

would mean war. The second would cause our friends to bid us a frigid farewell. Neither can be afforded.

The unhappy truth is that our hand has been called, and we're not even holding a pair of deuces. The \$12 million bus deal tells us so in a blunt and conspicuous way.

#### WHITHER THE UNITED NATIONS?

Mr. MILLER. Mr. President, in the Washington Post for January 15, 1964, the lead editorial entitled "Whither the U.N.?" merits the attention of readers of the CONGRESSIONAL RECORD. This is an excellent editorial which details the problem of representation in the United Nations which is being aggravated by the admission of so many small countries, and also the concern of the Secretary of State, Dean Rusk, with the problem.

I ask unanimous consent to have this editorial printed in the RECORD.

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

#### WHITHER THE U.N.?

What is the future of the United Nations? In tackling that subject in the second Dag Hammarskjold memorial lecture at Columbia University, Secretary of State Rusk (in a speech delivered for him by Assistant Secretary Cleveland) offered two thoughtful suggestions which merit analysis by all friends of the U.N. He does not regard the United Nations as a static organization, but he wants it to grow in ways that will strengthen, and not weaken, its peacekeeping function.

Actually the United Nations is a more indispensable agency now than it was at the time of its birth in San Francisco in 1945. Today there is agreement among all the great powers represented in the Security Council that nuclear war is utterly unacceptable as a means of settling international disputes. Chairman Khrushchev of the Soviet Union acknowledged in his New Year's message that war over territorial questions is intolerable and that nations should not be the target of direct or indirect aggression. If this generally accepted thesis is to be meaningful, said Mr. Rusk, the U.N. will have to be used as a substitute for war in the settlement of disputes.

From this viewpoint the peacekeeping functions of the U.N. are vital to every state and especially to the great powers. It serves, in the Secretary's words, "not as a rival system of order but as contributor to, and sometimes guarantor of, the common interest in survival." Even if some countries are disappointed by the consequences of a U.N. peacekeeping operation, they still profit greatly from it for the simple reason that survival is better than the annihilation that would result from nuclear war.

This cogent reasoning has a special bearing upon a problem that looms large in the General Assembly in 1964. The Soviet Union has refused to pay its share of the expenses of keeping the peace in the Congo and in the Near East. If this policy persists, the U.S.S.R. will lose its vote in the Assembly and critically weaken the U.N. as an adjudger of disputes that otherwise might lead to war. Surely if the Soviet Union is realistic in its pursuit of insurance against nuclear war, it should be moving toward elimination of this threat to the usefulness of the U.N.

The other problem to which Secretary Rusk addressed himself arises from the growth of the U.N. from its original 51 members to its present 113. The onrush of small, new nations into the U.N. has made it theoretically possible for 10 percent of the world's population, who contribute only 5 percent of the

U.N.'s assessed budget, to cast a two-thirds majority vote in the General Assembly. No such problem has arisen and Mr. Rusk is not fearful that it will, but he does emphasize the fact that the United Nations simply cannot take significant action without the support of the members who supply it with resources and have the capacity to act.

This does not mean that he wants to shift all U.N. power back into the hands of the moribund Security Council. Nor does he look with favor on weighted voting in the General Assembly. But his remarks are suggestive of the direction in which the U.N. should be evolving. Nothing would be more certain to destroy its usefulness in the long run than the making of U.N. policy decisions in disregard of the chief centers of world peace.

#### THE CHANGED WHEAT DEAL WITH RUSSIA

Mr. MILLER. Mr. President, the distinguished columnist, Richard Wilson, has written an article in the December 14, 1963, issue of the Des Moines Register entitled "The Changed Wheat Deal With Russia."

Because many complaints are still being heard about this question, and there is still, apparently, much misinformation about it, I believe that the article merits the attention of readers of the CONGRESSIONAL RECORD, and I ask unanimous consent to have it printed in the RECORD.

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

#### THE CHANGED WHEAT DEAL WITH RUSSIA

(By Richard Wilson)

WASHINGTON, D.C.—The wheat deal with Russia has gotten completely off the tracks and in its present form is nothing like the original proposal. This proposal was to sell wheat to Russia for cash or on normal commercial terms. It was a subsidized sale in the sense that all such transactions in U.S. wheat in the world market are subsidized, but no more so.

The terms were made unmistakably clear by President Kennedy. The sale was not a government-to-government transaction. It was a deal between private U.S. traders with the credit, on normal commercial terms, supplied by private banks. The traders and the bankers were to take the risk, not the U.S. Government.

#### PAYING CASH

This made sense. Nikita Khrushchev needed wheat, and still needs it, because his farm programs are not successful. There are bread shortages in Russia. Officials here have heard of disorders in connection with bread distribution.

Khrushchev boasted that he had the cash to pay for wheat. In fact, he is paying 80 percent cash to Canada because he doesn't like the commercial interest rate of 4 1/2 percent on an 18-month installment plan.

The United States has a wheat surplus and there are clear advantages to unloading it for cash. This gets rid of the wheat and helps the balance-of-payments problem and, in any case, the Russians can get wheat elsewhere if we do not sell it to them. So we are not saving communism by selling wheat to Russia for cash.

