIN AMERICA						
Argentina.....	Total GNP (in 1955 prices).....	Million dollars.....	8,100	8,420	8,500	.....
	Per capita GNP.....	Dollars.....	424	432	428	.....
Bolivia.....	Total GNP (in 1957 prices).....	Million dollars.....	245	235	240	.....
	Per capita GNP.....	Dollars.....	77	73	73	.....
Brazil.....	Total GNP (in 1955 prices).....	Million dollars.....	10,050	10,500	10,300	.....
	Per capita GNP.....	Dollars.....	172	175	168	.....
Chile.....	Total GNP (in 1955 prices).....	Million dollars.....	1,570	1,570	1,500	.....
	Per capita GNP.....	Dollars.....	232	226	214	.....
Colombia.....	Total GNP (in 1955 prices).....	Million dollars.....	2,220	2,370	2,400	.....
	Per capita GNP.....	Dollars.....	175	183	181	.....
Costa Rica.....	Total GNP (in 1955 prices).....	Million dollars.....	305	270	290	.....
	Per capita GNP.....	Dollars.....	321	273	280	.....
Cuba.....	Total GNP (in 1955 prices).....	Million dollars.....	2,230	2,410	2,630	.....
	Per capita GNP.....	Dollars.....	364	385	410	.....
Dominican Republic.....	Total GNP (in 1955 prices).....	Million dollars.....	520	500	600	.....
	Per capita GNP.....	Dollars.....	206	215	222	.....
Ecuador.....	Total GNP (in 1955 prices).....	Million dollars.....	730	745	785	.....
	Per capita GNP.....	Dollars.....	198	196	202	.....
El Salvador.....	Total GNP (in 1955 prices).....	Million dollars.....	450	455	485	.....
	Per capita GNP.....	Dollars.....	205	201	207	.....
Haiti.....	Total GNP (in 1955 prices).....	Million dollars.....	270	310	250	.....
	Per capita GNP.....	Dollars.....	82	93	74	.....
Honduras.....	Total GNP (in 1955 prices).....	Million dollars.....	315	330	315	.....
	Per capita GNP.....	Dollars.....	190	193	178	.....
Mexico.....	Total GNP (in 1955 prices).....	Million dollars.....	6,720	7,165	7,525	.....
	Per capita GNP.....	Dollars.....	226	235	239	.....
Nicaragua.....	Total GNP (in 1955 prices).....	Million dollars.....	310	305	305	.....
	Per capita GNP.....	Dollars.....	249	238	233	.....
Panama.....	Total GNP (in 1955 prices).....	Million dollars.....	270	275	285	.....
	Per capita GNP.....	Dollars.....	297	294	297	.....
Paraguay.....	Total GNP (in 1955 prices).....	Million dollars.....	200	190	195	.....
	Per capita GNP.....	Dollars.....	127	119	119	.....
Peru.....	Total GNP (in 1955 prices).....	Million dollars.....	1,500	1,550	1,560	.....
	Per capita GNP.....	Dollars.....	160	161	157	.....
Uruguay.....	Total GNP (in 1955 prices).....	Million dollars.....	1,570	1,580	1,580	.....
	Per capita GNP.....	Dollars.....	600	594	580	.....
Venezuela.....	Total GNP (in 1955 prices).....	Million dollars.....	5,200	5,460	5,730	.....
	Per capita GNP.....	Dollars.....	899	917	934	.....

¹ Estimated.

The second point I want to stress at this time is one of encouragement, as to whether or not the Development Loan Fund is serving the purpose of cutting down the request for outright grants as it was intended to do. In the answer to my question in regard to this subject there is this statement:

"When the loans made under the older programs are added to those made by the Development Loan Fund we find that only 6 percent of total aid in fiscal year 1956 was on a loan basis. For fiscal year 1957 the figure was 21 percent; for fiscal year 1958, the first year of Development Loan Fund, it was 29 percent; and this year it has risen to 42 percent."

This is very impressive. Herein follows the questions I posed with the answers:

First. What has been the increase or decrease in trade in dollar amounts between the United States and the individual recipients of aid under this program in the past year? Has trade increased or decreased?

The tables indicate U.S. trade with the principal aid recipient countries. Since charges from one year to the next are not very meaningful to indicate trends several years are included in the tables. In general they show a general increase in trade. This is most notable in the trade figures with Western Europe. U.S. exports to Western Europe increased from nearly \$3 billion in 1950 to \$4.8 billion in 1958. This increase is even more startling when it is considered that unlike in 1958, the 1950 data are predominantly foreign aid exports from the United States. During the past 9 years, the overall OEEC trade gap was reduced from

\$4.7 billion to \$3.4 billion; the gap in trade with the United States was also reduced.

In evaluating last year's trade figures it is well to remember that world trade, including U.S. trade, was subject to sharp temporary disturbances in 1956 and 1957 mainly due to the Suez crisis. Therefore it is more appropriate to compare 1958 trade figures with these of 1955 than with the intervening 2 years. Such a comparison would show a healthy increase of total U.S. exports by 13 percent, an increase in imports of 12 percent, and an increase in the balance on goods from \$2,753 million to \$3,263 million.

Second. What has the increase or decrease of American private investment been in these countries in the past year in dollar amounts?

It is estimated on a preliminary basis that new U.S. private investment (not including reinvested subsidiary earnings) in the Latin American, Asian, African, and Middle East areas totaled about \$1,050 million during 1958. This figure is substantially higher than the corresponding totals for 1954 and 1955, but is well below the totals for 1956 and 1957, about \$1,280 million and \$1,650 million, respectively, which were abnormally high because of extraordinary petroleum investments.

Third. What has been the increase or decrease in gross national product of these countries? And in per capita gross national product?

Fourth. How much offshore procurement in dollars has there been last year in each of these countries? Has it been increasing or decreasing over a period of the past few years?

I. Total ICA commodity expenditures, and source of procurement

[Thousands of dollars]

Fiscal year	Total	United States	Offshore
1955.....	984,971	774,861	210,110
1956.....	1,042,951	706,992	335,959
1957.....	1,235,907	708,365	527,532
1958.....	1,012,753	524,004	488,749

II. Total military assistance program offshore procurement contracts placed for equipment and supplies

[Millions of dollars]

Fiscal year:	Total
1955.....	166.3
1956.....	72.1
1957.....	143.1
1958.....	41.4
1959 (programed).....	91.6
1960 (programed).....	51.8

Fifth. How much did private U.S. banks lend to investors in the economic endeavors—also social and political endeavors—of these countries?

Preliminary estimates indicate that short term and longer term U.S. private banking claims on foreigners in Latin America, Asia, Africa, and the Middle East totaled about \$2.4 billion at the end of 1958 as compared with about \$2.1 billion at the end of 1957 and about \$1.8 billion at the end of 1956. These figures do not, of course, include credits to domestic enterprises which may, in part or in whole, have been used in their business

activities in the less developed countries; data on such credits are not available.

Sixth. (A) How much did the Export-Import Bank lend last year and what are the balances and record of payments?

Loan commitments made by the Bank in the calendar year 1958 totaled \$967 million compared with disbursements of \$784 million.

Balances of loans outstanding as of December 31, 1958, were \$3,314 million.

Repayments during the year totaled \$316.8 million.

Lending activities of the Bank in 1958 were generally higher than in previous years. Loans made to Latin American countries reached the highest dollar volume of lending by the Bank in the Western Hemisphere in the last 25 years.

Sixth. (B) How much did the International Bank for Reconstruction and Development lend last year and what are the balances and record of payment?

Loan commitments made by the IBRD in the calendar year 1958 totaled \$770 million compared with disbursements of \$540.9 million.

Balances of loans outstanding as of December 31, 1958, were \$3,275 million.

Repayments during the year totaled \$40.3 million.

Total loans approved net of cancellations:

	Million
1947-----	\$497
1948-----	28
1949-----	219
1950-----	262
1951-----	207
1952-----	281
1953-----	256
1954-----	273
1955-----	396
1956-----	503
1957-----	472
1958-----	764
Grand total-----	4,158

Seventh. What is the ratio of Development Loan Fund loans to loans received from other free world sources?

The rate of loan commitments of the Development Loan Fund during the first year of its effective operation—that is, during calendar year 1958—amounted to about \$650 million. A gradual expansion of the operations is expected over the next few years. Because this is a new program, actual disbursements were only a fraction of the commitments; it is reasonable to assume that for at least a year or two the rate of expenditures will lag behind loan commitments.

Bilateral government economic assistance expenditures by the other free world industrialized countries extended to the less developed areas amounted to about \$1.2 billion in 1958. This represents an increase from an average of about \$650 million in the years 1954–56.

In comparing these magnitudes it should be remembered that about 90 percent of the aid given by the other free world countries goes to the oversea dependencies of the European metropolitan powers and to other areas with which they have close political and economic links. A very small portion of Development Loan Fund loans is likely to go to the same area.

Eighth. Has the Development Loan Fund, indeed, served the purpose of cutting down the requests for outright grants as it was intended to do? Congressman Ford testified earlier this year that this had been the case. What did the committee find the dollar figures to be on the cutback? In relation to the amount of loans?

The amounts used for bilateral economic aid, exclusive of technical cooperation, have been \$1,239 million for fiscal year 1956, \$1,349 million for fiscal year 1957, \$1,068 million for

fiscal year 1958, and \$1,058 million for fiscal year 1959.

You will note a sharp decline of almost \$300 million in fiscal year 1958, the first year of Development Loan Fund operation.

Some parts of bilateral economic aid, excluding Development Loan Fund, have been used on a loan basis. These amounts are \$74 million for fiscal year 1956, \$283 million for fiscal year 1957, \$124 million for fiscal year 1958, and \$64 million for fiscal year 1959.

When the loans made under the older programs are added to those made by Development Loan Fund, we find that only 6 percent of total aid in fiscal year 1956 was on a loan basis. For fiscal year 1957 the figure was 21 percent, for fiscal year 1958, the first year of Development Loan Fund, it was 29 percent, and this year it has risen to 42 percent.

Ninth. The committee's report on the operation of the investment guarantee program is ambiguous. On page 44 the committee states that only \$160 million out of \$500 million remains available and applications now exceed \$1 billion. Yet on the very next page the committee quotes, I suppose with approval, the statement of the chief of the investment guarantee division, as follows:

"It is our belief that the war risk guarantee, to make any appreciable contributions to the stimulation of private investment, should be broadened to include revolution, insurrection and civil disturbances arising therefrom."

Well, a program that attracts a \$1 billion backlog certainly sounds like one that is making an appreciable contribution. If the division chief thinks \$1 billion is not an appreciable contribution I believe the committee and the Congress should have some idea what he thinks the adjective "appreciable" means, \$20 billion?

Mr. Warden's testimony was limited to pointing out that the war risk guarantee authority in its present limited form has made no appreciable contribution to the program or even to the volume of pending applications. The billion dollars in pending applications and the contracts written to date are the results almost wholly of the convertibility and expropriation authorities.

If the war risk authority were expanded as indicated it is expected that it would add to the total amount of American investment encouraged to go abroad, although it is improbable that Mr. Warden intended to leave the impression that he could estimate approximately the magnitude of the additional investment which might be so encouraged.

Tenth. What is the total amount of Public Law 480 funds that are presently available for the same purposes listed in the mutual security bill? The committee report seems to list only those funds obligated. What the Congress needs to know is what funds have been generated and how much agricultural surplus there is available that might reasonably be generated into Public Law 480 funds in the ensuing fiscal year?

The United States has concluded as of December 31, 1958, Public Law 480 sales agreements totaling the equivalent of \$3.3 billion. Actual sales have been consummated as of that date for which the foreign currency equivalent of \$2.5 billion has been paid. Of this, \$1.1 billion has already been expended. The balance remaining in Treasury accounts as of December 31, 1958, was \$1.4 billion equivalent. Of the total of \$3.3 billion of sales agreements, \$2.1 billion was earmarked for use within the foreign country, of which \$273 million was for military grants, \$216 million for economic grants, and \$1,646 million for economic loans. Of these amounts \$195 million had been dispersed for military procurement, \$68 million for grants for economic development, and \$493 million for loans for economic development. Thus, there is a potential balance, when all sales have taken place, of the equivalent of \$1,378 million in foreign currencies which will

be able to be used for military procurement grants, grants for economic development, and loans for economic development.

It should be borne in mind that these currencies do not replace dollars and the mutual security program presented to the Congress takes fully into account the possible uses of these currencies to meet local currency requirements in the countries being assisted.

So far as the future is concerned, this will depend upon the action taken by the Congress in authorizing further Public Law 480 sales and on the negotiation of sales agreements. Again, the mutual security program projects estimates of such sales in the various countries being assisted and takes fully into account the extent to which these availabilities of agricultural commodities reduce the need for financing of imports through dollar grants or loans.

Eleventh. What is the total amount of counterpart funds available for these programs? Again the committee seems to report those which have been obligated, not those which are available. What additional counterpart funds—if any—are still generated and might be generated in the ensuing fiscal year?

Counterpart (country-owned)	
Unobligated or uncommitted deposits, June 30, 1959-----	\$127, 573, 000
New deposits estimated for fiscal year 1960-----	753, 155, 000
Total available for obligation-----	880, 728, 000

Twelfth. What are the unobligated balances previously appropriated for this program? The obligated but unspent funds are listed but it is hard to figure the unobligated balances.

Unobligated and unreserved balances available in subsequent years [In millions]	
1950-----	\$575.9
1951-----	873.3
1952-----	602.0
1953-----	2, 116.3
1954-----	2, 463.6
1955-----	48.6
1956-----	338.1
1957-----	764.2
1958-----	231.4
1959 (estimated)-----	1292.9

¹Forty-six million dollars military and \$246,900,000 Development Loan Fund. An additional \$14 million could be utilized for programs in fiscal year 1960 if permissive legislation is provided in the fiscal year 1960 Appropriation Act.

Two hundred and forty-six and nine-tenths million dollars of this fiscal year-end figure represents funds which, although not technically obligated in the form of signed loan agreements, are considered to be effectively obligated through issuance of formal letters of commitment constituting a pledge by the United States to make the funds available, and funds thus committed will not be available for any other use.

Thirteenth. What are the dollar balances of trade of the countries benefiting under this program?

These figures appear for each country on the yellow divider sheets which constitute the first page of each country statement in the presentation books.

Fourteenth. On page 64 of the report the committee devotes a paragraph to "Use of Excess Government Property for Economic Assistance" and states:

"There is now authority to utilize excess property under the act either by purchasing it at the price established in accordance with law by GSA or the holding agency, or possibly in special circumstances at no cost in accordance with applicable regulations."

Now we are talking about sizable sums when we get into surplus property. We have been disposing of around \$7 to \$8 billion of surplus property generated by the Military Establishments a year for several years. In the report of the Appropriations Committee on the military appropriation bill this year, it was stated that there is about \$26 billion of surplus property waiting to be disposed of in the Military Establishment. We have been averaging about 8 cents on the dollar on the property sold.

Just how much surplus property in dollar value does the committee think might be channeled into the foreign aid program for this fiscal year? A couple of billion or maybe only a few hundred million?

All material excess to U.S. defense requirements is carefully screened against the needs of the military assistance program. All defense excesses are so screened, but it should be clear that only those excesses can be applied against military assistance program requirements that meet a real need. As pointed out by Assistant Secretary of Defense Irwin on page 134 of the hearings:

"In fiscal year 1959, \$331 million of excess materiel is programmed for our allies and \$85 million in fiscal year 1960."

Mr. ALGER. Mr. Chairman, the fiscal year 1961 foreign aid or mutual security authorization is history repeating itself in the House of Representatives. The same arguments for and against. The same damning criticisms of waste and mismanagement, and unanswered questions, yet the spending goes on and on.

Today's debate points out that the program needs review and reprogramming, not habitual continuation; that Congress has lost more control of the yearly military and Development Loan Fund; that dictators, government leaders and industrialists are helped and that the people, nation by nation, all too frequently overlooked; that the bureaucracy in the ICA keeps the program self-perpetuating; that mistakes are being condoned and repeated instead of being corrected. The examples cited by the report of the subcommittee study group and the remarks of the gentleman from Georgia [Mr. PILCHER] amply bear out these points.

