

1964

be provided in this hearing record by expert witnesses. Hopefully the subcommittee can hear from the Secretary of Labor on this point.

Two existing studies by the Office of Manpower, Automation and Training are most relevant. I submit these studies for the record, Mr. Chairman, and suggest they would be useful material for all of us.

An able member of the Judiciary Committee, the distinguished senior Senator from Hawaii, HIRAM FONG, also has concerned himself with the economics of immigration. His eloquent and well documented remarks in the Senate last August were a distinct service to factually presenting the national economic values of immigration reform.

#### 5. TO PROVIDE A CONTINUING AND FLEXIBLE AUTHORITY FOR THE ADMISSION OF REFUGEES

All over the world people are on the move—fleeing oppression and tyranny. The steady trickle of escapees into Western Europe, the flight of Chinese into Hong Kong, and the Jewish exodus from north Africa, all of these, immediately come to mind. These are examples of the need for a continuing and flexible authority for the annual admission of reasonable numbers of the world's homeless refugee.

A continuing authority to admit refugees would provide a needed instrument of our foreign policy, and be a true reflection of all America's concern for the homeless and oppressed.

Just a note on the Cuban refugees in this country: Their presence here is a new experience for America. It is the first time America is a country of first asylum for such a large group of refugees. The usual concerns associated with a sudden and abnormal influx of new people have not materialized. The successful resettlement program for Cuban refugees demonstrates the Nation's capacity to absorb new arrivals—even under emotionally charged and trying circumstances. This is an experience that clearly speaks for greater flexibility in planning our policy for admission of refugees.

There are very sound moral and national interest reasons to abolish our national origins immigration policy.

The sponsors of immigration policy reform, and citizens throughout the country, seek a law speaking the spirit of welcome that is American history.

We seek a law which treats the people of all nations as worthy individuals in the family of man.

We seek a law which reflects our belief in the importance of family unity—especially for those hundreds of American citizens and residents now separated from parents and children.

We seek a law to facilitate the entry of special skill immigrants in the interest of national development and growth.

We seek a law which provides a continuing and flexible authority for the admission of refugees from tyranny and oppression.

We seek a law which enhances our Nation's standing with the rest of the world.

#### REFORM CHANNELS

Mr. Chairman, both of the bills you and Senator KEATING and others in Congress have proposed would accomplish the objectives set forth in this statement. They do offer alternative methods of achieving the abolition of the present national origins system of selecting immigrants and for setting new priorities.

Considerable time has elapsed since the introduction of these bills. During this period I have rather concluded that the long-term best interests of our country would be served by enactment of S. 1932, the bill carrying out the legislative recommendations in the President's immigration message to Congress last year.

I would like to offer for the record a section-by-section analysis of that bill. Briefly, the bill reduces each of the present

national quotas by 20 percent a year until they are erased, thus releasing quota numbers to a pool to be distributed on a new priority basis.

First admitted will be immigrants with skills and talents urgently needed in this country. Second priority goes to relatives of American citizens and residents. Parents of American citizens are afforded nonquota status.

Natives of no one country can take more than 10 percent of all quota numbers authorized in any year.

By Presidential action 20 percent of the annual pool numbers can be reserved for the benefit of refugees.

S. 1932 provides for a commission of seven members to advise on the reservation of quota numbers, and envisages close cooperation between Congress and the executive branch.

S. 1932 does not seek to admit significantly larger numbers of immigrants than actually have come to America in recent years. The primary objective is changing the method of selecting new arrivals.

S. 1932 does not eliminate the health, literacy, security, and public charge screening that each prospective immigrant must pass.

Reports of study commissions are usually laid aside, especially after the interval of 10 years. But today, more than ever, the historic 1953 report of President Truman's Commission on Immigration and Naturalization—"Whom We Shall Welcome"—is valuable for this deliberation. The report's guidelines and recommendations for a rational method of selecting immigrants are relevant to our needs today. They have a direct bearing on the proposed bill, S. 1932. Members of Congress and the public at large will find it a useful and stimulating document.

In closing we should remember a statement from President Truman's veto message to the Congress on the act of 1952. "I am sure," he said, "that with a little more time and a little more discussion in this country, the public conscience and the good sense of the American people will assert themselves and we shall be in a position to enact an immigration and naturalization policy that will be fair to all."

President Eisenhower has spoken similarly. President Kennedy and President Johnson have set us on the road to reform.

I urge this committee to report favorably a bill that meets the objectives 36 Members of the Senate have already endorsed in their sponsorship of the bills before you.

I believe the Congress can this year enact an immigration statute which speaks a welcome to the immigrant in the spirit of brotherhood and justice and, as President Johnson put it so understandably, as a nation of immigrants we have every right to ask one seeking admission to our country, "What can you do for the country?"

But I would like to see the fellow get up here to defend the present question which is addressed to the applicant, "Where were you born?" That just does not add up, and if any American would take a minute to think about it he would agree, and I know that these hearings will be enormously helpful in persuading every American that he really ought to take the time to think about this. Some place down the line some predecessor of his did knock at the door. Some of them turned out bad and some of them have turned out good. But, on balance, we became a great nation. But we are not so great that we should ever think that there are not peoples in remote corners whose names we cannot pronounce, who perhaps do not know their own parents, who could not contribute enormously to this society; and time runs out on us in this area as it does in so many others.