When Khrushchev saw that the United States was willing, even eager, to approve private sales of wheat he began to haggle. He stopped talking of buying for cash, which is the only safe basis for a deal with Russia. Khrushchev wanted credit.

Bankers prudently said they wouldn't extend credit without U.S. Government under-

writing. Khrushchev objected to President Kennedy's terms that the maximum amount of wheat be moved in American ships. Shipping rates, it was claimed, were too high.

Private arrangements for sales to Russia, it appeared, would collapse unless the U.S. Government underwrote the whole transaction and subsidized not only the export wheat itself but probably the rates for shipping it to Russia.

#### A LOAN GUARANTEE

At this point, the U.S. Government, through Treasury Secretary Dillon and Export-Import Bank officials, proposed a loan guarantee of 75 percent of the purchase price. Congress reacted with a bill offered by Senator Murray, Republican, of South Dakota, to prohibit such a guarantee.

The Senate Banking Committee appeared to favor this bill. But after the assassination of President Kennedy it reported the bill unfavorably by a vote of 8 to 7 as a tribute to the late President, although Government financing of the sale was not a part of Mr. Kennedy's original proposal. The bill was then defeated in the Senate.

This leaves the way open for Government underwriting of the transactions and that is in prospect unless President Johnson were to intervene and insist on the original terms of President Kennedy.

#### NORMAL BASIS

President Johnson might well consider doing this for several good reasons. Russia needs the wheat more than we need to sell it. In any case, trade with Russia is not likely to be a significant long-term factor in our balance of trade. The haggling with the Soviet Government amply illustrates that unless it will pay in gold the opportunities for bilateral trade are limited, and even less promising on a multilateral basis.

What the United States should be seeking is a rational, normal basis for trade with Russia as we trade with other nations. But this basis does not exist for one simple reason, and that is lack of confidence. Confidence is an indispensable element in the extension of credit, and more so in international trade than in domestic trade.

Lack of confidence in the Soviet Union is why bankers will not extend credit unless it is guaranteed, in this case, by the U.S. Government.

#### MUST MEET MARKET TERMS

What the Soviet Union needs to learn is that if it is to be a responsible participant in world trade it must be prepared to do so on the terms of the marketplace.

Those terms are that the buyer must convince the seller that he is able and ready to pay a fair price based on supply and demand. Khrushchev talked that way last summer. But this winter it is a different story, as is so often the case from the beginning to the end of a negotiation with the Soviet Union.

#### AN ASSESSMENT OF THE SITUATION IN SOUTH VIETNAM

Mr. MILLER. Mr. President, one of the best assessments of the situation in South Vietnam was contained in a dispatch by Hedrick Smith which was published in the New York Times on January 12. In describing the deteriorating situation there, the Times article underscores that part of the fault lies with the United States. An American official, according to Mr. Smith, had this comment to make:

Let's face it. A lot of the blame for the situation is ours. We financed most of those programs, and we signed off on them. This situation was going badly for months and someone wasn't checking up on it for our side.

This is a damaging indictment of our policies and procedures; it is one which should not be ignored. It will serve no purpose to write off our blunders by blaming Congress, as Assistant Secretary of State, Roger Hilsman, implied in an interview which was published in the Washington Sunday Star on January 12, the same day on which the New York Times made the assessment.

In speaking of the Asian developments, Mr. Hilsman declared:

All you do with cutting in aid is to stretch out the time when some of these countries are vulnerable to communism and to stretch out the time when you are running high risks, stretching out the period of danger.

It is convenient to focus the blame on Congress, but it also should be pointed out that Congress has reduced foreign aid because it is convinced the administration of that aid has been ineffective in many instances, and wasteful in others. Once the administrators admit that they share part of the blame, we will begin to receive our dollar's worth in the assistance we grant other countries.

Eugene R. Black, former President of the World Bank, put his finger squarely on the problem, in an address on November 12 before the New York Chamber of Commerce. He said:

The major trouble with our foreign aid programs in the past has been too much concern over quantity and packaging, and too little concern over the quality of the product itself.

This concern is felt by Congress. It is about time that the State Department and the Agency for International Development remember the remark made by Plutarch some thousand or so years ago:

Hard questions must have hard answers.

Congress and the American people have been asking those hard questions, but the hard answers have yet to be forthcoming. With the United States providing half of the estimated \$8.5 billion spent annually on foreign aid by all nations, as pointed out in an article which was published in the Davenport, Iowa, Daily Times on January 3, we must have those answers. The official attitude must change to one of frankness from the current one, which is accurately summed up by Columnist Richard Wilson in the Des Moines Register of December 22, who wrote:

It is only a slight exaggeration to say that officials of the foreign aid program would much prefer it if neither Congress nor the public knew much about its activities, except the puff-stories on its great achievements which are not inconsiderable.

It is time that the administration realizes that a majority of Congress, as Mr. Wilson puts it—

believes that the country wants to go slower on foreign aid, be more selective, be more certain that definite policy aims are being pursued toward a useful conclusion.