Further, the gentleman from Louisiana [Mr. PASSMAN] has outlined the \$8.1 billion now in the pipeline and available either unobligated or unexpended. Besides this amount is the money in the Public Law 480, the total of military construction, investments in six or more international banks, foreign currencies we own, cost of use of surplus excess property, offshore procurement—and now this new authorization of \$1.3 billion, plus \$2.7 billion of military and Development Loan Fund amounts. Then we have the interest on \$93 billion of foreign aid at 4 percent which amounts to \$3.6 billion. And that's not all.

What is the total cost of foreign aid yearly? Who knows? Our earlier requests for review and study go unheeded by the majority as we rush headlong into more programs and bigger spending.

In fact, my earlier criticisms of the mutual security program of last year are so timely that I shall include them at this point. Only the figures need be changed—that is, added to—the course is always up, to bigger spending.

VIEWS OF 1959 CONCERNING AUTHORIZATION
The Mutual Security Act (foreign aid) passed 271 to 142 (ALGER against) after 3

days debate. Three thousand, five hundred million dollars was involved, mainly allocated to military assistance (\$1,440 million), economic (\$1,900 million)—which includes defense support (\$750 million), Development Loan Fund (\$700 million), technical assistance (\$200 million), special assistance (\$250 million)—and contingency fund (\$100 million).

Military assistance goes to 37 countries (26 of these also get economic aid). Our 1,700 combat ships, 42,000 planes, and 900,000 men are increased by our allies by 2,500, 30,000 and 4.9 million respectively. We also maintain 250 overseas military installations to support our far-flung Strategic Air Command (SAC). Since inception in 1949, the United States has spent \$22 billion and other nations \$122 billion in the joint military effort. (Yugoslavia got \$800 million.) NATO (North Atlantic Treaty Organization) gets most of the funds, although South America, the Mideast, Asia, and Far East are included.

Economic assistance (\$1,900 million) is dispensed as defense support, Development Loan Fund, technical assistance, and special assistance. Defense support goes to 12 nations—Korea, Republic of China (on Formosa), Vietnam, Philippines, Laos, Cambodia, Thailand, Pakistan, Iran, Turkey, Greece and Spain. Actually, it is twofold: (1) Outright grant to help support economically the increased military capability, and (2) grants and loans to develop economically the industries and standard of living. The Development Loan Fund is continued and expanded by \$700 million to provide increased loans, repayable in local currency (so this becomes a gift). Technical assistance is offered to 49 countries and nine territories, designed to introduce innovations and increase skills, also to improve standards of living with emphasis on health, education, agriculture, industry to lay basis for long term benefits. We provide (1) U.S. technical experts, (2) materials for demonstration projects, (3) education in this country for foreign people, (4) U.S. colleges contracting to organize educational institutions in foreign countries. Special assistance provides health and education programs in West Berlin, Afghanistan, Bolivia, Burma, Ethiopia, Haiti, Indonesia, Israel, Jordan, Liberia, Libya, Morocco, Nepal, Somalia, Sudan, Tunisia, and Yugoslavia. This is conceived to be "economic aid that is necessary to achieve political, economic, humanitarian or other objectives of the United States." The contingency fund is at the disposal of the President for discretionary use to further any aim of the act as the President may see fit.

Historically, foreign aid extends the lend-lease philosophy of World War II. Earlier, aid in World War I was in the form of loans with interest, some later canceled. After World War II, \$3 billion was spent through UNRRA (United Nations Relief and Rehabilitation) in liberated countries to purchase goods for immediate needs. Then the International Monetary Fund was established for currency convertibility, and the World Bank for reconstruction loans. The Marshall plan for European economic recovery provided \$5 billion a year for 4 years. Always, the overall purpose was twofold—(1) Survival from aggression, and (2) continuation of our free society. The magnitude of U.S. foreign aid is \$124 billion since July 1, 1940, to June 30, 1959, \$49 billion through World War II, and \$75 billion since then (plus this bill). In addition, we have \$3,420 million in international funds.

The area of agreement in debate over foreign aid includes recognition of the need for: (1) Disaster relief to other nations; (2) combatting the threat of Soviet imperialism; and (3) stable economic relationships of the United States and other nations in their respective growths. The area of disagreement embraces everything else. Probably there

are as many differing views as there are Members of Congress. Basically, there seem to be two prevalent attitudes. Some believe governmental foreign aid is necessary and permanent in the immediate and long-run interest of the United States, that weaker countries must be aided, that the national interest is in the humanitarianism of our government. Others believe in the "fortress America" argument, that the United States must concentrate on its own military and economic strength, relying less on strong allies, and that humanitarianism or charity begins at home and is not, as now practiced, the role of government.

Perhaps arguments for and against will highlight these differences. For (1) help build a strong free world alliance essential to U.S. security; (2) help U.S. allies build adequate defenses without imperiling their basic economy; (3) provide a more economical defense for United States in money and manpower; (4) help deter Soviet aggression and to meet it more effectively if deterrence fails; (5) help raise living standards in the less developed areas and thus make Communist claims less attractive; (6) lay foundation for world prosperity by building self-sustaining economies; (7) help develop favorable attitude toward United States; (8) help stimulate increased private American investment in underdeveloped areas; (9) help increase American exports and develop markets in underdeveloped areas; (10) help provide employment for Americans.

Arguments against (generally in same order): (1) United States is providing much larger percentage (of its national income) on military contribution than the allies. Are our allies really neutrals? Will these nations use these arms against each other or us? (2) United States is imperiling its own economy by giving away borrowed money. U.S. debt is greater than that of all the world, it operates at a deficit, its gold supply is being drained by these gifts to others, its currency is becoming "soft" in the world market; (3) such outpouring of our wealth therefore is not the economical way. Anything imperiling our basic economic strength weakens (a) our military potential and capability, and (b) our freedom, now and for future generations; (4) we do not deter Russian aggression by spending when one of their own dedicated aims is to "spend us into bankruptcy" (5) the fallacy of communism successfully preying on poverty is not borne out in fact, though many accept it unquestioningly. Raising economic standards does not in itself dispel communism; (6) self-sustaining economies cannot be imposed by U.S. dollars or know-how but by development from within the individual country; (7) the attitude toward United States will not be determined by monetary help. We cannot buy friends or allies; (8) private American investments will result from presence and recognition of opportunity for profit; (9) foreign aid as a subsidy for American business and employment is wrong. On the contrary, such aid has built industries abroad for which taxpayers paid and which now compete with our industries and our employment to U.S. detriment, although it may not be permanent dislocation.

Unanswered questions include: (1) What is effect and relationship between foreign aid gifts and trade balance between recipient nations and the United States? (2) Has U.S. private investment gone up or down in these nations? (3) Have these nations benefited, measured by their economic growth? (4) How much buying is done abroad and in the United States with these foreign aid dollars? (5) How much have private U.S. banks loaned to private investors in foreign economic endeavors? (6) What relationships are there between the Export-Import Bank, the World Bank, and foreign aid's development loan fund to particular nations? (7) Is

the investment guarantee program sound? (8) How much Public Law 480 agricultural surpluses are given away in relationship to foreign aid, and how much and what happens to these local currencies thus generated? As I see it, the foreign aid program is self-defeating and is badly in need of review. We help neutrals or enemies and alienate friends. We rely on materialism when freedom, free enterprise, and deep-seated spiritual beliefs are our ruling precepts. We expound charity, simultaneously manipulating our gifts as instruments of foreign policy. This confuses everyone, including ourselves.

My conclusions are these: (1) Our Government intends that foreign aid shall be continuous and global; (2) the threat of Communist aggression rules out our continuing to dispense lavish foreign aid when our own economy is threatened and our defenses are inadequate; (3) in a number of recipient countries our foreign aid helps to strengthen political systems hostile to our own; (4) our foreign aid speeds rather than retards the growth of communism; it inflates our economy; it is partially responsible for the alarming flight of gold from our control; it is destroying our foreign markets and increasing unemployment among American workers; (5) by the very nature of the foreign aid we extend, it must be inefficient and wasteful; and (6) our governmental foreign aid program is unsound in principle.

My recommendations are these: (1) that our traditional generous private charity and governmental grants to relieve disaster be continued; that we encourage the expansion of our private missionary efforts; (2) that in countries which we are morally obligated to defend and which are directly threatened with Red aggression, military assistance—for the time being—should be continued, but on a realistic basis; (3) that foreign aid which directly or indirectly promotes governments that are hostile to our constitutional concepts of government be terminated immediately; (4) that so long as governmental foreign aid is continued, the recipient should pay a part of the cost of the proposed project; that our aid should terminate when the conditions on which that request is based have been remedied; that private technical, scientific and educational assistance be extended only to friendly peoples who seek our aid on a cash or loan basis; (5) that until foreign aid is terminated, the Congress take steps properly to exercise close supervision and control over the manner in which all foreign aid funds are being spent; that all future economic aid, plus what can be salvaged from unexpended foreign aid funds, be diverted to and handled by the Export-Import Bank; (6) that the \$3.9 billion requested by the President for the fiscal year 1960 be reduced \$2 billion and that each year thereafter foreign aid be substantially reduced until terminated within 3 years; and (7) that military matters be left to our military and foreign affairs be left to the State Department, and their existing organizations, so we can dismantle the huge 12,500-person foreign aid bureaucracy, and stop the duplication of effort.

VIEWS OF 1959 COVERING 1960 APPROPRIATIONS

Foreign aid: The mutual security authorization has already passed; but we have yet to appropriate the money. I can imagine few Congressmen who could be said to be for or against foreign aid, as such. Many of our military assistance programs are wholly justified, and that's true, too, of some ventures in the field of purely economic aid. In the broad ideological struggle going on today, however, I'm at a loss to know why U.S. taxpayers should have to help finance the undertakings of Communist governments (as in Yugoslavia and Poland) and to subsidize socialist experiments of others the world over. Moreover, to assert that the re-

quested amount is the rockbottom figure acceptable is to ignore innumerable reports by the Comptroller General and others who have pointed out appalling waste and mismanagement in the program. Like the housing bill described earlier, it comes down to how much outrageous boondoggle one is willing to accept in order to continue other admittedly good programs. For one, I'm convinced the foreign aid appropriation can and should be pruned considerably.

The foreign aid appropriation (mutual security) bill and debate was history repeating itself (Newsletters, June 20, 1959, March 4, May 17, 1958). The earlier \$3.5 billion authorization (reduced from \$3.9 billion request) was cut this go-round to \$3.1 billion and passed 279-136 (ALGER against). The component parts are: (1) Military assistance; (2) defense support; (3) Development Loan Fund; (4) development assistance; (5) technical cooperation; and (6) contingency fund.

Facts and figures from debate and hearings (1,781 pages): (1) Of 86 nations in the world, United States has given \$82 billion to 76 nations since World War II; (2) U.S. foreign aid personnel has grown from 458 in 1948 to 53,600 in 1958; (3) 67 free nations' debt is \$185 billion; the Soviet bloc has debt of \$51 billion; the U.S. debt is \$285 billion, \$48 billion more than all the rest of the world combined; (4) total money available (unexpended \$4.8 billion, this bill \$3.1 billion) is \$3 billion plus foreign currencies we own of \$1.5 billion or approximately \$9.5 billion (actually there's more); (5) yearly foreign aid includes other military expenditures than in foreign aid bill (over \$1 billion) and surplus food gifts (\$1 billion or more), approximating \$5.5 billion. Add to this the yearly interest on \$82 billion of foreign aid now part of the national debt, \$3.1 billion, makes actual yearly foreign aid \$8.5 billion; (6) over 2,000 separate projects have now been reduced to 1,450, many abandoned as impractical (9 pages, 60 specific projects documented in hearings); (7) Comptroller General of United States has audited and examined foreign aid, found it overprogrammed and mismanaged, inefficient, etc., with too much money the chief cause of the trouble.

Random examples: (a) Graft, corruption, and profit from improper distribution and sales of aid materiel by foreign businessmen and officials; (b) military vehicles delivered could not be used, shortage of drivers and maintenance; (c) ammunition and equipment ruined because not properly stored; (d) 44 tires per truck stored in one nation; (e) 185 years' supply of particular ammunition on hand in one country and only one carburetor for trucks for entire army; (f) over 4,000 tons excess ordnance materiel in one country's depot; (g) diversion, pilfering, and thievery until military supplies were short in another country. Etc., etc. (8) Civilian projects of all kinds are financed, many types of which Government cannot provide in our country (list of 113 such projects, p. 940, hearings); aid for education purposes has gone to over 50 countries, including Yugoslavia; (9) classification as secret or other security designation covers up glaring faults of the program; (10) 1,113 audit recommendations by ICA (International Cooperation Administration) and GAO (General Accounting Office) findings all show lack of planning and cost relationship; (11) military assistance, the most justifiable of the component parts, is replete with errors—(a) inadequate estimates of needs and costs; (b) inadequate relationship of cost and objectives to be achieved; (c) improper recordkeeping of total costs by country, and others; (12) groups that enjoy windfalls or are vitally interested are (a) printing and publishing industry, (b) motion picture industry, (c) shipping, (d) manufacturing, (e) export and import firms; (f) commercial banks, (g) colleges and uni-

versities, (h) clergy, (i) military. (13) "Loan" of Development Loan Fund is fictitious, repayable 80 percent in local currency which United States can't use; further, Congress has no control over this Fund.

A few, even more than a few, instances of mistakes should not condemn such a program as foreign aid, but the almost endless examples of error, inefficiency, waste, mismanagement, overprogramming, lack of objectives, and underplanning, in many countries culminating in aiding our enemies (Yugoslavia, Poland, Indonesia, etc.) and alienating our friends proclaims these as basic faults that need correction, not acceptance and continuation. As a nation, we cannot spend ourselves rich. We cannot make ourselves secure by giving ourselves away. We cannot buy friends; they do not stay bought. The greatest fallacy is to ascribe aid as charity, or "be thy brother's keeper" through foreign aid by our Government. The real Biblical meaning is the practice between individual human beings, not governments, which by nature must be impersonal and realistically self-interested. This fundamental difference and role of government needs to be studied. As I oppose big Federal spending where there is wastefulness or contradiction of purpose, am I negative or anti as adduced in the last campaign?

Mr. Chairman, I want to commend the members of the subcommittee study group that made the 40,000-mile trip through 22 countries. Their report is an excellent contribution. Even more do I applaud those three courageous members who submitted minority views—the gentleman from Georgia [Mr. PILCHER], the gentlewoman from Illinois [Mrs. CHURCH], and the gentleman from Indiana [Mr. ADAIR].

Democratic government and a free society flourish and thrive on the free exchange of ideas. There is nothing sacred or sacrosanct about foreign aid spending. This spending program must stand up to the pitiless spotlight leveled by watchdogs of the taxpayers' money and of those determined to preserve our free economy and institutions. Just as charity begins at home so does preservation of moral values and financial solvency begin at home. We cannot buy friendship; we cannot, through dollars, instill moral and spiritual values. We have not even the money to support the world's material needs. We can only bankrupt ourselves. Generosity is one thing. Looking foolish in the eyes of those we would help through squandering our wealth and falsely coloring our motives are another. Only as we operate within a hardheaded, realistic, fiscally responsible program can we win respect and influence people. As for feeding and clothing others we can do neither if we go bankrupt. Our job, then, is twofold or threefold: First, to help others help themselves; second, to preserve and foster institutions and governments of freedom; third, to remain economically strong.

I sincerely believe that our present program fails basically in all these objectives. Yes, there are worthy programs. But the bad outweighs the good. The need, therefore, is to reexamine and replan the entire mutual security program, as the minority views so state.

Mr. MORGAN, Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. O'HARA] to close the de-

bate, and yield back the balance of my time.

Mr. O'HARA of Illinois. Mr. Chairman, I feel moved to close this debate with the eternal wisdom of the Scriptures. In the Catholic Standard Version it reads:

Cast thy bread upon running waters, for after a long time thou shalt find it again.

In the King James Version the passage reads:

Cast thy bread upon the waters for thou shalt find it after many days.

And the revised Protestant version reads:

Cast your bread upon the waters, for you will find it after many days.