I ask unanimous consent that the four articles, entitled "Vietcong Terrorism Sweeping the Delta," "Hilsman Sees Slash in Aid Adding to Danger From Reds," "United States Gives Half of World's Foreign Aid," and "Passman's Annual Battle To Cut Aid" may be printed in the RECORD.

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

[From the New York (N.Y.) Times, Jan. 12, 1964]

#### VIETCONG TERRORISM SWEEPING THE DELTA (By Hedrick Smith)

TAN AN, SOUTH VIETNAM, January 9.—Terror, which moves through the populous Mekong River Delta with the bands of Communist guerrillas, stole one sultry night into the hamlet of Thuan Dao, 15 miles southwest of Saigon.

Efficiently the guerrillas executed the hamlet's militia leader, burned the administrative office and began forcing the villagers to tear apart their homes.

The militia, too terrified to resist, radioed for help.

At the district center of Ben Luc, less than half a mile away, there was a company of Civil Guard troops. Two miles down the main road, a battalion of Vietnamese Army troops was guarding a bridge. Nearer the hamlet was the headquarters of an army engineer battalion. But no one responded to the SOS from Thuan Dao.

By dawn, 40 houses had been smashed and the militiamen were so demoralized that they turned in their weapons.

The houses were repaired, and a visiting American general remarked a few days later that this was "a secure hamlet."

But the hamlet remained without adequate defenses, and the guerrillas returned last week and forced the peasants to tear down 50 more houses.

#### SAIGON'S CONTROL DEFIED

Since June scores of similar incidents, backed by a relentless Communist propaganda campaign, have undermined the government's authority in villages throughout the Mekong Delta, home of a majority of South Vietnam's population.

Guerrillas and political squads have gnawed at the fabric of the government—its ability to protect the peasants, its administrative structure and, apparently most important, its will to win.

Bit by bit the people's allegiance has slipped away because of mismanagement and neglect of the peasants' needs and aspirations. Village governments have disappeared or fallen into disarray, and higher officials have abdicated their responsibilities.

#### AT LEAST 75 PERCENT OF PEOPLE UNDER REDS

As a result, most of the rural population in the delta lives under Communist influence in the critically important province of Long An. U.S. advisers estimate that at least three-quarters of the 387,000 inhabitants live in areas controlled by Communists. Some estimates are even higher.

Under President Ngo Dinh Diem, who died in the coup d'etat of November 1 and 2, the provincial administration was paralyzed by politics and bureaucracy. District officials reported only a fraction of the attacks on their areas' strategic hamlets, or fortified villages. They feared that if the province chief learned the truth he would think they had lost control of their districts.

One American officer recalls having asked a former provincial governor, Maj. Nguyen Ngo Xinh, about the deteriorating security situation. "I don't know anything about it," he was told. "That's your concern."

#### THE OFFICIALS WROTE REPORTS

Local officials prepared neat statistical reports about hamlets they had never visited. "They wrote beautiful reports," one American official said, "but it was all a sham."

Now the military junta in Saigon is moving to revive the provincial government. Maj. Le Minh Dao, an aggressive young army officer born in Long An and trained at Fort Benning, Ga., has been named province chief. He has replaced five of the six district chiefs and has encouraged local officials to over-

come their disdain for going into the hamlets, rolling up their sleeves and helping the peasants.

Three battalions of paratroopers have been sent here to deal with Communist combat units and to start "clear and hold" operations to regain the territory. The U.S. Ambassador, Henry Cabot Lodge, has expanded his civilian staff in the province from 1 man to 12 and has promised the staff full support.

It has been more than a year since the Government, with U.S. financing, intensified the program of building strategic hamlets. In an effort to introduce the peasants to a non-Communist way of life, nearly half a million dollars of U.S. aid has been spent.

#### NEARLY 50,000 QUIT HAMLETS

Yet the situation continues to deteriorate. Fifty thousand Vietnamese have abandoned the strategic hamlets, and it is felt that the Government must make a fresh start.

At the prodding of Ambassador Lodge, the military junta has decided to make Long An Province a major testing ground of its ability to win the war against the Vietcong, or Vietnamese Communist, guerrillas.

Long An's borders reach within 10 miles of Saigon; thus it is the capital's soft underbelly. The loss of Long An would give a severe psychological jolt.

Long An is the garden and the granary of South Vietnam. Through its rich rice fields and sugarcane fields runs Route 4, the Government's only open road from Saigon into the Mekong Delta. If this road fell into Communist hands, the Communists would control the flow of rice and other foods into the capital.

Already the Government's control in Long An is limited to seven main towns and a few hamlets.

"If we can't win here," an American official said, "we may as well forget the whole show."

#### PROSPECTS ARE DISPUTED

Even those most closely associated with the new effort disagree over whether the drive can succeed.

An American civilian remarked: "The war fatigue here is so serious that it's hard to know if these people still have the will to win or can regenerate their drive and their morale. Maybe if we face up to our mistakes, forget about useless target dates, and put more people in at the field level—maybe then we can begin to chew our way slowly back into what has been lost. But it's going to be a long fight."

A U.S. military adviser added: "I think the moral fiber of these people has deteriorated. There just isn't any individual initiative or leadership, or any commander willing to take chances."

The U.S. Information Service has sent American-led teams of Vietnamese into the hamlets to learn what the peasants think of the Government and what their demands and complaints are. In the minds of many Americans, however, the crucial unmet need is for dedicated, capable civilian and military leaders.

From an American helicopter over Long An's rice paddies, one can see ample evidence of the mistakes that have been made. Entire villages lie in ruins, roofs of houses torn off, walls knocked in, inhabitants gone.

A number of ghost settlements lie within the 3 or 4 miles of principal towns still controlled by the Government. Rare is the hamlet that is not somehow pockmarked by the war.

Roads in the province have been chopped up, and at least 25 important bridges blown up by the guerillas. Land travel is hazardous by day, impossibly dangerous at night. When Major Dao, the new chief, ventures even a mile or two from the provincial headquarters, a squad of soldiers follows in jeeps armed with mounted .50-caliber machine-guns.

Last September, provincial officials maintained that more than 200,000 people lived in

219 completed strategic hamlets. Today, according to the best estimates, 20 of these, and perhaps fewer, are functioning and are in Government hands day and night.

#### BETWEEN 40 AND 50 HAMLETS RUINED

The province chief reports that 40 or 50 have been destroyed and are completely deserted; the rest have suffered great physical or political damage.

Because the peasants' homes in the delta are scattered over their farmland, the Government had to move thousands from their traditional homes to establish the hamlets. In Long An, 80,000 people were relocated. Their resentment at having been moved was exploited by the Communists, and more than half have left the hamlets.

Ten thousand more—originally permitted to remain in their family homes—are reported to have quite the hamlets because living in them brought the guerrilla war to their doorsteps. A trickle of dissatisfied villagers can be seen trudging away from hamlets, beds and personal belongings strapped to their backs.

The local militiamen are deeply demoralized. There have been so many defections that the province chief has only 3,600 men in the Self-Defense Corps. The corps, with an authorized strength of 4,000, helps guard the hamlets and mans Government outposts.

#### MANY IN MILITIA DISARMED

Of 3,000 peasants trained as part-time militiamen for their hamlets, American officials estimate that 500 still have weapons. The rest have deserted or have turned in their weapons, which made them special targets of the guerrillas.

Often the militia provided little protection for the villagers and even abused those they were supposed to guard. In one hamlet peasants said corpses had shot at them when they tried to protect their crops from being eaten by militiamen's ducks.

Sometimes Vietnamese officials know little about the hamlets they are supposed to supervise. When a Vietnamese reporter asked provincial officials about An Binh, a hamlet less than a mile from here, they described it as one of the safest in the region.

When he asked to be taken there to spend a night, one official after another made excuses for not going. Each sent him to a lower ranking official.

#### A SHOCK AT SETTLEMENT

The canton chief, who finally drove the reporter out toward the hamlet, indicated that he had not been there for weeks and was unable to say whether any militiamen were left. He refused to enter the hamlet even by daylight without a military escort. He left the reporter on the road outside the hamlet and drove away.

Villagers later disclosed that the guerrillas assassinated two top hamlet officials in December. A duck farmer spoke openly of his fears.

"I used to be a member of the combatant youth," he explained, "but I have no longer dared to spend the night at the hamlet since our boss was beheaded. I look after my ducks here during the day, but I spend the night in town."

The deterioration of the hamlet program began last June and July, when construction was speeded to meet deadlines set by President Diem and his brother Ngo Dinh Nhu. At the start of 1963 there were 70 hamlets in the Province. In theory this number was doubled by June and trebled by September, though the hamlets were rarely in full operation and the guerrillas were undermining them almost as fast as they were built.

"When the Province got into this statistical race," an American said, "there was a combination of lying and trying to go too far too fast. It just didn't work."

The hamlets were considered complete, an official explained, once the villagers were inside and when fences and moats had been built, even if the militiamen were untrained and defenses weak and even if "there was no sense of community."

Many relocated families were not paid Government relocation allowances. Peasants were sometimes forced to buy construction materials that were supposed to be furnished by the Government and by the U.S. aid programs.

Rich settlers bought their way out of serving in the militia, and officials sometimes drew the hamlet boundaries to protect their holdings. Hamlet council elections were not infrequently rigged in favor of friends and relatives of the hamlet chief.

#### COUP ILLUMINATED FLAWS

Supervision by Provincial authorities and by the Americans was lax. "Let's face it," one American said. "A lot of the blame for the situation is ours. We financed most of those programs, and we signed off on them. This situation was going badly for months and someone wasn't checking up on it for our side."

The situation that was exposed after the coup of November 1 shocked a number of Americans. They had suspected that things were going wrong but had had no real idea of how serious the situation was.

The Government had virtually abandoned the field to the Communists. In Vinh Hoa, villagers said no local officials had visited them since their hamlet was built in November 1962. But they said the Communists had come often and had recruited 33 young men for the guerrilla forces.