Mr. Chairman, I am not sure that always the problem of mutual security is approached in the spirit and the wisdom of this passage from Holy Writ. I wish to believe that what we in America do comes from a good heart, because surely I know that the heart of America is good, and we have concern for our neighbors and our friends in all the lands of the world. But with the impulses of a good heart is a concern for self-interest. I am concerned. Automation is making sweeping inroads into the demand for labor. Either we find new markets for the products of our factories or in the foreseeable future we will have an army of unemployed that can only result in disorder and in chaos. That is my approach to this legislation in its economic phase. It is a great rich world in which we live, with millions of people who are just as human as the members of this Congress, people who if they had the means would buy those things that bring comfort and contentment just as our American people buy them.

I repeat, Mr. Chairman, that automation will result in unemployment in this country on a scale never heretofore approached unless we find new markets for our products, and this is a fact that must not be overlooked. We do have a self-interest in economic aid to the less developed nations of the world. I have the confidence that automation will not result in wide unemployment in our country. I have the confidence that our factories will continue to turn out more and more products, that all Americans who need employment in order to live will find employment in our factories and on our farms, but this will come only because we have had the vision and the courage to carve out new markets by helping peoples in the less developed areas to enjoy a buying power.

Man in the perplexities of his problems for countless generations before the formation of a Union of States on American shores has turned for guidance to the eternal wisdom of Holy Writ. May we not in the troubled world of which we are a part, a world in which a wise providence has placed upon us large responsibilities, find in the passage from the Bible I have quoted a directive to our efforts and a guide to the fulfillment of our mission?

The bread we cast upon the waters—the Catholic translation has it running waters—may be the aid we give under the mutual security program to countries

less developed. It is an investment in the present of less fortunate lands and in the future of our own land. It is bread that will be returned to us after many days, or as is stated in another version, after a long time, in the markets for our products, new rich markets that will keep open and busy our factories in an age of automation. It is the surest hope we have to combat a future unemployment in our own land that would be catastrophic. We cannot live alone. We cannot long endure in a world of poverty. The bread we cast upon the waters in the days of our affluence will return in the time of our need to make possible the continuance of that affluence. It is that simple.

Mr. Chairman, it would be less than honest for me to say that the bill we have under consideration is satisfactory to me in every respect. I doubt that it is completely satisfactory to any one of a committee of 32 members. But it has been my observation and my experience that the best legislation comes from the compromising of differences. The fact that only 5 members of our committee of 32 members voted against the favorable reporting of the bill should be its strongest recommendation to our colleagues who serve on other committees.

To me it has been an exhilarating experience to serve in two Congresses with a committee every member of which is an individual, has definite concepts and pulls no punches in getting them across. There are no rubberstamps on the Committee on Foreign Affairs. The committee operates strictly under the 5-minute rule so that all members regardless of seniority on the committee have equal opportunity and equal responsibility.

This I emphasize in stressing that which I think is important, that when such a committee working in a complex and uncharted field compromises its differences and comes forth with a bill against which less than one-sixth of the membership of the committee voted, it must have merit.

I cannot give too much credit to our chairman, the distinguished gentleman from Pennsylvania [Mr. MORGAN]. The House has had in the past and it has in the present many outstanding chairmen whose names will live in the legislative history of our country. We on the Foreign Affairs Committee, and there is no exception, believe that. Dr. MORGAN has earned his place on that immortal roll. He has worked long hours, in presiding over the deliberations of our committee, he has been the maximum of fairness and that the committee has come up with a bill to which 5 of a committee of 32 individuals objected is indeed a tribute to our great chairman.

My own approach is one that takes into consideration both political and economic security. I briefly have touched on the matter of an economic security that is based upon the opening of new markets. While I deplore the cost and the risks of a race of armaments, believing that it is far wiser to use our means in helping men to live richer lives than in using them to build armaments to destroy life, nevertheless I cannot set up my own philosophy against the judg-

ment of those charged with the political and physical security of our country in a world of danger.

I will have no part in playing dominoes with the security of our country. The decline of nations starts when there is a diminution of the will to remain strong.

The strength of a nation, however, is not alone in the strength of its armaments. There is a strength in morality that transcends the strength of missiles, bombs, battleships, and infantry.

If you will turn to pages 1 and 2 of H.R. 11510, the very beginning of the bill we have under consideration, you will find a reflection of an intensified stress on morality. Israel is our friend. It is a nation very much a counterpart of our own, standing in the Near East with ideals for which we stand in this hemisphere. It wishes ill to no one of its neighbors.

Just as we have a common interest with our sister nations on the American hemisphere, and realize that what is good for one is good for all so does Israel in the area of the Near East have a common interest in the development and advancement of that area where what is good for Israel will be good for her Arab neighbors and vice versa.

Yet despite the will of Israel to work cooperatively with her neighbors for a common regional benefit, the ships of Israel have been denied passage through the Suez Canal. H.R. 11510 in its statement of policy reaffirms the moral law in language that is definite and the meaning of which no one can mistake. It asserts that this country believes in freedom of navigation in international waterways and economic cooperation between nations and that the very purpose of this act is negated and the peace of the world endangered when nations to which we give assistance wage economic warfare against other nations by boycotts, blockades and the restriction of the use of the international waterways.

This, Mr. Chairman, is a step in the right direction. Whenever we stand on the moral law we will find respect awaiting us. Whenever we compromise with what is right, in the hope of gaining some temporary advantage, we will invite not respect but scorn. I have been much distressed and as an American I have felt humiliated that our great country has permitted some nations to which we give assistance to bar from service in American uniforms some Americans because of their religion. There is no advantage that is worth the gaining if the cost is an abandonment of the moral code that is implanted in our Constitution and by which we live.

Our position in the eyes of the world will again reach the stature of yester-years when we assert to all nations that none can remain in our good graces when it seeks to force upon us a practice of discrimination intolerable in our own country.

I am most happy that the bill we have before us in its statement of policy makes the good start in a reaffirmation of the moral law as it applies to the right of the ships of all nations, including those of Israel, to have full access to the international waterways. I trust that in the administration of the program the

administration will take the forthright position that into no country under any circumstances will we send American personnel unless the decision concerning that personnel is in our own exclusive determination. No power in the world has the moral right to tell Americans how any American in our service shall worship his God. And, Mr. Chairman, we invite only the scorn of the world when we do in our neighbors frontyard what we would be plagued to do in our own backyard.

As chairman of the Subcommittee on Africa, I am pleased and heartened by the inclusion of a special program for that continent. In the foreseeable future Africa possibly will have as many as 30 or 40 seats in the United Nations. We have a large stake in Africa, and because of misunderstandings arising from our alliance with the European colonial powers we have all but missed the boat.

The new program for Africa largely will be in the educational field. The great need in the new emerging nations of Africa is for trained civil servants. There is not time for long training. The need is immediate. It is a situation comparable to our own when war came to us and there was no time to send young men to West Point and Annapolis for 4 years of officer training. It is my hope that under our new special African program something comparable to our 90-day officers' training schools will be made available to the new African nations for training of needed civil servants. I have discussed the matter with recent visitors from Africa, including Dr. Banda, and the suggestion, I am happy to report, has met with enthusiastic response.

Mr. Chairman, tomorrow when we meet under the 5-minute rule is the day of decision. There is no more important decision we will be asked to make at this session. We shall vote on the future of our country, on its will to remain strong, and to fulfill its destiny under God. I know my colleagues too well, am too close to the beating of their patriotic hearts, am too familiar with their dedication to their country and to mankind, to have any doubt of the decision. Tomorrow the clock will not be stopped. There will be no backward steps, but with faith in the wisdom of the Scriptures and in the purpose of our national existence, and with vision, we will vote overwhelmingly to go ahead with our mission to build a better world for our own people and the peoples of all other lands.

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

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

Mr. MORGAN. Mr. Chairman, we have no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Mutual Security Act of 1960."

Mr. MORGAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 11510) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE TO EXTEND

Mr. JUDD. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks in general debate on the mutual security bill.

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

There was no objection.

PROF. SEYMOUR HARRIS WRITES THAT IF CONGRESS REMOVED THE INTEREST RATE CEILING ON GOVERNMENT BONDS THIS WOULD BE A SIGNAL TO THE FEDERAL RESERVE TO RAISE INTEREST RATES FURTHER AND FURTHER TO STARVE THE ECONOMY FOR MONEY

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

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

There was no objection.

Mr. PATMAN. Mr. Speaker, Prof. Seymour E. Harris has written an extremely plain letter to the Washington Post and Times Herald on the question whether Congress should agree to the administration's request that we remove the historic ceiling on interest rates at which the Treasury can issue long-term bonds. This letter appears in the morning edition, April 20, of the newspaper mentioned.

Incidentally, I feel that the Washington Post and Times Herald is to be congratulated for publishing Dr. Harris' letter. This newspaper is on the other side of the issue and devotes its editorial and news columns to propagandizing for the administration's high-interest and tight-money policies. It reports on the other side of the issue only rarely and with apparent pain.

Dr. Harris' letter is most timely. A month ago it appeared that the drive to repeal the interest-rate ceiling had lost its steam. Both the Federal Reserve and the Treasury were then manifestly concerned over the possibility of a recession. The rosy business forecasts which were quite general at the beginning of the year had lost their bloom. In consequence, interest rates were allowed to sag. The Federal Reserve people allowed credit to ease somewhat; and, equally important, there was a change in the mysterious realm known as "in-

vestors' expectations." The important people in Wall Street who buy most of the Government securities had then acquired a somewhat gloomy outlook concerning the future course of interest rates, and concerning prospects of getting the interest-rate ceiling repealed.

RENEWED DRIVE TO RAISE INTEREST RATES

Today, however, we are witnessing a sudden renewal of this drive to repeal the interest rate ceiling. This is really a last desperate effort, as I see it, before this Congress adjourns. Certainly improvements in business conditions and improvements in the business outlook since a month ago have not been too reassuring. We could still have a setback before the November elections.

Even so, the stunt which the Treasury pulled two weeks ago, with its issue of the 4¼ percent, 25-year bond, has greatly revived investors' expectations. This stunt was, in large part, responsible for the spectacular jump in interest rates last week, but it was not wholly responsible. The Treasury also dumped a large and unusual crop of bills onto the market last week, just before income tax payments were due. Naturally these ran into a shortage of money and helped drive interest rates up. The Federal Reserve cooperated to the extent that it maintained Federal Reserve credit to the banking system at a level \$284 million below that outstanding in the comparable week a year ago.

On Monday a week ago, April 11, the Treasury accepted bids on its 13-week bills at an average interest yield of 3.622 percent, making a jump of almost a full percentage point in the rate on this bill from the previous week. On that day, the Treasury sold \$1.1 billion of 13-week bills and about ½ billion of 26-week bills. These were about the usual amounts which the Treasury sells on its regular Monday bill auction, but in this case the Treasury had already announced that on the next day, April 12, it would auction, in addition, about \$2 billion of 52-week bills. Accordingly, when this auction was held, the Treasury accepted average rate of 4.6 percent. Under the circumstances, these fantastic jumps in the bill rates are not surprising. These bills were to be paid for on Thursday, the 14th, only one day before income tax payments were then scheduled to be paid on Friday, April 15.

MILD PANDEMONIUM IN THE MONEY MARKET

Obviously, the Treasury did not need to accept the low bids on its bills which it did accept. In the first place, it did not need the money. It had a balance of approximately \$3 billion on deposit with the commercial banks. Of course the Treasury does not like to draw down its balances with the commercial banks and deprive the banks of the free use of these funds. But in this case the draw-down, if the Treasury had cared to use its own funds, would have been quite temporary. With the tax payments being made, these funds and more would have flown promptly back into the commercial banks.

In the second place, if the Treasury had really wanted to avoid creating a

squeeze in the money market last week, it could have sold the bills directly to the Federal Reserve System. It would thus have avoided driving up interest rates on its own securities and driving up all other short-term rates.

Over the last decade or so, both the Treasury and the Federal Reserve officials have repeatedly asked Congress to provide a "temporary" authority for the Treasury to sell securities directly to the Federal Reserve, up to a maximum amount of \$5 billion outstanding at any one time. Furthermore, Congress has always granted this request. In fact, Members of Congress have proposed that the authority be made permanent. It has been made temporary only because the Treasury and Federal Reserve people have insisted that it be kept temporary—on a 2-year basis.

Treasury and the Federal Reserve officials have also insisted that this authority should be used only under a certain set of conditions. The specifications for this certain set of conditions, interestingly enough, are precisely the set of conditions which prevailed last week. In other words, the Treasury and the Federal Reserve had exactly the set of conditions which they have repeatedly said would require use of the authority, and they did not use it.

Earlier this year, when Secretary Anderson was before the Joint Economic Committee, I asked him several questions in writing, one of which pertain to the use of his authority to sell securities directly to the Federal Reserve. On March 23, this year, Secretary Anderson finally wrote me, giving his answers. This is what Secretary Anderson said on March 23, in part, concerning the question of selling securities directly to the Federal Reserve:

None of the authority under section 14(b) of the Federal Reserve Act, which permits the Federal Reserve banks to purchase up to \$5 billion in securities directly from the Treasury, is currently in use.

In my judgment, the use of this authority to sell long-term securities directly to the Federal Reserve within the present legal interest rate ceiling of 4½ percent would be undesirable. The direct purchase authority is properly viewed by both the Federal Reserve and the Treasury as an emergency authority or to facilitate temporary money market adjustments, usually around tax payment dates.

This statement says, in effect, that the Secretary thinks the authority should not be used to sell long-term bonds to the Federal Reserve. He thinks it should be used, and I quote, "to facilitate temporary money market adjustments, usually around tax payment dates."

The question is then, why did he not sell some or all of his bills to the Federal Reserve last week?

Let me add, for those who do not know that in Treasury parlance a Treasury bill is a money market instrument.

Did money market adjustments need facilitating last week? Well, a jump of almost a full percentage point in the bill rate within a week is a most remarkable occurrence. It is about equivalent to what would be expected of some phenomenal event, such as a declaration of

war. One of the Government securities dealers, Mr. Aubrey Lanston, than whom there is no greater advocate of the high interest policy, wrote in his weekly newsletter of April 18, that the money market last week was in a "kind of temporary, mild pandemonium."

Normally we would think that a mild pandemonium just before the principal date for payment of taxes would be just the thing the Treasury would wish to adjust—unless the Treasury was deliberately striving for a spectacular rise in interest rates.

Yes; I think we may be sure that Professor Harris' letter is timely. All the evidence points to a new drive to facilitate an adjustment in Congress, to the end that Congress adapts its views to those of the administration and repeals the interest rate ceiling.

I will insert Dr. Harris' letter in the Record in the hope that all Members of the House will read it. It is a sound letter. Dealing as it does with monetary matters, and with Federal Reserve and Treasury policies, it deals with a field in which Professor Harris is one of the Nation's foremost experts. But more than that, Dr. Harris' analysis is not confined to the ivory tower of theoretical economics. It shows an acute perception of the practical setting on what we might call the political forces which are at work in the field of economics.

HIGH INTEREST NOT CAUSED BY INCREASED DEMAND FOR INVESTMENT FUNDS

Before closing, there is one point in Dr. Harris' letter on which I would like to make specific comment. While recognizing that the high interest rates are a product of deliberate and conscious policy of the Federal Reserve, Dr. Harris also observes that high rates on Government securities are, in part, a result of increased competition for funds—from other borrowers. He points out not incorrectly, that individuals, corporations, and the State and local governments have, in recent years, increased their debts much more than has the Federal Government, and that many of these borrowers are prepared to pay much more for credit than is the Federal Government.

These observations, if left without further facts, could be taken to support the notion that an increased demand for investment funds has caused the increased interest rates. This is not the fact, although Treasury and Federal Reserve spokesmen frequently make statements which suggest that it is the fact.

By any proper method of comparing the demand for investment funds, we will find, I think, that the demand has been no higher in the recent years of fantastically high interest rates than in years when interest rates were much more modest and reasonable.

You cannot properly compare the demand for investment funds with the demand of 100 years ago, or 20 years ago, or 5 years ago—if you are looking for the influence of demand on interest rates. The question is whether the demand for investment funds is a greater percentage of the Nation's production, or a greater percentage of its income

now than it was 100 years ago, 5 years ago, or 2 years ago.