The Communists developed a complete administrative apparatus under five district chiefs. The backbone of their military strength in the Province consists of one and sometimes two tough full-time combat battalions.

Each district also has a company of regional guerrilla troops, and throughout the Province a thousand or more local guerrillas are at work. These are supported by several thousand sympathizers serving as porters, messengers, and helpers. Each village has a Communist cell.

The Government faces these tasks:  
To push out its military base from seven major towns to provide an increasing number of hamlets with security.

To meet some of the economic needs of the peasants and to demonstrate concern for their welfare.

To root out the Communist political structure.

Major Dao stated his goals this way: "We will consolidate some strategic hamlets near the district and Province towns, and we will help the people. Slowly, like oil, we will spread out—slowly but surely."

The energetic 30-year-old Province chief, who is said to work well with his American advisers, is convinced that if the Government forces can provide protection the people will rally to the Government.

"These people are watching me," he said. "If I am strong and just, they will come to the Government. If the Vietcong are stronger, they will go to the Vietcong."

Some Americans, eager to avoid the pitfalls of the past, fear that the new campaign will become too military a show of force, giving inadequate attention to the subtle political and psychological task of winning the people's allegiance.

"This Province cannot be saved unless we completely change our thinking about how to get the job done," one experienced American official said.

He added: "Military forces must provide an umbrella while we build a cadre of civilians with enough nerve to go out into the hamlets to work among the people. We

must stop paying lip service to the importance of civic action and really put some teeth into it."

[From the Washington Star, Jan. 12, 1964]

#### HILSMAN SEES SLASH IN AID ADDING TO DANGER FROM REDS

(By Spencer Davis)

Assistant Secretary of State Roger Hillsman predicts that congressional cuts in foreign aid will lengthen the period of high risk and danger to Asian countries vulnerable to Communist aggression.

Mr. Hillsman, the State Department's top expert on the Far East, characterized the problems confronting this region as "big and bold." They cannot be solved in 1964 or in any single year, he said in an interview.

"All you do with cutting in aid is to stretch out the time when some of these countries are vulnerable to communism and to stretch out the time when you are running high risks, stretching out the period of danger," he said.

#### CALLS CUT SERIOUS

"The more aid we have, the sooner we will solve some of these problems and the less time there will be risk and danger to the whole of our foreign policies and national security.

"So I think that an aid cut is a serious matter."

Mr. Hillsman was referring to the action of Congress in reducing the foreign aid program from an administration request of \$4.5 billion to about \$3 billion.

Mr. Hillsman said he has not detected any sign of moderation on the part of Communist China's present leaders. Among the unsolved basic problems of the Far East, he also cited Communist aggression, poverty, the need for modernization and development.

Highlight of Mr. Hillsman's replies to questions follow:

Question. South Vietnam—is the situation worsening?

Answer. I don't think I would agree with the latter judgment. We have always been aware that the most serious area of all in Vietnam was the delta area. The war effort and the attempt to extend security to the countryside has gone very well in the coastal regions and the mountain provinces.

#### SEES VIET CONG LOSS

There has been a change of government there which means that there is a period, which we are still in, where the new government has to get itself fully organized. The Viet Cong, the Communists, have attempted to take advantage of this by stepping up their military campaign . . . the new government has also stepped up its military campaign to a higher level. As a consequence . . . there are more battles and more casualties. Actually the casualty rate between the Viet Cong and the government has turned more in the favor of the government in these last 3 years. Whether this will remain, we will have to say. I would sum up by saying that there is a serious problem in the delta but I believe it can be resolved.

Question. What do you think of efforts to neutralize South Vietnam?

Answer. This is totally unacceptable. The Vietnamese people in a valiant struggle over several years have demonstrated that they want to eject Communists that have been inspired and infiltrated from the north in what constitutes aggression . . . The U.S. Government is determined to support the Vietnamese Government in eliminating this Communist terrorism.

Question. Will the United States be able to withdraw its training mission from South Vietnam by 1965?

Answer. There has been some misunderstanding of what this announcement of October 2 meant and said. It was not in-

tended to end our training or support for South Vietnam. It was not meant that this was ending in 1965. What were referred to were personnel whose particular tasks by this time (1965) the Vietnamese could take over. Our purpose is to help them but the major task is theirs. We will continue to have a training mission. We will continue with whatever aid is necessary to win.

#### INTERPRETS SPEECH

Question. On Communist China do you see any trend in the direction of moderation that might evolve among Chinese Communist leaders. In your recent speech on the open door policy toward Communist China were you talking in the historical sense of a trend that might take place?

Answer. I didn't use the word moderate or moderation and I really don't expect this out of the Chinese Communists. The speech enunciated a policy of firmness, flexibility and dispassion. Firmness in our support of the Republic of China on Taiwan (Formosa) and of our commitments to them and our determination to honor these commitments. Firmness in dealing with any aggression from the Chinese Communists; flexibility, to keep an open door to developments in this part of the world, and in terms of looking at developments coolly and objectively; and dispassion in terms of not being ruled by emotion as you deal with complicated problems.

In the speech I talked about second-echelon leaders not in terms of expecting them to be more moderate, but in terms of the fact that they must surely realize the failures of this older group that has been in control. I would expect they would be critical of these leaders. The Chinese Communists only a year ago launched an aggression against India. They have been stirring up trouble in Laos and Vietnam. I see no signs of moderation.

[From the New York Times, Jan. 3, 1964]  
UNITED STATES GIVES HALF OF WORLD'S FOREIGN AID

(By A. I. Goldberg)

UNITED NATIONS.—Put your thumb down anywhere on the land areas of a world map except North America and most of Europe, and you'll jab a tender spot where part of \$8.5 billion is being spent annually in foreign aid, to developing countries.

Alphabetically the recipients range through 124 countries and territories from Aden to Zanzibar. Geographically they circle the globe.

About \$2.5 billion is in private investment aid.

The remaining \$6 billion is in public funds distributed in the form of grants, loans, training of experts and sending of technical experts and equipment. It is distributed bilaterally, from country to country; regionally from or to groups of countries; and multilaterally, from many countries to many countries and funneled through agencies.

UNITED NATIONS.—Put your thumb down outside of the fact that the United States accounts for one-half of all foreign aid in the world today, nobody has any precise figure just who gives how much to whom.

A U.N. technical assistance survey, stressing that it was not official developed these other general facts:

Nobody knows just how the private investment aid is shared.

About 10 percent of public aid is channeled through the United Nations.

Chief donor countries are the United States, Britain, France, Soviet Union, West Germany, Canada, Japan, and Switzerland.

Other important donors in bilateral aid programs are Netherlands, Denmark, Norway, Sweden, Portugal, and Italy.

Australia and New Zealand channeled their contributions through the British Commonwealth Colombo plan.

Every one of the 87 countries classified by the U.N. members as underdeveloped gets some form of aid either in direct help or in technical assistance and advice.

The U.N. survey showed that U.S. aid programs were represented in 81 less developed countries but were concentrated in about 20 that got about four-fifths of the \$2.6 billion budget of AID—the Agency for International Development.

Largest U.S. programs were listed in Korea, Nationalist China, Philippines, Vietnam, India, Pakistan, Israel, Turkey, Greece, and Brazil.

More than half of the total aid budget's nonrepayable development grants go to Latin America and to Africa.

Latin America needs are fed through the six specialized agencies of the Organization of American States and through the Inter-American Development Bank.

The United States also contributed \$1 billion to the British Commonwealth Colombo Plan in 1962. Britain is another mainstay of that program which spent \$1.3 billion in 1961-62, chiefly for countries of southeast Asia.

Britain's bilateral expenditures were expected to reach \$500 million in the 1963 fiscal year. They were concentrated in Kenya, Tanganyika, Uganda, Nyasaland, Nigeria, and northern Rhodesia in Africa; Jamaica, India, and Pakistan.

Britain's Colombo Plan disbursement during 1962 was \$96 million. Australia contributed almost \$9 million, New Zealand \$2 million.

Excluding its contributions to multilateral programs, France distributed \$879 million in grants and loans during 1962, the greater share going to Algeria. The next largest share went to the 14 newly independent African and Malagasy states. After that there were contributions to Morocco, Tunisia, Cambodia, Laos, Vietnam, French overseas departments, and some countries in Latin America and Asia.

West Germany disbursed the equivalent of \$277 million in 1962 on all forms of economic aid to developing countries, exclusive of contributions to the United Nations and Common Market funds, and reparations payments.

The largest amounts were used in India, Greece, Afghanistan, United Arab Republic, Iran, Ethiopia, Ceylon, Tunisia, Congo, Leopoldville, Togo, Thailand, Indonesia, Bolivia, Guinea, and Jordan.

Soviet figures are shadowy. From best report the Soviet Union has aid agreements for technical assistance in industrialization with 29 developing countries. The United Nations estimates the total committed in 1962 at the equivalent of about \$400 million "although the amount disbursed may be less," it says.

The U.N. survey cites Soviet aid to build more than 480 industrial plants of various sorts in India, Indonesia, Afghanistan, United Arab Republic, Iraq, Syria, Ghana, Guinea, Somalia, Mali, and Sudan among them.

The major European donor nations, along with the United States, Canada, and Japan, also distribute aid through the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD). Other members are Belgium, Denmark, France, West Germany, Italy, Netherlands, Norway, Portugal, and Britain.

Belgium spent \$68.5 million in 1962 on economic aid, much of it to Congo Leopoldville.

Canada's total expenditure in aid in 1962 was \$37.5 million. The biggest portion went to such Latin American countries as Brazil, Chile, and Mexico, and to Colombo Plan countries such as India, Pakistan, and Ceylon.

Japan's bilateral aid expenditure in 1962 was \$94 million with Asian members of the Colombo Plan and some Latin American countries as beneficiaries.