What is the total demand for investment funds?

If we take the total gross private domestic investment as reported by the Department of Commerce and add to that figure the figure for the net combined deficit of the Federal, State, and local Governments, and then add also the net export of funds from this country, we have what is normally considered to be the total demand for investment funds.

On this basis, we will find that the total demand for investment funds was less in 1957, for example, a year of fantastically high interest rates, than in 1952 or 1953, both years of much more moderate interest rates.

This brings me to a related topic. Federal Reserve and Treasury spokesmen have a theory that high interest rates cause the American people and the American business concerns to save a greater percentage of their income. A few years ago these spokesmen were making public statements which presented the theory as unquestioned fact.

Well, there is a great deal of statistical evidence on the question whether the American people who save for a rainy day, to take care of their old age, to send the children through college, to buy a house, and so on, save more or less for such because of changes in the interest rate which they can obtain. There is a similar amount of evidence on the question whether the corporations retain more profits when interest rates are high. But none of the evidence supports the theory. Quite the contrary. The evidence would lend more support to a theory that the Nation saves a larger percentage of its income when interest rates are low than when interest rates are high.

It has been my pleasure to raise some questions with the Treasury and Federal Reserve spokesmen about their theory, and I believe they do not now make statements of such high certainty as they used to do. They have not, however, given up the theory. Rather, they have tried to explain, in response to my questions, that there is really no way to test the theory. The tendency for people to spend more, and save less, when interest rates are high, really results, they say, from the fact that people are more confident and spend more freely in periods when interest rates are high, and this happens to be when business is prosperous. Perhaps so. Perhaps this is a good enough explanation as to why the evidence does not support the theory. And perhaps, also, the theory cannot be supported for the reason that it is an incorrect theory.

Dr. Harris' letter is as follows:

[From the Washington Post, Apr. 20, 1960]
HIGHER INTEREST RATES OR MORE GROWTH?

This is a statement in support of those Congressmen who are not disposed to yield to the President's request for a removal of the interest-rate ceiling on long-term Government securities.

A removal of the ceiling on Government issues would be a signal to the Federal Reserve to raise rates further, and to starve

the economy for money even more than in the past. The Federal Reserve needs no such encouragement. They see inflation everywhere, which they try to contain through restrictions on the supply of money and higher rates of interest.

How much damage can be done by the high rates of money, for which the President is now pleading, is suggested by the following: Growth rate from 1947 to 1952 was 4.6 percent; from 1952 to 1959, 2.3 percent. The dear monetary policy, that is high rates, probably more than anything else, explains the difference. By 1959, the cost of stunted growth since 1952, not in relation to the highest goals but in relation to the achievements under Truman from 1947 to 1952, was about \$60 to \$70 billion per year.

Why has the Treasury had so much trouble of late?

Obviously, the dear money policy largely induced by Washington is the main source of embarrassment.

Higher rates are partly the result of increased competition from other borrowers. The percentage rise of debt since 1952 has been 42 percent; 116 percent by State and local governments, 97 percent by individuals, 54 percent by corporations, and only 10 percent by the Treasury.

Many of these borrowers are prepared to pay much more than the Federal Government. These competitors to some extent are the Government's doing. In its determination to get everyone heavily in debt but itself, the Government paid in part in an unequal competition for funds.

Here are a few suggestions to improve the market for Treasury issues.

Why not issue securities payable in stable dollars to low-income groups? Why not auction securities? Why not exploit the 4- to 5-year market, of which the Treasury was largely unaware until it was pushed into it by the obtuseness of the Congress? Why not force the Federal Reserve to abandon a "bills only" policy, which means a conscious attempt to abandon the Government bond market, and besides means that the Federal Reserve disarms itself of a potent weapon?

Why not require the Federal Reserve to finance increased monetary needs through open-market operations, which add to the revenue of the Treasury and should increase the market for Government securities by about \$600 million a year?

Finally, and most important, why not require financial institutions to put a percentage (varying) of its assets into Government securities? In this manner the Government (the people) would be compensated to some extent for delegating its money creating authority to the banks.

Surely, if the financial institutions in fact are required to purchase securities in war-times, they should be required to do so as long as we are in great danger.

Dear money has yielded the largest gains to the least productive though useful members of society, the rentier class. Whereas all personal income rose by 36 percent from 1952 to 1959, interest income rose by 120 percent.

The President feared that the ceiling would force the Treasury to issue excessive amounts of short-term issues which the banks would have to purchase with newly created money.

Despite the forced issue of short-term securities recently, the holdings of Government securities by banks have tumbled—a decline of \$3 billion in 1959 or from 30 to 25 percent of assets. Actually, a good part of the Treasury's embarrassment arose in 1959 from a net decline of banks' investments in Treasury issues of \$7.8 billion even as Treasury debt rose by \$7.9 billion.

In the writer's opinion, the Congress would err badly if it acceded to the President's request. The broad limits within

which the Treasury is allowed to saddle the taxpayer with interest charges should remain in the domain of the people's representatives. In this connection, Senators DOUGLAS and ANDERSON have shown that the Treasury advisers on prices to be charged for lending to the Government are those who are to lend the money.

Congress, in return for any concessions, should demand important changes in monetary, debt and fiscal policies. Above all, Congress should not validate a rise of ½ percent since 1952 in long-term rates by raising ceilings correspondingly. To do this would be a validation of mistaken policies.

A good part of the improvement in the market rests with the administration. Relaxation of dear money policies and less dependence on monetary policies; more modern therapy for inflation; improved marketing procedures for Government securities; a directive to the Federal Reserve to abandon (1) the "bills only" policy and (2) expansion only by cutting reserve requirements. Then we shall have less recession, more growth, more public welfare, a more equitable relation between the Government and financial institutions, and a larger and more orderly market for Government securities.

SEYMOUR E. HARRIS,
Littauer Professor of Political Economy,
Harvard University.
CAMBRIDGE, MASS.

NATIONAL SEASHORES

Mr. MICHEL. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. SAYLOR] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. SAYLOR. Mr. Speaker, I have today introduced a bill which would establish three areas—Cape Cod, Mass.; Padre Island, Tex.; and the Oregon Dunes—as national seashores. This bill takes the place of a bill, H.R. 7407, which I introduced on May 27, 1959, based on an executive communication from the Department of the Interior. My earlier bill provided for three national seashores but did not specify any of the areas involved. My new bill specifies three areas which are now recommended by the Secretary of the Interior.

A year ago there was considerable uncertainty and controversy as to the areas that should be designated as national seashores. Investigations and hearings with respect to Cape Cod, Padre Island, and the Oregon Dunes have proceeded to a point that clearly indicates that these three areas should be selected. Arrangements reasonably satisfactory to most of the interested persons in the local areas have been developed.

These three seashores are well separated and distinctly different in their characteristics. The Cape Cod Seashore combines exceptional scenic and natural interests with a rich historical setting. The Padre Island Seashore is a spacious area useful for many types of year-round recreation. The Oregon Dunes Seashore is a unique combination of spectacular sand dunes and fresh-water lakes.

Secretary of the Interior Fred A. Seaton is to be congratulated in select-

ing these three locations and in proposing their acquisition and administration for public inspiration and enjoyment.

GENERAL LEAVE TO EXTEND

Mr. LIBONATI. Mr. Speaker, on behalf of the gentleman from Texas [Mr. THOMAS] I ask unanimous consent that all Members have 5 legislative days to extend their remarks on the independent offices appropriation bill.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CORRECTION

Mr. LIBONATI. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. FOLEY] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. FOLEY. Mr. Speaker, a letter which I sent to Members of the House requesting support for H.R. 2331, "To establish the C. & O. Canal National Historical Park and Parkway," inadvertently contained an error. A corrected version is as follows:

DEAR COLLEAGUE: Very soon the House will consider H.R. 2331, to establish the Chesapeake and Ohio Canal National Historical Park and Parkway. A bill substantially the same passed the Senate in July 1957. It has strong bipartisan support in the House, having been reported by the Interior Committee by a large majority on a voice vote.

The C. & O. Canal stretches along the Potomac River for 185 miles from Washington to Cumberland, Md. Built between 1828 and 1850, it is the last, intact survivor of our country's canal-building era. The Federal Government has owned the canal since 1938. The March 1960 issue of National Geographic magazine contains an impressive picture and narrative description of the canal beginning on page 419.

H.R. 2331, in setting aside 165 miles of this unique and scenic relic as a national park, authorizes the Secretary of the Interior to purchase a maximum of 10,000 acres for development purposes. It also provides for a 25-mile parkway overlooking the canal in mountainous western Maryland.

The total estimated acquisition and development cost is \$12 million. Of this amount about \$8 million would be used by the National Park Service between now and 1966.

The C. & O. Canal National Historical Park and Parkway will provide unusual educational and recreational facilities to over 19 million people within a 150-mile radius.

Your support for H.R. 2331 would be greatly appreciated.

Cordially yours,

JOHN R. FOLEY,
Member of Congress.

THE NATIONAL COUNCIL OF CHURCHES VIS-A-VIS THE AIR FORCE MANUAL

The SPEAKER. Under previous order of the House, the gentleman from California [Mr. JACKSON] is recognized for 30 minutes.

Mr. JACKSON. Mr. Speaker, I ask unanimous consent to revise and extend

my remarks and to include extraneous matter.

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

There was no objection.

Mr. JACKSON. Mr. Speaker, on March 3, the gentleman now addressing the House spoke to the membership in an hour-long speech entitled "Uncertain Trumpets." The speech dealt with the controversial Air Force manual and of certain matters dealing with the National Council of Churches of Christ in the United States, and of the organization's claim to representation of 38 million American Protestants in council-affiliated churches. The requests for reprints of the speech required a printing of 75,000 copies, and an additional order for the same number is presently being prepared. The national response from every State in the Union to the remarks the gentleman delivered here on March 3 served to dispel in his own mind any lingering doubt as to the validity of the council's claim to representation of this large number of Americans. If the factors of time and space permitted, he could document in the RECORD a nationwide protest of greater proportions than any his office has experienced during the 13 years he has served as a Member of this body.

On yesterday three distinguished Members of the House delivered eloquent speeches supporting the position of the National Council of Churches vis-a-vis the Air Force manual. The records of some leading spokesmen for the council were spread upon the record to demonstrate beyond any question of a doubt that these men who have devoted their lives to the service of their churches could not have been Communists. It is interesting to note that no such charge has ever been leveled.

It is not my purpose to defend the charges of Communist association detailed in the Air Force manual. This material has been debated at such great length, and by so many people, that all informed readers have by this time made their own evaluation and determination so far as the allegations themselves are concerned. On this occasion I will go to but a single point in the continuing controversy, and document what I consider to be irrefutable evidence of a continuing blindness on the part of some members of the national council as to the nature and techniques of the Communist conspiracy.

A frugal housewife, in an effort to ease family finances, determines to make herself a dress. To do this she shops around for a pattern she likes, chooses the material with which she wants to work, and proceeds to construct the new garment—always with the fond hope that husband, children, and friends will view the finished product with approval.

The construction of a new social order also requires a pattern—material with which to work—and a sewing machine. In its efforts to build a new world order the architects of the national council have selected some strange material and some clashing colors. That the product emerging from the council's sewing ma-

chine does not please all of its church family is daily becoming more evident.

What pattern has the NCC cut for the bright new order. It is not a new pattern, but a familiar one on the world scene since man first emerged, upright and dignified, from the mists of antiquity.

In essence, the pattern is one of benevolent paternalism—that of the father image, and one which indicates that the rank and file of American Protestants are not qualified to make reasonable determinations on social and political issues.

But it is to some of the materials and instruments utilized by the national council that the gentleman wishes to direct the burden of his remarks today. On March 3, he pointed out the inconsistency of any association, at any level, between Christian ministers and known conspirators of the Soviet aggression. The Communist purpose is not the Christian purpose, and the dedicated efforts of Communist spokesmen since Marx and Engels should have demonstrated by this time to all thinking men the nature of the threat posed by atheistic communism to the integrity and the freedom of all churches.

Let us look at some of the instruments chosen by the National Council of Churches in its efforts to construct a new social order. I am willing to rest on the judgment of my colleagues as to the wisdom of hiring arsonists to do construction.

In 1957 the department of racial and cultural relations of the National Council of Churches published a 40-page pamphlet entitled "The Negro American—A Reading List"; 240 works were recommended in the pamphlet.

Alfred S. Kramer, associate executive director of the department of racial and cultural relations of the National Council of Churches, stated in the foreword to the pamphlet that its compilers "have done an admirable piece of work." The pamphlet, he said, contained the names of books "about Negroes which are safe to recommend for children—safe because they qualify as literature."

Edith L. Hussey, who is credited with most of the work in compiling the reading list, states in the introduction to the pamphlet that it is a "careful selection" and "we have tried to save you time by culling the best."

Whether or not blasphemy and obscenity constitute the "best" I must leave to the judgment of the individual reader. I must conclude, however, that those responsible for compiling the list of recommended books on behalf of the National Council of Churches, must have found some material in the Communist-authored books which placed a brick here and there in the new order under construction.

Again, Mr. Speaker, and in connection with the authors whose names and records of activity in and on behalf of the Communist conspiracy I shall include hereunder, I should like to make it clear that I do not assess the blame for inclusion of the material upon the individual members of the national council hierarchy.

I do contend that the blasphemy of a Du Bois has no place in a list of books recommended for teachers and children, nor should passages so lurid and erotic as to cause a U.S. postmaster to bar them from the mail be included in such a recommended list. If the inclusion of the books and the passages to which I have referred stems from lack of supervision by council authorities of material which is recommended in the name of the council, this is one thing. If the works and the excerpts referred to are endorsed by the council after knowledge of the authors and the obscenities are made known to council members, that is quite another thing.

Let us look at several of the authors, whose continuing efforts on behalf of the Communist conspiracy have won them acclaim and awards from Soviet leaders. Their stocks in trade have been and are venom, vilification of the American system, and blasphemy so repugnant that it should not be included in the pages of the CONGRESSIONAL RECORD. Of the obscene passages I shall speak later.

The first of the Communist authors, Victor Perlo, is included in the list of recommended books issued by the National Council of Churches reading list.

The record indicates as follows:

VICTOR PERLO

Perlo's book, "The Negro in Southern Agriculture," is on the National Council of Churches' reading list. This book was published in 1953 by International Publishers, the Communist Party's major publishing firm in this country.

According to a 1945 document of a U.S. intelligence agency, Perlo had served as the head of the second most important espionage group in the U.S. Government. This document identified Nathan Gregory Silvermaster as the leader of the most important group.

According to the testimony of Elizabeth Bentley before the Senate Internal Security Subcommittee in 1952, two espionage rings—and I underline the word "espionage"—made up of Government employees in Washington worked under her. One of them was headed by Silvermaster and the other was known as the Perlo group, because it was headed by Victor Perlo.

Perlo has also been identified as having been a member of the Ware cell, the first Communist cell to be established within the U.S. Government in the early thirties.

Perlo invoked the fifth amendment on present and past Communist Party membership and on espionage activities when called to testify before the Senate Internal Security Subcommittee. That committee's report, "Interlocking Subversion in Government Departments," describes Perlo as "an open propagandist for the Soviet world conspiracy."

Why, and I ask the National Council of Churches, was it felt necessary to go to an identified agent of the Communist conspiracy for works to be included in a bibliography suitable for reading by PTA teachers and schoolchildren?

His book, "American Imperialism," was highly praised in the Communist press and contains vicious smears of the United States. Perlo testified that he was proud of this book when he appeared before the Senate committee. He has also written for Soviet publications.

Perlo also invoked the fifth amendment when questioned concerning espionage activities and Communist Party membership when he appeared before the House Committee on Un-American Activities in 1948.

HERBERT APTHEKER

Aptheker's book, "A Documentary History of the Negro People in the United States," is on the National Council of Churches' reading list.

Aptheker is one of the chief theoreticians of the U.S. Communist Party. This statement is attested to by the fact that he is presently director of the Faculty of Social Science, the major open Communist Party school in the United States and the fact that he is also editor of Political Affairs, the Communist Party's official monthly theoretical organ, having been appointed to this position by the National Committee of the Communist Party at a meeting in July 1957.

I ask parenthetically if there are not enough loyal American writers in this country who are sufficiently acquainted with the problems of the American Negro to make it unnecessary for the National Council of Churches of Christ in the United States to employ the services of espionage agents—identified Communists.

He has also served as associate editor of Masses and Mainstream—now called Mainstream—a Communist Party cultural monthly.

Prior to holding his present position as head of the faculty of social science, Aptheker taught at its predecessor, the Jefferson School of Social Science, and also at the Party's School for Democracy.

In 1958 Aptheker was appointed to the Communist Party draft program committee.

Testifying as a defense witness for the top Communist Party leaders in the first Smith Act trial, and also for the Communist Party in proceedings before the Subversive Activities Control Board in 1952, Aptheker stated that he had joined the Communist Party in 1939. In the latter proceedings he stated that the Soviet Union and Red China were on the side of peace, but that he believed the Government of the United States was "the center of war danger in the world."

W. E. B. DU BOIS

Du Bois' book, "Black Reconstruction," is on the National Council of Churches' recommended reading list.

Du Bois has served on the faculty of the Communist Party's Jefferson School of Social Science. He has been a contributing editor for the party's cultural magazine, Masses and Mainstream, and has written articles for the New World Review, a Communist monthly propaganda magazine, concerning the Soviet Union and its satellites, and also for Science and Society, the Communist-Marxist quarterly.

In 1954 he sent his greetings to the Daily Worker on the occasion of its 30th

anniversary. He has had works published by New Century Publishers, one of the party's publishing houses. Du Bois has been actively associated with over 75 Communist fronts and causes. He was denied admission to Canada in 1952, and also was refused a passport by the U.S. Government until the time of the Kent-Briehl decision by the Supreme Court.

In 1952 he was awarded the Peace Prize by the Soviet-controlled World Peace Council. This was a reward for his work as chairman of the Peace Information Center, a Communist organization established in New York City to disseminate in the United States, Moscow's world peace appeal. Du Bois was prosecuted by the U.S. Government for refusing to register as the agent for a foreign power while directing the Peace Information Center, but was acquitted on the grounds that the U.S. Government failed to show a contractual relation between him and the Soviet Government.

In 1953 Du Bois bestowed on Howard Fast a peace prize which had been awarded him by the World Peace Council, and opened the ceremonies at which Paul Robeson was presented with Moscow's peace prize.

Receiving a passport, after the Kent-Briehl decision, Du Bois and his wife traveled to the Soviet Union and then, in violation of passport regulations, to Red China. In Peking, on the occasion of his 91st birthday, he was given a dinner by the Chinese Government which was attended by Vice Premier Chen Yi. He received many tributes from leading Communists on this occasion. In a speech he made on this occasion, Du Bois heaped praise on Red China and the Soviet Union. He urged the people of Africa to arise and turn to the U.S.S.R., following the example of China. He also attacked churches and the clergymen, and defamed the United States, which he branded as an enemy of Africa. He told the people of that continent, "Beware Africa, America bargains for your soul."

At the time of the Rosenberg case, Dr. Du Bois spoke of the American people and their Government in the following words:

We are the murderers hurling mud.
We are the witchhunters drinking blood.

At the time of his visit to China, Du Bois composed a poem, "I Sing to China." Excerpts from it follow:

Down then, religion and church, temple and pagoda;
Away myth and miracle, creed and dogma.
Rejoice, honesty, God lives again!
But not your God, Europe and America!
Not that, not that;
No Christ to kill, no faith to fan.
What China worships is a man.
A workingman.
Commune, Communes, with the elect of Heaven,
With Mother Earth, daughter of Sky and Sun;
Born of democracy, fertilized by communism,
Parents of revolution, makers of the world.

SHIRLEY GRAHAM

Shirley Graham is the wife of W. E. B. Du Bois. The following books, written by

her, are on the National Council of Churches' recommended reading list:

"Booker T. Washington," educator of hand, head, and heart.

"Jean Baptiste Pointe de Sable," founder of Chicago.

"The Story of Phillis Wheatley."

"There Was Once a Slave," the heroic story of Frederick Douglass.

"Your Most Humble Servant," the story of Benjamin Banneker.

"Dr. George W. Carver; Scientist," written by Shirley Graham and George D. Lipscomb.

Shirley Graham has been a contributing editor to the Communist magazine, Masses and Mainstream, served on the editorial board of Paul Robeson's publication "Freedom," and was also on the faculty of the George Washington Carver School, now defunct Communist training institution.

She was a marshal in the Communist Party's 1950 May Day parade, and has an extensive record of affiliation with Communist fronts and causes.

She was identified as a member of the Communist Party by Louis Budenz, former managing editor of the Daily Worker and member of the Communist Party's National Committee, in testimony before the Subversive Activities Control Board, during its hearings on the National Council of American-Soviet Friendship.

She and her husband were received by Khrushchev himself when they visited Russia in 1958 and were entertained by Premier Chou En-lai while in Peiping.

GENE WELTFISH

The book, "In Henry's Back Yard," written by Gene Weltfish and Ruth Benedict, now deceased, is on the National Council of Churches' reading list.

Gene Weltfish has an extensive record of affiliation with Communist fronts. She was dismissed from Columbia University in the spring of 1953, after she had accused the United States of waging germ warfare in Korea, and invoked the fifth amendment when questioned by a Senate committee on the question of membership in the Communist Party.

Prior to her death in 1948 Ruth Benedict had been associated with over 35 Communist fronts.

GUNNAR MYRDAL

Myrdal's book, "An American Dilemma," is on the National Council of Churches' reading list.

This book defames the Founding Fathers of our country and attempts to discredit the U.S. Constitution as evidenced by the following quotations:

The 150-year-old Constitution is in many respects impractical and ill-suited for modern conditions and since, furthermore, the drafters of the document made it technically difficult to change even if there were no popular feeling against change.

Modern historical studies of how the Constitution came to be as it is reveal that the Constitutional Convention was nearly a plot against the common people. Until recently, the Constitution has been used to block the popular will.

James E. Jackson, Jr., incidentally no relative of mine, is presently editor of the Worker, a member of the National Committee of the Communist Party and

its southern affairs secretary. His wife has written in the past that Jackson collaborated with Myrdal in the writing of "An American Dilemma."

When Jackson testified before the Senate Internal Security Subcommittee in May 1959 he was asked if he had assisted Myrdal in the writing of this book. Jackson refused to answer, invoking the fifth amendment.

E. FRANKLIN FRAZIER

Two of Frazier's books, "The Negro in the United States" and "Negro Youth at the Crossways," are on the National Council of Churches reading list.

Frazier is head of the department of sociology at Howard University. He has been a contributing editor for Science and Society, has written for New Masses, and lectured at the George Washington Carver School. He has been associated with several dozen Communist fronts and causes.

At Turner's Arena in 1949 he praised Paul Robeson as one who "represents the Negro man in the masculine role as a fearless and independent thinker."

His book, "The Negro in the United States," was favorably reviewed by the Daily Worker and the People's World and along with other of his works was sold at the party's bookstore in New York City, the Workers Book Shop.

ALAN LOMAX

"Our Singing Country" by Alan and John Lomax is on the National Council of Churches reading list.

Alan Lomax has been associated with 15 or more Communist-front organizations and has been particularly active as an entertainer for Communist and pro-Communist gatherings.

He served on the board of directors of People's Songs, Party entertainment front, and was an associate editor of the People's Song Book.

BENJAMIN A. BOTKIN

Botkin's book, "Lay My Burden Down, a Folk History of Slavery," is on the National Council of Churches reading list.

Botkin has been associated with 15 Communist fronts and causes.

Like Lomax, he served on the board of directors of People's Songs.

In 1948 he signed a statement supporting the Soviet Union in opposition to the leaders of the United States.

At this point, Mr. Speaker, I come to a very difficult and repugnant task, that of discussing certain passages from several of the books listed as recommended reading by an agency of the National Council of Churches of Christ in the United States. I prefer to believe that no member of the Council has any knowledge of the nature of the passages, and I sincerely trust that when such knowledge is made available to them, they will, with a single voice, require the removal of the offending books from the list.

I am not a bookburner, nor a Puritan in my reading habits, but I have viewed with deep concern, shared by millions of our people, the growing threat of commercial pornography. What an adult reads and what books he selects, is largely a matter of personal choice. What a child reads, and what is directed

to his attention, is quite another matter, and to shield the immature mind from obscenity would appear to be a duty of churchmen.

In several of the books on the recommended reading list are passages which I can only describe as shocking. When a housewife in California did some research on the books listed by the National Council as desirable for PTA, school and teacher's work, she excerpted some of the passages and requested her postmaster to give her an opinion as to the mailability of the excerpts. She was informed that under the provisions of section 1461 of title 18, United States Code, the material could not be placed in the mail for delivery. This section of the Code reads as follows:

Obscene, lewd, lascivious, or filthy publications or writings, or mail containing information concerning where, how, or from whom such may be obtained, and matter which is otherwise mailable but which has on its wrapper, or envelope, any indecent, lewd, luscious, or obscene writing or printing. Any mail containing any filthy, vile, or indecent thing.

Upon receipt of certain excerpts from the books above mentioned, the postmaster addressed a communication as follows:

DEAR MRS. —: Your attention is directed to the mimeographed circular mailed in this office March 24, 1956, entitled "To the Leaders of the Community," sheet No. 2, March 12, 1956.

The material identified above is nonmailable under section 1461 of title 18, United States Code.

You are cautioned against depositing such matter in the mails in the future.

Very truly yours,

LLEWELLYN D. CRANDALL,

Acting Postmaster.

Mrs. GREEN of Oregon. Mr. Speaker, will the gentleman yield?

Mr. JACKSON. I yield to the gentleman from Oregon.

Mrs. GREEN of Oregon. Will the gentleman specify which books the postmaster said were not mailable?

Mr. JACKSON. I do not want to mention them on the floor, but I will be very happy to give the gentlewoman the information she requires.

Mrs. GREEN of Oregon. It seems to me if this accusation is going to be made on the floor, the specific books should be brought in at that particular time.

Mr. JACKSON. Well, I will yield to the gentleman. I can think of one at the moment. I have several references.

One is "Without Magnolias."

Mrs. GREEN of Oregon. Will the gentleman give the other ones?

Mr. JACKSON. I would prefer to finish my statement.

Mrs. GREEN of Oregon. If the gentleman will yield further, I have the following letter from the Post Office Department dated April 18, 1960:

DEAR CONGRESSWOMAN GREEN: Confirming the telephonic conversation between Mr. Harrison, of your office, and Mr. Farr, of this office this date, please be advised that our records do not indicate that the Post Office Department has had occasion to rule upon the mailability of the following book: "Without Magnolias," by Bucklin Moon.

Sincerely yours,

LEO G. KNOLL,

Acting General Counsel.

Mr. JACKSON. I am very happy to have the information. The information I have—and I am about to read the letter—is: "You are cautioned against depositing such matter in the mails in the future." This is the information I have. I wish it were possible for me to send the page to the gentlewoman with the excerpts in the books, but this I cannot, and I cannot yield further at the moment.

The tragic part of this matter, Mr. Speaker, is the objectionable material was not mailed by a purveyor of filth, but by a citizen attempting to bring to the attention of her fellow citizens material which concerned her as a parent.

To attempt to insert these lurid passages in the CONGRESSIONAL RECORD would bring down on me the strongest condemnation of all right-minded persons, nor would it avail me anything to protest that I was simply extracting passages from books approved for children by the National Council of Churches.

I shall, however, be willing to furnish the excerpts in question to any representative of the National Council of Churches, or to any other responsible adult. In light of the letter from the Acting Postmaster, I shall not put them in the U.S. mail.

Communists, blasphemers, and pornographers may assist the National Council of Churches to erect a new order, but I think it would be a house which neither the board of the national council nor many millions of American citizens would want to inhabit.

There is enough integrity, sufficient ability, enough talent, among loyal American artists, writers, scientists, and poets to insure thoughtful and conscientious construction of a decent world order. It is not necessary to employ the services of those who owe fealty to a system which is characterized by the degradation of the human soul. Americans are watching the National Council of Churches, and no speeches, in whatever number, on the floor of the House or the Senate will influence one way or another the ultimate decision that must certainly be made.

I would say in conclusion, Mr. Speaker, that I have no animosity toward either the National Council of Churches or to any other ecclesiastical body in this country. My concern goes to the point when any group, whether it be a religious group, a labor group, or a group in education, employs the services of men and women who are known to the security agencies of this country, to the investigating committees of this Congress, to be disloyal, to have engaged in espionage, to have transmitted secrets vital to the security and the welfare of the people of the United States to an enemy. Whether it is sheer blindness which leads to the employment of such people—and I prefer to believe that it is a lack of supervision of what is being done in the name of the National Council of Churches—or whether it be inadvertence, I see it as my duty to bring the facts of the case, as I see them in good conscience, to this Congress and to the people of this country. And, in ranging myself or in appearing to range

myself against the angels I am committing a mortal sin, then I and I alone shall have to answer for it. But, the tremendous protest which is coming up, the necessity for extended defense on the floor of the House and, I might add, very able defense by men and women for whom I have a high regard, indicates that this protest is not only being generated but that it is striking home. I hope that spokesmen for the National Council of Churches of Christ in the United States will ask to see the passages to which I have referred.

I cannot conceive, Mr. Speaker, that any man who wears the cloth of any church in this country read these lines without repugnance.

We come then to this: If they, themselves, are not doing it, who is doing it? Who is working behind the scenes doing these things? The National Council of Churches and their spokesmen—and I have no reason to doubt them—pledge their loyalty. But there are those represented in their bibliographies who are not loyal, who have gone to jail for disloyalty. Why should they be represented in a publication of a great church organization?

The Congress cannot, and it would be very stupid for it to try to, clean house. We are prohibited from so doing by the Constitution of the United States and quite rightfully. But someone has to clean house and it seems to me this bibliography hands to the National Council of Churches a broom which they could start to work with.

Now, Mr. Speaker, I yield to the gentlewoman from Oregon, if she has further comment.

Mrs. GREEN of Oregon. I would say to my colleague from California that certainly I would be the first one to join him if he is really interested in a drive against obscenity—obscenity in this country as reflected in the magazines at the corner drugstore, the pornographic material given to high school students, and the obscene material going through the mails every day.

I think the gentlewoman from Pennsylvania [Mrs. GRANAHAN] should be congratulated for the very fine job that she has done in calling the attention of the American people to the amount of obscene literature that is being sent through the mails. I do not think there is a single person in this House who would not join the gentleman from California in a drive against obscenity. I am a little bit puzzled whether his speech today is against obscenity itself or whether it is an attack on the National Council of Churches.

Mr. JACKSON. Mr. Speaker, my concern with obscenity equals that of the gentlewoman's. I agree that the gentlewoman from Pennsylvania [Mrs. GRANAHAN], has done a very fine job. But my concern with obscenity on the street corner is no greater than my concern for obscenity when it appears in what one would assume to be the least likely place in the world to find it, I think the gentlewoman would agree, in a publication the foreword of which goes to some considerable length to make its point. And I shall read just one line from the fore-

word of this book. This is speaking of those who compiled the bibliography.

Their first thought was that teachers and librarians might profit by knowing what books about Negroes are safe to recommend for children.

I have a child and I would be horrified if I found him with the book "Without Magnolias" in his little paw.

Mrs. GREEN of Oregon. Mr. Speaker, will the gentleman yield further at this point?

Mr. JACKSON. Yes.

Mrs. GREEN of Oregon. I am sure the gentleman from California wants to be fair. I would call his attention to the pamphlet which he holds in his hand, "The Negro American." This is a reading list of books by Negroes and about Negroes.

The SPEAKER pro tempore. The time of the gentleman from California [Mr. JACKSON] has expired.

Mrs. GREEN of Oregon. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 3 additional minutes.

The SPEAKER pro tempore. There are other Members who have special orders immediately following that of the gentleman from California and they would have to consent.

Is there objection to the request of the gentlewoman from Oregon?

There was no objection.