Of the remaining DAC members, the Netherlands devoted \$42 million in 1962 to economic aid on a bilateral basis, Portugal \$40.7 million, and Italy, Denmark, and Norway somewhat lesser amounts.

Other countries listed as having bilateral aid programs are Austria, Sweden, Switzerland, Israel, the United Arab Republic, Czechoslovakia, Hungary, Poland, and India.

[From the Register, Dec. 22, 1963]

PASSMAN'S ANNUAL BATTLE TO CUT AID  
(By Richard Wilson)

WASHINGTON, D.C.—OTTO ERNEST PASSMAN, 63, is a Democratic Congressman from Louisiana. Annually, PASSMAN gets into a fight with the White House over foreign aid spending. He is chairman of the Appropriations Subcommittee which handles this troublesome item.

It is usually said that PASSMAN is trying to superimpose his judgment on that of four U.S. Presidents and any number of other outstanding personalities. This devastating remark is supposed to crush PASSMAN and hold him up to public scorn as the wrecker of the foreign aid program.

The truth seems to be, however, that PASSMAN knows more about the foreign aid program than any President has had an opportunity to know for the simple reason that he has studied it longer and in more detail.

#### CONVENTIONAL LOUISIANIAN

He has handled the foreign aid appropriation for 9 consecutive years. PASSMAN is not a liberal; he is a conventional Louisianian, but with a flair for rather rakish attire and an endless patience in coping with one of the really big practical problems of modern government.

It is only a slight exaggeration to say that officials of the foreign aid program would much prefer it if neither Congress nor the public knew much about its activities, except the puff stories on its great achievements, which are inconsiderable.

The official attitude about foreign aid is that it is an instrument of foreign policy used by the President under his constitutional authority to direct this policy. What flows from that conception is that Congress should not, indeed cannot under the Constitution, interfere.

#### MUCH IS HIDDEN

This is an impractical concept, which PASSMAN annually demonstrates to be faulty. However, much of what is done under the foreign aid program is hidden from the public. There was a time when it was a secret how the money was divided up between various countries.

Every now and then a little something leaks out, like Lebanese bulls with nine stalls apiece or extra wives for Kenyan Government officials, or air-conditioned Cadillacs for Middle Eastern potentates.

A suffering public has become more or less conditioned to this kind of thing and would not abandon foreign aid for this alone. Nor is it likely that the public as a whole would end all foreign aid, however much annoyed it may become over waste and incomprehensible spending abroad when there is so much that needs improvement in this country.

But it is clear that a majority in Congress believes that the country wants to go slower on foreign aid, be more selective, be more certain that definite policy aims are being pursued toward a useful conclusion.

Every year for 9 years the clamor has come from the White House and the Department of State that any cutback will wreck our foreign policy. And any time there is a cut

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our foreign policy never seems to be demonstrably better or worse off.

A few facts are useful in this connection. In the last 8 years Congress has reduced the White House budget requests by more than \$6.5 billion. Yet every year more money was appropriated than foreign aid officials could use.

The so-called pipeline—funds from past years which are committed to continuing lion. Foreign aid could go on for several years without another penny of appropriation.

It is not uncommon for officials to make huge allocations of their funds in the last 2 or 3 days of a fiscal year so that they won't have any uncommitted money left, and can claim they are emptyhanded in meeting the world's challenges.

#### TOTAL OF \$744 MILLION UNOBLIGATED

Last year the White House, the State Department, and the Defense Department all said our foreign policy was being wrecked by a billion-dollar cut. Yet these agencies finished the fiscal year with \$744 million of unobligated funds on their hands.

Basically, the facts do not support any contention that Congress has either wrecked the foreign aid program or really harmed it. Nor does the contention hold water any longer that the Russians are rushing in where we pull out. The Russians have had their own serious problems with foreign aid.

This appears to be one case where instinctive public reactions are right that we have been spending too much on foreign aid and not getting enough out of it.

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). The time of the Senator from Iowa has expired.

Mr. MILLER. Mr. President, the time was changed to 8 minutes from the minority and 7 minutes from the majority; accordingly, I ask unanimous consent that I may proceed for an additional 3 minutes taken from the minority side, and 2 minutes from the majority side.

Mr. PASTORE. Mr. President, I have no objection.

The PRESIDING OFFICER. Is there objection? There being no objection, the Senator from Iowa is recognized for 5 additional minutes.

#### SOLICITATION ACTIVITIES OF THE DEMOCRATIC NATIONAL COMMITTEE AMONG GOVERNMENT EMPLOYEES

Mr. MILLER. Mr. President, in the Washington Evening Star, columnist Joseph Young has again performed a public service by throwing the spotlight on solicitation activities of the Democratic National Committee among Government career employees.

In his column of January 16, Mr. Young reports that the drive among Federal employees apparently is even greater this year since some who had not been solicited previously are now being contacted.

The Democratic National Committee has other sources from which to draw upon without placing Government employees in an untenable position of being forced to attend a \$100-a-ticket Democratic fundraising event on May 26. As I remarked on the floor last December 13, this action by the committee is highly unethical and unfair.