Mrs. GREEN of Oregon. Mr. Speaker, I would say to the gentleman from California that several times during the remarks which he has made he has given the wrong impression when he has said that this is a list prepared and recommended for children. A close examination of this list will not find "Without Magnolias" on the list for children. I repeat it is not on the children's list. This pamphlet lists books for adults, for the intermediate department, for junior high department, for senior high department and for primary. These are five separate lists for five different age groups. They are not books that are all recommended for children. Some are recommended for adults only—such as "White Magnolias," and I would call the gentleman's attention to the last two lines of page 5 of the pamphlet he holds in which it says:

The senior high school young person is ready for critical thinking; he should be given mental fare to counteract prejudice, and opportunity for discussion under leadership. And the adult who will reserve judgment till he reads and ponders is the hope of our democracy.

And this, Mr. Speaker, is virtually identical to the sentiments expressed by the gentleman from California earlier when he said, "What an adult reads and what books he selects, is largely a matter of personal choice."

Mr. JACKSON. The greatest market for pornography, according to the records, is the junior high school and high school level. This is the area in which the purveyors of filth reap their greatest harvest. I say again that I do not think the members of the National Council of Churches know what is in these books.

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

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

Mr. SCHERER. Would the gentlewoman from Oregon answer a question? Does she believe that the book, "Without Magnolias" is suitable for adults?

Mrs. GREEN of Oregon. I have not read the book. I do not know. I would not be able to judge until I have read it. I think we are getting to a sad place when on the floor of the House we take it upon ourselves to decide what specific books may be read. I suspect this book would be found in any library of any of the colleges or universities of the country or in the public libraries.

I would also call the attention of the gentleman from California and every Member of the House to the fact that this reading list contains also the "Report of the President's Committee on Civil Rights." It contains Booker T. Washington's autobiography, "Up From Slavery" and "The Race Question and the Negro" by Father John LaFarge, a Jesuit priest. It contains lots of additional books with which no one could quarrel. The gentleman from California has picked out a few, but in fairness others should be mentioned.

Mr. JACKSON. I take no issue with the gentlewoman on the matter of the worthwhile books. I would not suggest nor would I ask unanimous consent to include this material to which I have referred, and if I did, some of my colleagues who have seen this material would spring to their feet immediately and say, "I object." This is material which could not properly be inserted in the CONGRESSIONAL RECORD of the United States. This is an indictment in itself.

PAYMENT IN KIND ACT OF 1960

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Minnesota [Mr. NELSEN] is recognized for 30 minutes.

Mr. NELSEN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a brief summary of a bill I am introducing and a copy of the bill.

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

There was no objection.

Mr. NELSEN. Mr. Speaker, we are hearing more and more talk about farm programs, realizing that the cost-price squeeze has placed the farmers of America in an embarrassing and difficult position.

In the past, Congress has given a great deal of attention to some of our major commodities—corn, wheat, tobacco, cotton—and a great emphasis also has been directed toward the family-size farm.

In my judgment, however, most of the programs have not been realistically designed to help the small farms of America. The family-size farm has in many, many cases not sealed any grain or participated in any program. This is particularly true of the Midwest, and I know it is definitely true in my own township, where we own and operate a farm.

Today I am introducing a farm bill which I think will make some constructive advances in this field, and will help to correct the overall agricultural problems facing the country at this time.

FARM INCOME

I have no desire, Mr. Speaker, to assume the role of a political Santa Claus, but as things presently stand—surpluses build—costs go up—and the farmer realizes less.

Stated very simply, the problem facing farmers today is that no matter how hard we work, we find it more and more difficult to earn a proper share of the Nation's prosperity.

To win a better price for our work, we must correct the circumstances that depress the price. This is the purpose of the bill I am introducing—to try to develop an orderly approach that will reduce the excessive surpluses, and stimulate an adequate price for our products.

THE GREAT DEBATE

Over the years we have heard the great debate go on as to what kind of a farm program the farmers should have. In 1948 both political parties advocated flexible support prices. This was based on the sound principle that by adjusting price supports, production of commodities could be stimulated or discouraged, and by this process we would not glut the market unduly in any one commodity.

In the 1952 conventions of both political parties, we found a change of thinking of many people, and the great battle then began—shall price supports be fixed or flexible?

From a political point of view, it follows that the higher the figure, the greater would be the voter appeal in farm areas. However, it has become abundantly clear that when huge surpluses exist, no program—whether with flexible or fixed supports—will work.

STAGGERING SURPLUS

As we all now realize, the result of our farm legislation has been that producers moved into a stimulated production program. While acres may have been reduced in some commodities, in keeping with quotas and allotments, planting in other field crops was stimulated.

Today we face a staggering surplus.

Broken down into some of our major crops, the value of our surplus, as of January 31, 1960, stands at \$3,447,307,000 in wheat, \$2,664,445,000 in corn, \$1,187,927,000 in cotton, \$509,404,000 in tobacco, and \$33,053,000 in peanuts.

Grain sorghum has become a great factor. We now have \$809,144,000 in this commodity.

We now have a grand total of \$9,239,499,000 in price support inventory and loans, as of January 31, 1960.

DEPRESSING THREAT

This surplus hangs over the heads of the farmers of America and presents a constant depressing threat to the market.

It also has a bad effect on public opinion, which is unfortunately beginning to run against all farm programs.

The storage costs alone on this great inventory will cost our Government an estimated \$612 million in this fiscal

year, or \$1,700,000 per day. The total handling costs—storage, interest, and transportation—are expected to run over \$1 billion in fiscal year 1961.

The Government now has storage for about 900 million bushels in bin sites all over the country.

The tragedy is that all of this activity and expense fails to help the family-size farmer.

Very little of the \$1.7 million a day in storage fees goes to the farmer, and he gets no benefit from the transportation and interest expense of the program.

PROGRAM HAS FAILED

I cite all of these facts to emphasize an obvious but painful conclusion—the programs of the past have not worked. This is not a political statement. It is a fact, and no one can honestly say that the present program is Republican or Democrat. It is an accumulation of unsuccessful but well intentioned attempts on the part of Congress to correct an economic imbalance so far as the farmer is concerned, and it has failed.

Solving the problem will not be easy.

We have several large farm organizations, and we have found them as wide apart as the poles. It would therefore seem extremely difficult to get a majority agreement among the 437 Members of the House of Representatives.

There are hopeful signs, however. I have attended some of the meetings of the Committee on Agriculture and, listening to the comments of the members of the committee, it is evident that they recognize that compromises must be made by members of the committee, as well as farm organizations and the administration.

I personally feel that the President's statement early this session indicated a willingness to consider a variety of approaches.

FAMILY FARMS

My proposal approaches the problem from the point of view of the family farm.

We have heard a great deal of political talk about the family-size farm, but we have found it difficult to define what a family-size farm is. Certainly the size will vary, depending on the production potential, and the type of crop.

I do feel, however, that my farm in McLeod County, Minn., is truly a family-size farm. We have 280 acres of land, we milk cows, raise some pigs, and here is the important factor: We seldom, if ever, sell any feed crop produced on the farm.

In our operation, the farm programs that we have had do not help, as far as field crops are concerned, but instead they frequently become a burden. Here is why: Our corn acres are all needed to fill our silos and feed our cows and pigs. Our oat crop provides the straw for bedding and nurse crop for alfalfa. Our alfalfa fields are needed for our hay for our cattle.

As a result, out of all of these dollars that have come out of Washington in the form of commodity loans, none has come to my mailbox. The only exception would be some payments on soil practices, which amount to almost nothing.

Also it should be added that we have benefited by the bolstering of the dairy market provided in many cases by the Government.

But the big money for crop supports has missed our farm, and our farm operation is typical of many, many farms of America.

SEVENTY-FIVE PERCENT GET NO BENEFIT

In my own State of Minnesota, there are 187,483 farms. But 75 percent of these farms get no direct benefit from the price-support program because they never take a loan or sign a purchase agreement. They operate just like I do on my farm—grow all they can on every available acre—and feed every bushel of it on their own farm.

I wish to make it very clear that it is not my purpose to have Government checks coming to every farmer's mailbox. My hope is that we can straighten out the mess we are in, opening the door to a normal marketing situation that adequately compensates the farmer when his product is sold.

In 1958 there were 100,006 loans and purchase agreements signed in Minnesota. I asked the State agricultural stabilization service in St. Paul to estimate how many of the State's 187,483 farmers participated in this activity.

Allowing for duplication where there are loans in several crops, and for landlord-tenant duplication, they estimated that a maximum of 50,000 farmers were involved, and stated that their best estimate would be that about 25 percent of the farmers are involved in the price-support program.

The remaining 75 percent, as I have already stated, take no part in the program, yet they are the so-called family farmer we hear so much about.

STAYS ON THE FARM

On the nationwide level, I have recently gathered some information as to the total production acres in the United States that are operated by farmers such as myself, and here are some interesting figures based on the year 1958:

Sixty-five percent of all corn produced remains on the farm; 73 percent of the oats; 31 percent of the barley; 26 percent of the rye; 26 percent of the grain sorghum; 86 percent of the hay; and 6 percent of the wheat. It is never touched by our price-support program.

This production for use on the farm amounts to a staggering 156 million acres out of the total of 286 million acres producing our corn, oats, barley, rye, grain sorghum, hay, and wheat. In fact, it amounts to almost half of the grand total of 338 million acres under cultivation for all agricultural production in the United States.

Most of this 156 million acres of production is in the hands of the small family-size farmers.

Here we have 156 million acres with many farmers who produce crops to feed their livestock, milk cows, feed pigs, and chickens—they negotiate no commodity loans—they have no acreage reserve—they just need their total acres to maintain their normal farm operation. They account for a major part of production in the feed crops, but get no benefits from the price supports in these crops.

The operation of these 156 million acres presents, in my judgment, the great hope for a solution of the farm problem—both in terms of income to the farmer, and in terms of solving the problem of overproduction.

PAYMENT IN KIND

My bill establishes a voluntary payment-in-kind program. Under this bill, here is what would happen to the family farmer we have been talking about:

He can retire acres, but he can replace the production he loses by taking feed grains from stored surpluses. Thus he can continue his normal farm operation—milking his cows, feeding his pigs or steers. The community would not suffer an economic blow, and the farmer's gross productive capacity would not be disrupted.

Two things would be accomplished: Surplus feed would be utilized and production cut.

The family farmer cannot afford to donate idle acres. He must pay taxes, interest, on every acre. He has debts to pay, machinery to repair, fuel to buy, insurance to pay, and a family to feed.

If this large group of producers, with the tremendous acreage involved, could be encouraged to cooperate in a program that would assist in reducing production, and at the same time drawing down on the surplus that has a depressing effect on the market and is expensive to maintain, great strides could be made.

My proposal falls in the group of other payments-in-kind proposals under consideration, but I have attempted to simplify administrative requisites to simple, understandable, and workable terms.

The plan does not take away from the farmer the right to make his own decisions. Management is kept where it belongs—with the farmer, and this is a right for which the farmer has traditionally fought.

TOTAL TILLABLE ACRES

In the past we have attempted to deal with individual commodities, and frequently we would solve one problem, only to create another in a different commodity.

I propose that acreage reduction be directed to the total tillable acres of each farm. If our total feed and cash crops are reduced, automatically adjustments will be made, producing for the consumer not only the required food products used in their natural state, but also the production of meat products, which are directly related to total production.

I have excluded the crops now subject to acreage allotments and marketing quotas, such as cotton, rice, tobacco, and peanuts. The other crop which is subject to controls under the Agricultural Adjustment Act of 1933 is wheat. Because of its close relationship with the feed grains, my bill makes it possible for the wheatgrower to come under this program if he so chooses, permitting payment in kind. Whether or not Congress enacts a new wheat program in this session, I feel that the wheat provisions of my bill will be particularly attractive to the 15-acre grower, many of whom raise wheat only for feed.

I believe my bill is founded on two solid economic building blocks which I feel are essential to the success of any farm plan. These are: First, maximum management decisions left on the farm where they belong; and second, a sound market economy.

HOW PLAN WORKS

Under my proposal each farm would be assigned a farm base representing the average plantings of corn, oats, rye, barley, grain sorghum, soybeans, and flaxseed during the previous 3-year period. Farmers who voluntarily participate in the program would be eligible for price supports and payments in kind.

A farmer could retire anywhere from 10 to 50 percent of his acreage and receive payment in kind under this bill. The decision is left to him, and he can even choose not to participate in any way. He will then receive neither price supports nor payment in kind.

The payments in kind would be based on what the farmer actually planted in relation to the amount of land which he idled. In other words, if the farmer idled cornland, he would receive payments in kind for corn, and if he idled oatland he would receive payments in kind for oats. The payment in kind would be for up to 75 percent of his normal yield and would be made by a negotiable certificate. This certificate would be expressed in dollars but could be sold or redeemed in any one of the seven crops the Secretary finds are in surplus. In other words, a farmer would be paid in kind for reducing cornland but he could, if he so chose, either sell his certificate or redeem it for corn, oats, rye, or any of the other surplus crops.

The land which is idled must be completely removed from production. No harvesting or grazing would be allowed. A cover crop must be established and weeds controlled. The idle land would, however, be eligible for ACP—agricultural conservation program—payments. Individual wheat farmers could elect to participate in a similar payment-in-kind program.

TO IMPROVE PRICES

Another important feature of my bill is the provision which prevents CCC from releasing its current stocks of these seven crops into the market at less than 105 percent of parity, plus carrying charges. This provision should substantially improve market prices while the payment-in-kind program is in effect.

My bill also provides that when the Commodity Credit Corporation storage facilities become empty under the payment in kind program, they will be offered for sale to the public, with farmers from the local area having the first opportunity to buy them.

As part of an overall attack on our surplus farm commodities, my bill calls for a 3-year extension of the conservation reserve program, and it authorizes the retirement of up to 60 million acres.

It has been demonstrated that where a large number of whole farms are retired, communities suffer. My bill would, however, require the Department of Ag-

riculture to use extreme caution in administering the program to prevent undue economic hardships on rural communities and businessmen. My bill is designed to keep farm families on the farm.

In order to pay for the expanded program, my bill authorizes the use of surplus wheat and feed grains as rental payments. In addition, existing provisions of law preventing Federal irrigation and reclamation lands from being eligible for price supports and the conservation reserve would be continued.

CONCLUSION

In conclusion, Mr. Speaker, I want to say that I have no notion about being the only one who can solve the farm problem.

I have made it a point not to reject outright any sincere proposal aimed at easing our problems in agriculture. I may disagree strongly with some of the principles that have been proposed, but I realize that a solution, if it is to come, must come from a pooling of all our ideas, weighing each suggestion in the light of the public interest, not its value politically.

I am convinced that we can no longer use the farmer as a political football, and I am equally convinced that if we in Congress, the farm organizations, and the farmers themselves determine to work together for a solution, then a solution will be found.

BRIEF SUMMARY

At this point, Mr. Speaker, I include a brief summary of each section of the proposed Payment-in-Kind Act of 1960:

Section 1: Citation of act as Payment-in-Kind Act of 1960.

Section 2(a): Establishes a payment-in-kind program for corn, oats, rye, barley, grain sorghum, soybean, and flaxseed producers. Sets out the eligibility requirements and necessary practices which must be met.

Section 2(b): Authorizes an optional similar payment-in-kind program for wheat farmers.

Section 3: Sets forth the method of calculating the payment in kind and the value of the certificate which eligible farmers receive.

Section 4: Provides sufficient authority for the Secretary to issue necessary regulations.

Section 5: Prevents current Government stocks of corn, oats, rye, barley, grain sorghums, soybeans, and flaxseed from being sold for less than 105 percent of the full parity price. (Present law sets this release price at 105 percent of the current support price.)

Section 6: Requires that producers of corn, oats, rye, barley, grain sorghums, soybeans, and flaxseed must participate in the payment-in-kind program if they want to be eligible for price supports. The bill does not change current price supports as established by the Agricultural Act of 1949 as amended.

Section 7: When the Government surplus is reduced, the Commodity Credit Corporation would be authorized to sell its bins and buildings now located on farms. Local farmers would be given the first opportunity to bid on these facilities.

Section 8: Sets out a policy statement on how the conservation reserve should be administered.

Section 9: Extends the conservation reserve for 3 years until December 31, 1963, and authorizes a program retiring 60 million acres.