I believe that such solicitations of our civil service employees should and must

be repudiated by President Johnson and any other President, Republican or Democrat.

We cannot afford to place Government employees in a position to cause them to feel they must purchase tickets for one party or the other in order to retain their jobs or secure their promotions.

I ask unanimous consent to have printed in the RECORD, the article entitled "Career Employees Solicited Again for \$100 Democratic Dinner."

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

#### CAREER EMPLOYEES SOLICITED AGAIN FOR \$100 DEMOCRATIC DINNER (By Joseph Young)

Government career employees have received their third letter of solicitation from the Democratic National Committee to attend the \$100-a-ticket Democratic fund-raising affair this year.

The event is the "Salute to President Lyndon B. Johnson" to be held at the District Armory on May 26.

As this column disclosed several weeks ago, Federal career employees from the middle grades on up had received two letters from the Democratic Committee in recent weeks in connection with the affair. Originally, the event was to have been held this month, but was canceled due to the death of President Kennedy. The second letter from Democratic National Committee Chairman John Bailey advised of the postponement and told employees they would hear from the committee later, advising them of the new date for the event.

Sure enough, on January 10 a third letter went out to Federal career employees, signed by Mr. Bailey, advising them that the event would be held May 26.

"May I urge those of you who have not yet forwarded your contributions to do so now," Mr. Bailey wrote. "We need your continued support."

The requests puts many Federal career employees in a dilemma. If they buy tickets, they could find their jobs in jeopardy with any subsequent Republican administration. On the other hand, if they are in line for promotions and career advancement, or even value the jobs they have, some of them feel it would be best to purchase the \$100 tickets.

A similar solicitation drive by the Democratic National Committee among Government employees last year raised much criticism among Republican Members of Congress and elsewhere. However, apparently undaunted, the Democrats' drive among Federal employees this year is even greater. Some career employees are being contacted who weren't solicited last year.

#### FAILURE OF LATIN AMERICAN NATIONS TO FACE UP TO INFLATIONARY PRESSURES

Mr. MILLER. Mr. President, the failure of many Latin American nations to face up to the inflationary pressures occurring within their own countries has never been better illustrated than in an article published in the Wall Street Journal of January 16. While the article, written by Henry Gemmill, deals primarily with what is happening in Brazil, it is clear that the same story is being repeated in other Latin American nations. When one nation, such as Brazil, accepts inflation as a way of life, it cannot help undermining the economies of other countries with which it must deal.

When the Alliance for Progress was initiated in the early part of this admin-

istration, it was to serve as an agent to lead Latin American governments to institute policies to uplift their economies. But the Alliance's effectiveness is still one of deep uncertainty—and one of real doubt.

Mr. Gemmill points out how the United States is caught on the horns of a many-faceted dilemma—if we dole out more aid to Brazil, the leaders will use it to fuel more inflation; if we refuse more aid, the leaders will use this as the pretext for inflaming anti-Americanism and seizing dictatorial power—or if we just string along, we can merely hope the inflationary storm can be weathered.

If there ever was a need to reexamine our Latin American approach, it is now. Since 1946, the United States has poured close to \$8 billion into Latin America—with more than \$2 billion going into Brazil alone. In fiscal year 1963, Latin America was the recipient of more than \$1 billion, with Brazil's share amounting to more than \$172 million. What do we have to show for it? Not very much, it would be safe to say.

If Latin America does not wish to help itself, should we continue to throw away our taxpayers' money? I do not advocate the elimination of aid, but we must recognize our responsibilities to the American taxpayer by obtaining some results. To date, there has been little evidence of that—nor is there much evidence that Brazil, and most other countries in this area, plan to take concrete action to right the situation.

This is pointed up in the last paragraph of the article. A noted Brazilian economist is quoted as saying:

This inflation is ruinous. But we don't want to stop it, of course. What we must do is cut it down to a healthy 20 percent per year.

I would suggest that economic stability can only start at home, and until Brazilians and other countries accept this, our money aid will do little to correct the situation.

I ask unanimous consent that two articles, one entitled "Inflation Eats Away at Brazil's Economy, Undermines Other Latin American Lands," and one entitled "Another Bad Year Is Likely for United States in Latin America," be printed in the RECORD.

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

#### [From the Wall Street Journal, Jan. 16, 1964] INFLATION EATS AWAY AT BRAZIL'S ECONOMY, UNDERMINES OTHER LATIN AMERICAN LANDS (By Henry Gemmill)

WASHINGTON.—Tom Mann has already discovered in Panama that the challenges he faces as President Johnson's chosen czar for Latin America are topped off not by the noble new uplifting efforts of the Alliance for Progress but by nagging old problems.

On the isthmus, he sees smoldering fires of nationalism bursting into fierce flame. If he has time to look farther south, he can sight the destructive power of another old Latin bugaboo: Inflation.

It's running riot in Argentina and Chile; an outbreak threatens in Colombia. Worst of all, the biggest and most destructive inflation is in the biggest and most important nation, Brazil. If the Assistant Secretary of State can figure how to halt it, he'll deserve a diplomatic blue ribbon—for achieving a