Section 10: Allows the Secretary of Agriculture to use wheat and feed grains as rental payments in kind for the conservation reserve.

Section 11: Continues for 3 more years the provision in existing law which prevents the land in Federal reclamation and irrigation projects from being eligible for the conservation reserve or from receiving price supports.

PAYMENT-IN-KIND ACT OF 1960

The following is a copy of the bill:

H.R. 11841

A bill to improve farm income, reduce surpluses, and decrease Government costs by establishing a payment-in-kind program for producers of corn, oats, rye, barley, grain sorghums, soybeans, flaxseed, and wheat; and by extending and expanding the conservation reserve program; and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Payment-in-Kind Act of 1960."

SEC. 2. (a) Effective beginning with the 1961 crops, the Secretary is directed to formulate and carry out a payment-in-kind program with respect to corn, rye, oats, barley, grain sorghums, soybeans, and flaxseed. To be eligible for such payment-in-kind, the producer shall for a three-year period of time reduce the total acreage on the farm devoted to the production of such commodities in the aggregate by not less than 10 per centum below the average acreage devoted to the production of such commodities and diverted under this Act during the previous three years. The producer shall also designate an acreage of cropland on the farm to be devoted to conserving crops or uses, in addition to the average acreage on the farm devoted to conserving crops and uses or allowed to remain idle during the previous three years, equal to the reduction in the acreage devoted to the production of the commodities included in this subsection. The producer shall be required to establish a protective vegetative cover or other conservation practice on the designated acreage. Nothing in this Act shall be construed to impair the eligibility of such acreage for agricultural conservation program payments. The producer shall not harvest any crop from or graze such acreage and shall take such steps as may be prescribed by the Secretary to prevent the designated acreage from becoming a source of spreading noxious weeds.

The following provisions shall apply to wheat producers who desire to voluntarily participate in the payment-in-kind program:

(b) Effective beginning with the 1961 crop, the Secretary is authorized to formulate and carry out a payment-in-kind program with respect to wheat. To be eligible for such payment-in-kind, the producer shall for a three-year period of time reduce the total acreage on the farm devoted to the production of wheat by not less than 10 per centum below the average acreage devoted to the production of wheat and diverted under this Act during the previous three years. The producer shall also designate an acreage of cropland on the farm to be devoted to conserving crops or uses, in addition to the average acreage on the farm devoted to conserving crops and uses or allowed to remain idle during the previous three years, equal to the reduction in the acreage devoted to the production of the wheat included in this Act. The producer shall be required to establish a protective vegetative cover or other conservation practice on the designated acreage. Nothing in this Act shall be construed to impair the

eligibility of such acreage for agricultural conservation program payments. The producer shall not harvest any crop from or graze such acreage and shall take such steps as may be prescribed by the Secretary to prevent the designated acreage from becoming a source of spreading noxious weeds.

SEC. 3. The payment-in-kind shall be made for each year of the three-year period by the issuance of a negotiable certificate which Commodity Credit Corporation shall redeem in the commodities included in this Act, such commodities to be valued at their market price. The certificate shall have a value determined as follows:

(1) First, determine the number of acres with respect to which the producer is eligible to receive payment, which shall be the smaller of (i) the number of acres by which the total acreage of the commodities included in either section 2(a) or 2(b) is reduced below the average acreage devoted to the production of such commodities during the previous three years, or (ii) the number of acres devoted to conserving crops or uses as provided in section 2.

(2) Next, determine the actual per acre yield (a) of each commodity on which the producer applied for a payment-in-kind, and (b) during the year in which the producer applied for the initial payment-in-kind. The producer may elect to receive the payment on any one or more of the commodities produced by him which are included in this Act.

(3) Then, for each commodity on which the producer applies for a payment-in-kind, multiply not more than three-fourths of the yield so determined for the commodity by the smaller of (i) the number of acres of such commodity produced for such year, or (ii) the number of acres for which the producer is eligible to receive payment as determined under (1) above (not used in the calculation of the payment on some other commodity). This is the quantity of the commodity for which a payment-in-kind will be made.

(4) Multiply the quantity of each commodity so determined by the basic county support rate for such commodity. The resulting figure is the amount of the payment which will be made on such commodity.

(5) The sum of the resulting figures for all of the commodities on which payment is made is the value of the certificate. The certificate may be redeemed in such commodities included in this Act as the Secretary designates as being in surplus and such redeemed commodities shall not be eligible for price support. Notwithstanding any other provision of this Act, certificates shall be issued only as long as the Secretary designates as being in surplus any one or more of the commodities included in this Act.

SEC. 4. The payment-in-kind program may include such terms and conditions, in addition to those specifically provided for herein, as the Secretary determines are necessary to effectuate the purposes of this Act and to facilitate the practical administration of the program.

SEC. 5. Section 407 of the Agricultural Act of 1949 is amended by adding, at the end of the third sentence, the following: "Provided further, That effective with the beginning of the marketing year for the 1961 crops of corn, rye, oats, barley, grain sorghums, soybeans, and flaxseed, the Corporation shall not sell any such commodity for less than 5 per centum above the parity price for such commodity, plus reasonable carrying charges."

SEC. 6. Notwithstanding any other provisions of law as long as payment-in-kind certificates are issued price support shall be made available to individual producers of corn, rye, oats, barley, grain sorghums, soybeans, and flaxseed only if such producers

voluntarily participate in the payment-in-kind program set forth in this Act.

SEC. 7. Notwithstanding any other provision of law, when the carryover of the commodities included in this Act is reduced to a "normal supply" as set forth by Section 408(h) of the Agricultural Act of 1949, as amended, the Commodity Credit Corporation shall offer for public sale by competitive bids unneeded storage facilities to which it possesses title, but which are physically located on farmland not owned by the Corporation: *Provided*, That such facilities shall, thirty days prior to such offer for public sale, be offered for sale by competitive bids to bona fide farmers from the county in which such facilities are located.

SEC. 8. Section 107 of the Soil Bank Act is amended by adding at the end thereof a new subsection (e) as follows:

"(e) As a temporary measure to help farmers in adjusting production to current needs, the Secretary shall, to the maximum extent practicable, develop and carry out a properly designed and administered conservation reserve program which (1) retires land that otherwise would be devoted to crops, (2) keeps land out of production for a long term of years, (3) prohibits harvesting or grazing of land under the program, (4) prevents adverse economic effects on rural communities and discourages whole farm participation, and (5) secures sufficient participation to reduce production substantially, bringing total agricultural production into balance with domestic and foreign demand."

SEC. 9. Section 109 of the Soil Bank Act is amended: (1) by amending subsection (a) to read as follows:

"(a) The Secretary is authorized to formulate and announce programs under this subtitle B and to enter into contracts thereunder with producers during the 8-year period 1956-63 to be carried out during the period ending not later than December 31, 1972, except that contracts for the establishment of tree cover may continue until December 31, 1977."

(2) by amending subsection (c) to read as follows:

"In carrying out the conservation reserve program, the Secretary shall not at any time enter into contracts which together with contracts then in effect cover more than 60 million acres."

SEC. 10. Effective beginning with contracts entered into after the date of this act, section 107(b)(2) of the Soil Bank Act is amended by adding at the end thereof the following:

"The Secretary is authorized to provide for payment of the annual payment through the issuance of certificates which the Commodity Credit Corporation shall redeem in wheat or feed grains in accordance with regulations prescribed by the Secretary."

SEC. 11. Section 211 of the Agricultural Act of 1956 is amended by striking out "three years" wherever it appears therein and substituting "six years".

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

Mr. NELSEN. I yield.

Mr. SCHWENDEL. I am glad to note that the gentleman from Minnesota has taken a special interest in this great problem that is plaguing the Midwest agricultural economy. I have visited with him concerning this legislation and I am happy that he has spent the time and effort necessary to prepare this bill and introduce such legislation. It is my hope that the great Committee on Agriculture will get to work immediately on some hearings to consider this proposition along with many others that are de-

signed to resolve this grave problem. I share the gentleman's concern, as do all the Members from the Midwest, over the problem that is plaguing the farmer. I, too, have introduced some legislation. I have introduced two bills recently—one to extend the conservation reserves of the soil bank program for 3 more years, and eventually expand it to reach a 60-million-acre reserve which most agricultural economists feel will bring production in line with demand.

The other bill that I have introduced, I hope will help to solve the wheat surplus problem. The bill would seek to achieve a balance between the production of wheat and our ability to move wheat into domestic consumption and for foreign export.

Mr. Speaker, I commend the gentleman for his remarks and for his interest. I say again, I hope the great Committee on Agriculture will get busy immediately to discuss this problem and to bring out some legislation that will deal forthrightly and honestly with this problem.

Mr. NELSEN. I thank the gentleman from Iowa. I would also like to call attention to the fact that some weeks ago the gentleman from Iowa and other members of the Midwest delegation met at a luncheon meeting to discuss the possibility of some solution to the farm problem. Quite frankly, some of the legislation that has been introduced disturbs me because of the fact that while we recognize the family farm is important in our agricultural economy and in the domestic affairs of our country, yet in some of the legislation that has been proposed, the so-called family-size farm is required to donate 10 percent of the tillable acres before it can qualify for any benefit of any kind.

Remember that on the small farm, the family farm, tax per acre is higher than the tax on the large units because of the capital investment. Interest must be paid on the money that has been borrowed to buy land. Taxes must be paid and the small farmer cannot afford to donate 10 percent of his tillable acres.

I believe the bill I have introduced—and I know the gentleman from Iowa is interested in the same approach—will provide a way so that we can get some feed products to continue our farm operation. This bill has a greater possibility of success and is much kinder to the family farm than other bills that have been introduced.

Mr. Speaker, I yield back the balance of my time.

PREVENTION OF AIR ACCIDENTS

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Indiana [Mr. BRAY] is recognized for 10 minutes.

Mr. BRAY. Mr. Speaker, everyone is saddened by any disaster that takes human lives. Every day the newspapers narrate the daily slaughter on the highways. The crash of an airliner with many persons on board understandably shocks our Nation. Such disasters can lead to honest efforts to ascertain the

causes and work toward the prevention of similar occurrences in the future. On the other hand, they can be the occasion for absurd examples of demagoguery.

There is one certain method of preventing air accidents in the United States—that would be to permanently ground every plane in America. Of course, no one seriously considers such a course.

Let us not be misled by the reckless statements of anyone who is more concerned with a sensational story than with a solution to our air safety problems. Let us consider some facts.

The clear implication of some of these statements has been that the Electra airplane and so-called jetprops in general are not safe aircraft and should be grounded. I do not know how many Members of Congress consider themselves to be aviation experts—I do know that I am not. Not being an aircraft engineer, I do not feel qualified to assess the suitability of this plane or similar planes. We do have, however, the Federal Aviation Administration whose job it is to know about such matters and to take appropriate action when necessary for public safety.

The President appointed as the head of that agency Gen. E. R. Quesada, one of the best-informed men in aviation, a hardboiled man who carries no one's favor, dedicated to his job as our civilian air chief. I have had occasion to differ with General Quesada, but I have never questioned his capabilities, dedication or courage.

I am confident that with no hesitation whatever he would take any action he deems necessary to the public safety. I believe that he, with his extensive background in this field and the advice of many experts and analysts available to him, is in a much better position to make intelligent proposals on this subject than I am.

The FAA has ordered the Electra to be flown within certain speed limits, which give it a structural margin as great, if not greater, than any aircraft used today. It is directing a thorough inspection of all such planes in use, and that investigation is progressing well.

If we were to seriously believe that General Quesada would not exercise every available means at his disposal to prevent future air disasters we should take steps to remove him for he would certainly be derelict in his duty. I am sure he will do his duty, based on the best technical studies and advice, which, I might add, need not include any assessments from laymen such as myself.

Airplanes of this jetprop type are being flown by the Air Force. I have asked about their performance and I am told that the C-113 currently has an accident rating of zero. The C-130, built by Lockheed and powered with Allison engines, has a rating of 4.0. Yet the overall accident rating of the Air Force, which gives you a basis of comparison, is 8.4. In performance for the Air Force such aircraft seem to have a much better than average safety record.

We must be careful with figures; they can be misleading. Surely no one wants to play a numbers game with statistics which concern anything so tragic as the loss of human life. We must remember that the Electra is a large plane and carries more passengers on the average than many other planes. Of five turbo-prop accidents since 1959 two could have happened to any type of aircraft. Exact causes of the other three are still under investigation.

The reckless statements that have been made reflect on our FAA officials, on the commercial air carriers, and the manufacturers. It is implied that all of these various organizations are heedless of the possible loss of life and unmindful of their great responsibilities in air safety. I think such statements are very unfair and that we in Congress should be slow to use this platform to blacken the reputation of individuals and companies who are doing their best in the public interest.

The Electra airplane is manufactured by one of the Nation's most respected aircraft companies, the Lockheed Corp. It is powered by engines made by the Allison Division of General Motors. The Allison Division has a worldwide reputation for quality workmanship, and it has brought credit to General Motors and to Indianapolis, where it is located. Allison engines were our finest in World War II and Korea. They still are the finest. There are no more capable or dedicated workman than we have at Allison. An engine defect has not been cited in any of the accident reports involving Electras; yet the recent damage to the company's prestige, which is so uncalled for, has caused the layoff of hundreds of workers there.

We hope that the investigations currently under way will reveal steps which can be taken to increase air safety. We may never reach 100 percent, but we want to come as close to a perfect record as we can. I do not think that this important work can be sped nor improved by reckless statements.

We all recognize that the privilege we have of speaking in Congress with immunity is one that carries with it a heavy duty to speak only with responsibility. This can be a power to wreck the careers of any man or woman, or the prosperity of any commercial enterprise.

Congressional immunity should not be the basis of careless disregard for those affected by our remarks, however. We must maintain this important prerogative but we must remember what Justice Holmes said about free speech—that it does not give anyone the right to cry "fire" in a crowded theater.

I now yield to the gentleman from Indiana.

Mr. BARR. Mr. Speaker, I want to join with the gentleman from Indiana in his statement and to commend him on his excellent presentation.

The Allison plant happens to be located in my congressional district, and many of the families in Congressman BRAY's district work at the Allison plant.

Mr. Speaker, over 5,000 families in my congressional district make their living at the Allison plant. The engines powering the Electra are Allison turboprop engines. Naturally this furor over the Electra is a cause of great concern to me and to the district that I represent.

This is no occasion for me to try to make a news story. My job is to try to protect the Allison division and the men and women employed there and still do my duty to the Nation by protecting the passengers who fly on our airlines.

I know of only one way to resolve this personal problem and that is to let the duly constituted authorities of this Government come to a decision in the national interest. I firmly believe that they should be permitted to conduct their deliberations without all of us in the Congress looking over their shoulders. I think that they should be permitted to make their decision in an objective attitude and congressional hysteria on the subject can only hurt. It cannot help the FAA come to a just decision.

We in the Congress passed the law creating the FAA. We appropriated today the money they will need to support their operation. We can and should see to it that they live up to the law. Few if any of us are competent to tell them what they should do in this current situation involving the Electra. If we cannot trust General Quesada and the FAA to come to a decision in the national interest, then our congressional efforts are meaningless.

I am sure that I speak for these Allison employees when I ask that the FAA be permitted to decide what to do without the benefit of public or congressional hysteria.

DORMITORY FOR HOUSE AND SENATE PAGES

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Ohio [Mr. MOELLER] is recognized for 30 minutes.

Mr. MOELLER. Mr. Speaker, in the course of 23 years as an educator and member of the clergy, I have come to realize more and more the great importance of the proper development of our youth. Both prior to and since my election to Congress, I have been associated with several organizations, the purpose of which is to actively promote a better understanding of and a better environment for the young people of my district in particular and the entire Nation in general.

The proper education of our young people is an absolute necessity for their full development into healthy adults and good citizens. Coincidental to a proper education is the prime necessity of good parental attention and a clean and uplifting environment.

The Congress, recognizing this fact, has in past years, through child labor legislation, CCC programs, Federal scholarship grants, and many other major efforts, attempted to provide the greatest impetus possible toward the

highest development of the Nation's youth. This trend has been followed by the State and local governmental bodies as well. Indeed the educational and recreational budgets of each of our States and of our local governments comprise a major portion of their annual total expenditures. For in America the education of our young and the healthy development of their minds and bodies has become a matter of our national pride. We want the very best of everything for our young people because upon them rests the future well-being of us all.

For these reasons, I must confess that I was amazed, upon my assumption of office, to discover the poor accommodations provided for the Capitol pages who live, work, and study right here in Washington under our very view. These boys, most of whom are living away from home for the first time in their lives, are thrown out into this city without the slightest protection.

Washington is a city where the crime rate ranks amongst the highest in the country. Into this environment, these young men are thrown and expected to make the most of it.

Because of the lack of proper housing facilities, many of our pages are forced to live in roominghouses in the surrounding area, most of which are entirely unsuitable for students, particularly those of high school age. In addition to the poor facilities available, I have found, after touring several of these establishments, that they are, for the most part, located in a less than desirable neighborhood. Because of the inability to establish any restriction on the hours of the boys, under present conditions, they are often seen roaming the streets quite late at night. I am sure that most of you, my colleagues, would be very hesitant to send your son off to a college where there were no dormitory facilities, where the student would have to depend entirely upon himself for housing and eating accommodations, and for the regulation of his recreation time; yet here at the Capitol of the United States we condone the same situation applying to students of high school age.

I have undertaken a survey of the opinions of the boys, and members of my staff have interviewed certain of them individually. I find that the overwhelming majority of them are dissatisfied with the present system and are in favor of some type of dormitory system which would provide them with the proper study and cafeteria facilities plus decent living accommodations. Further, Mr. Henry DeKeyser, principal of the Page School, has conducted a survey of his own among the parents of the pages and finds that they are 100 percent in favor of establishing some form of residence for the pages. In fact many of them were not informed as to the fact that there were no present supervised facilities available.

The situation is deplorable. Our pages are forced to live in substandard housing with substandard study facili-

ties and are thrown in with, by association, persons not always of the most desirable character. Already one atrocity has occurred since I have been a Member of the Congress. Last year a young page boy was attacked and brutally beaten on the streets just above the Capitol by a street gang. If this boy had had a place to stay, eat his meals and study, and where his recreation could be properly channeled he would not have been out on the street where he would be open to such an attack. And this is not the only such case. I have seen and heard of many of the boys walking the streets at all hours of the night or sitting in bars till quite late in order to watch TV. The really astounding miracle is that something more serious has not happened before this. Indeed, it is a tribute to these boys that they have done as well as they have because Washington is not a small town but a big city with all the temptations and diversions that can often lure young boys off their proper moral track. However, the fact that serious difficulties have not occurred, or have not been publicized, to the present, is certainly not a valid excuse for not correcting the situation. Are we going to wait until one of these boys is seriously injured, molested, or worse before we, of the Congress, take action to provide the proper housing facilities for them? Is it going to take some news shattering atrocity to awaken us, and the public, to the need for improved facilities?

In the past few years the Congress has been appropriating, and I suppose will continue to do so for a great many years to come, great amounts of money for improvements on our own office and service facilities. I do not think that it is too much to expect that these boys who serve the Congress so well should be provided with the proper living accommodations so that they might have at least the minimum of properly supervised study and recreational facilities available to them.

For these reasons and many others too numerous to take the time to discuss at this point, I am introducing today a bill to provide for the housing of the pages of the U.S. Congress. I am well aware that this is not the first such bill to be introduced but I sincerely believe, after studying several others introduced by a number of my distinguished colleagues, that this is the most inclusive and specific bill yet offered.

It is my hope that the Congress will not only adopt this measure but will also enact legislation incorporating the recommendations of Mr. Henry DeKeyser, principal of the Page School. I am including these recommendations in the extension of my remarks today. Because in addition to the complete lack of any type of living quarters for the boys, an investigation of the Capitol Page School itself left me with the impression that the boys are receiving something less in the way of an education than most students taking similar courses at other schools. I found this

fact to be so not because of an inadequate or incompetent teaching staff however. On the contrary, I found the staff of the Page School to be of unusually high caliber. Rather the physical plant of the Page School itself, I found to be of completely inadequate proportions to the needs of a modern high school.

For instance, a survey that I conducted showed that 95 percent of the boys enrolled in the Page School are college preparatory students, yet these students do not have the opportunity to study either chemistry or advanced physics, both essential courses in college preparatory work, because the regulations of the Library of Congress do not permit the establishment of a laboratory in the building. Also, these boys, who are at the age when the proper amount of physical exercise is of utmost importance, do not have any type of physical education program. The only athletic program at all available is the basketball game played between the Senate and the House pages, and this includes only a very small number of the boys. Even these boys must travel to Wilson High School, all the way across town, in order to play this game, since there are no facilities available on Capitol Hill.

All in all the situation is one which badly needs attention. Some action must be taken soon. As I stated previously, I would very much like to see an entire revamping of the page setup, both regarding the schooling facilities and the living accommodations. But I recognize the practical side of the issue and am, therefore, at this time presenting only the page residence bill. I think this is a problem of extreme urgency. We must take action to provide these young men with the type of facilities that will help to build them into outstanding citizens. This chance to serve as a page to Congress is a grand opportunity for any boy, and I wish that I had had the chance when I was a boy, but we can turn this experience into a handicap if we fail to see that these boys have the opportunity of receiving the proper study time and supervision in order to become properly educated, intellectually, morally, and physically. For it behooves the Congress to provide for these young men who serve us the same academic and spiritual atmosphere that we would insist on for our own children when studying away from home.

I hope that this bill, or one similar to it, receives speedy approval by the Congress so that we will no longer have to be ashamed of the fact that our pages have such poor facilities, and so that we will not have to fear the occurrence of another shameful atrocity such as happened to the boy last year. These boys are our responsibility. We are the only ones who can provide them with the accommodations necessary and an atmosphere conducive to making them good students and ultimately good citizens. I most emphatically urge that we do not neglect this responsibility a moment longer. If we fail, the responsibility for the consequences is yours and mine.

CIVIL AND DEFENSE MOBILIZATION

Mr. LIBONATI. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. IKARD] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. IKARD. Mr. Speaker, I have long been interested in the activities and the program of the civil and defense mobilization. Public Law 85-606 amended the Federal Civil Defense Act of 1950 by providing "that the responsibility for civil defense shall be vested jointly in the Federal Government and the several States and their political subdivisions" and further "that the Federal Government shall provide necessary assistance as authorized."

Consistent with this joint responsibility the act authorizes Federal contributions on a 50-50 matching fund basis for the personnel and administration expense of State and local civil defense organizations. Every State now has a sound survival plan. Under these plans the Governors have assigned to the State departments and agencies emergency responsibilities to be carried out in accordance with the plans. These plans must be kept up to date. In addition, each Governor needs an adequate staff to coordinate the emergency functions of the entire State government and the political subdivisions of the State.

A reasonable level of readiness will not be achieved until the governments of each county as well as city are capable of operating under emergency conditions, whether caused by attack or natural disaster. State and local governments need the assistance of the Federal Government to further the civil defense plans and preparations.

Congress authorized appropriations up to \$25 million a year for this purpose. The President on three occasions has recommended appropriations of \$12 million for this purpose. The Independent Offices Subcommittee on Appropriations appropriated an item of \$3 million to start the program; however, the Appropriations Committee eliminated this item from the independent offices appropriation bill. I am indeed sorry that this action has been taken.

In the past 5 years natural disasters from flood, wind damage and other such disasters have increased. The Office of Civil and Defense Mobilization has certainly been instrumental in saving many lives and much property in these disasters. I sincerely hope that the fund is restored before final passage of this bill by the Congress.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. FORD (at the request of Mr. HALLECK), for April 20, on account of official business with the U.S.-Canada Interparliamentary Group.

Mr. DAVIS of Tennessee (at the request of Mr. EVERETT), for the remainder of the week, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. SCHERER (at the request of Mr. MICHEL), for 30 minutes, on Thursday, April 21.

Mr. LINDSAY (at the request of Mr. MICHEL), for 30 minutes, on Tuesday, April 26.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. FEIGHAN (at the request of Mr. MORGAN), to revise and extend his remarks made in Committee and to include extraneous matter.

Mr. ROOSEVELT and to include extraneous matter.

Mr. HUDDLESTON and to include extraneous matter.

Mr. FULTON.

Mrs. CHURCH, to revise and extend her remarks made in Committee and to include extraneous matter.

(At the request of Mr. MICHEL, and to include extraneous matter, the following:)

Mr. CURTIS of Missouri in two instances.

Mr. WIDNALL.

Mr. AVERY.

(At the request of Mr. LIBONATI and to include extraneous matter, the following:)

Mr. OLIVER.

Mr. GIAIMO.

Mr. LANE.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 634. An act for the relief of Grace C. Ream;

S. 1856. An act for the relief of Frank Podany;

S. 2434. An act to revise the boundaries and change the name of the Fort Laramie National Monument, Wyo., and for other purposes;

S. 2804. An act to donate to the Keweenaw Bay Indian Tribe, L'Anse Reservation of Michigan, a certain tract of Federal land with improvements located thereon; and

S. 2877. An act to authorize the reconveyance of tribally owned lands by the Muckleshoot Indian Tribe of the State of Washington to the original allottees, their heirs, devisees, or assigns.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLISON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his ap-

proval, bills of the House of the following titles:

H.R. 9307. An act to continue for 2 years the suspension of duty on certain alumina and bauxite, and to extend until July 16, 1960, the suspension of duty on imports of crude chicory and the reduction in duty on ground chicory; and

H.R. 9331. An act to extend and increase the authorized maximum expenditure for the special milk program for children.

ADJOURNMENT

Mr. LIBONATI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 59 minutes p.m.) the House adjourned until tomorrow, Thursday, April 21, 1960, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2075. A letter from the Postmaster General transmitting a report which provides an analysis of the historic revenue and expense relationships of the principal classes of mail, showing the circumstances which contribute to the projected postal deficit of \$554 million in fiscal year 1961, as shown by the President's budget document submitted to the Congress in January 1960, pursuant to section 105 of the Postal Policy Act of 1958 (Public Law 85-426); to the Committee on Post Office and Civil Service and ordered to be printed with illustrations.

2076. A letter from the Comptroller General of the United States transmitting a report on examination of allowances for Federal excise taxes included in spare parts prices under Department of the Army contract DA-36-039-SC-36529 with Collins Radio Co., Cedar Rapids, Iowa; to the Committee on Government Operations.

2077. A letter from the Chairman, Federal Communications Commission, transmitting a copy of the report on backlog of pending applications and hearing cases in the Federal Communications Commission as of February 29, 1960, pursuant to Public Law 554, 82d Congress; to the Committee on Interstate and Foreign Commerce.

2078. A letter from the Assistant Secretary of the Interior transmitting a draft of proposed legislation entitled "a bill to provide additional lands at, and change the name of, the Fort Necessity National Battlefield Site, Pa., and for other purposes"; to the Committee on Interior and Insular Affairs.

2079. A letter from the Deputy Director, Legislative Liaison, Department of the Air Force, transmitting a quarterly report relating to the number of officers assigned or detailed to permanent duty in the executive element of the Air Force at the seat of government for the third quarter of fiscal year 1960 (March 31, 1960), pursuant to section 8031(c), title 10, United States Code; to the Committee on Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. O'BRIEN of New York: Committee on Interior and Insular Affairs. H.R. 10997. A

bill to grant to the government of Guam certain filled lands, submerged lands, and tidelands; with amendments (Rept. No. 1527). Referred to the Committee of the Whole House on the State of the Union.

Mr. ASPINALL: Committee on Interior and Insular Affairs. Senate Joint Resolution 150. Joint resolution permitting the Secretary of the Interior to continue to deliver water to lands in the third division, Riverton Federal reclamation project, Wyoming; without amendment (Rept. No. 1528). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CLARK:

H.R. 11832. A bill to amend title II of the Social Security Act so as to increase the minimum amount of the monthly insurance benefits payable thereunder; to the Committee on Ways and Means.

By Mr. DAVIS of Georgia:

H.R. 11833. A bill to amend the act of June 19, 1948, relating to the workweek of the Fire Department of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. GEORGE:

H.R. 11834. A bill to provide a new farm program for certain agricultural commodities, and for other purposes; to the Committee on Agriculture.

By Mr. HALPERN:

H.R. 11835. A bill to amend the Postal Field Service Compensation Act of 1955, as amended, with respect to position descriptions, salary, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HARMON:

H.R. 11836. A bill to amend the Internal Revenue Code of 1954 so as to provide for scheduled personal and corporate income tax reductions, and for other purposes; to the Committee on Ways and Means.

By Mr. LINDSAY:

H.R. 11837. A bill to amend title II of the Social Security Act to increase from \$1,200 to \$2,500 the amount of outside earnings permitted each year without deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. MILLER of New York:

H.R. 11838. A bill to amend the act of March 2, 1907, relating to the incorporation of the Hungarian Reformed Federation of America; to the Committee on the Judiciary.

H.R. 11839. A bill to amend the act of March 3, 1901, relating to insurance issued by certain fraternal beneficial associations in the District of Columbia; to the Committee on the District of Columbia.

By Mr. MORRIS of Oklahoma:

H.R. 11840. A bill to dispose of surplus administrative reserves of the former Kiowa, Comanche, and Apache Indian Reservation; to the Committee on Interior and Insular Affairs.

By Mr. NELSEN:

H.R. 11841. A bill to improve farm income, reduce surpluses, and decrease Government costs by establishing a payment-in-kind program for producers of corn, oats, rye, barley, grain sorghums, soybeans, flaxseed, and wheat; and by extending and expanding the conservation reserve program; and for other purposes; to the Committee on Agriculture.

By Mr. SAYLOR:

H.R. 11842. A bill to save and preserve, for the public use and benefit, a portion of the remaining undeveloped seashore of the

United States, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. TEAGUE of Texas:

H.R. 11843. A bill to improve the budget and accounting procedures of the loan guarantee program of the Veterans' Administration by establishing a revolving fund; to the Committee on Veterans' Affairs.

By Mr. BOW:

H.R. 11844. A bill to amend the Railroad Retirement Act of 1937 to provide that certain individuals entitled to an annuity thereunder shall receive an increased annuity if they have a child in care; to the Committee on Interstate and Foreign Commerce.

By Mr. LANE (by request):

H.R. 11845. A bill to prohibit certain judicial acts affecting the internal affairs of labor organizations; to the Committee on the Judiciary.

By Mr. WAINWRIGHT:

H.R. 11846. A bill to establish the Fire Island National Park, and for other purposes; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARRETT:

H.R. 11847. A bill for the relief of Chris Dunat; to the Committee on the Judiciary.

By Mr. BOSCH:

H.R. 11848. A bill for the relief of Radoslav Vulin and Desanka Vulin; to the Committee on the Judiciary.

By Mr. DORN of New York:

H.R. 11849. A bill for the relief of Jamil Youssef Haddad and Antoinette El Khwaja Haddad; to the Committee on the Judiciary.

By Mr. FLYNN:

H.R. 11850. A bill for the relief of Zygmunt W. Gutowski; to the Committee on the Judiciary.

By Mr. FRIEDEL:

H.R. 11851. A bill for the relief of Dr. Martino Maines Almogela; to the Committee on the Judiciary.

By Mr. O'BRIEN of New York:

H.R. 11852. A bill to clarify the ownership of certain church properties located in the Virgin Islands; to the Committee on Interior and Insular Affairs.

By Mr. QUIGLEY:

H.R. 11853. A bill for the relief of the York Airport Authority of York, Pa.; to the Committee on the Judiciary.

By Mr. SAYLOR:

H.R. 11854. A bill to clarify the ownership of certain church properties located in the Virgin Islands; to the Committee on Interior and Insular Affairs.

By Mr. WALTER:

H.R. 11855. A bill for the relief of Stefan Antal and others; to the Committee on the Judiciary.

H. Con. Res. 660. Resolution relating to the status of certain aliens; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

429. The SPEAKER presented a petition of James B. Friese, secretary, Hawaii Mission of the Methodist Church, First Methodist Church, Honolulu, Hawaii, petitioning consideration of their resolution with reference to requesting an all-inclusive test ban agreement among the nations relating to the testing of nuclear weapons, which was referred to the Committee on Foreign Affairs.