It is not an easy area for a politician to operate in. The hard truth is, I suspect, that

it is bad politics in the short haul, because even though those who have relatives overseas are nonetheless gunshy of a discussion that might open the door to somebody to displace him from his own job.

As I suggest, there is an answer to this, too. But those of us in the Congress with the responsibility to act are charged with the responsibility to act in areas that are politically unprofitable as well as those that are politically profitable, and so long as we are permitted to be here, the obligation is heavy on each of us, I think, to step up and adjust this immigration law.

I appreciate very much this opportunity to be heard.

#### RECESS UNTIL 2 O'CLOCK

Mr. KUCHEL. Mr. President, I move that the Senate stand in recess until 2 o'clock p.m.

The motion was agreed to; and at 1 o'clock and 19 minutes p.m., the Senate took a recess until 2 o'clock p.m. the same day.

At 2 o'clock p.m., on the expiration of the recess, the Senate reconvened, when called to order by the Presiding Officer (Mr. KUCHEL in the chair).

Mr. MILLER. Mr. President—  
The PRESIDING OFFICER. The Chair recognizes the Senator from Iowa as acting leader of the minority. How much time does he yield to himself?

Mr. MILLER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. There are 65 minutes remaining under the control of the minority, and 55 minutes under the control of the majority.

Mr. MILLER. Mr. President, a parliamentary inquiry.

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

Mr. MILLER. Is the Senate operating under a consent agreement requiring germaneness?

The PRESIDING OFFICER. The Chair is unaware of any rule of germaneness which would restrict the Senator's remarks to a relevant subject.

Mr. MILLER. Mr. President, I yield myself 5 minutes from the time under the control of the minority leader, and 5 minutes from the time under the control of the majority leader.

Mr. BYRD of West Virginia. Mr. President, I wish to suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from West Virginia, for the purpose of suggesting the absence of a quorum?

Mr. MILLER. Yes.

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

#### FOOD-FOR-PEACE PROGRAM

Mr. MILLER. Mr. President, sometime during this second session of the

January 23

88th Congress, we shall be weighing the advisability of extending legislation to authorize Federal funds for Public Law 480—better known as the food-for-peace program—beyond the expiration date of December 31. It will be an issue fraught with controversy, prompted by continued evidence of either mismanagement or misguided policies. I hopefully suggest that Congress will receive a full accounting of the more than \$10 billion of food and other farm products either donated or sold to foreign countries since the program's inception.

All of us are familiar with the news reports dwelling on the diversion of nearly \$30 million in feed grains to Austria; the unexplained loss of \$100 million in grains scheduled for Colombia, Turkey, and Vietnam; the purchase of \$70 million in salad oil and shortening—mainly soybean oil—which was shipped in faulty containers and was permitted to turn rancid in various warehouses around the world. Clear-cut explanations should be provided Congress.

But, Mr. President, we should also be furnished answers to another question: How frequently are our food-for-peace policies being dictated by purely political reasons?

The basic reason for this question is a somewhat startling article which appeared in the New York Times of January 19. It relates how the United States has approved the granting of credit—through diversion of proceeds from surplus wheat sales—to a New Orleans developer in Paraguay. The developer, identified as Jim McRoberts, intends to establish a large cattle ranch with the credit of \$750,000. The report indicated that the ranch is to be the site of a new colony of 75 American settlers.

The arrival of the colonists reportedly surprised both American Embassy and Aid for International Development officials in Paraguay. But this apparently has not been the only surprise for them.

Let me quote pertinent passages from the Times article:

Although officials of the U.S. Embassy and the Agency for International Development here are maintaining silence on the assistance to Mr. McRoberts' ranch project, reliable sources say that they flatly opposed the loan. They were overruled by Washington.

One U.S. official in Asunción summed up the granting of credit to Mr. McRoberts' project as "strange and discouraging."

Judging by the comments of U.S. citizens here, it is evident that they feel some political pressure was brought to bear to influence Washington's decision on credit to Mr. McRoberts.

The loans require the borrower to meet a number of requirements before credits are advanced. But U.S. officials who are skeptical or disapprove of the loan say far better use could have been made of the money in helping Paraguay, which has one of South America's lowest per capita income rates.

Yet the critics are not speaking out because the decision has been made by important Washington officials.

Mr. President, just how will this decision affect us, here in the United States? Mr. McRoberts will raise cattle, which he then could sell to the meat exporting companies which ship beef to the United States. And this will become

easier in view of proposals by Washington officials to set up in Paraguay United States-approved facilities to enable increased exports to this country.

With the U.S. producers virtually on the ropes, because of the loss in income stemming in part from unlimited beef and veal imports, we are now setting out to undermine them even more.

Just who are the "important" Washington officials who overrode our representatives in Paraguay? Are there similar cases, of which we are not aware?

I believe this latest development in our food-for-peace program requires investigation. The questions must be answered to the complete satisfaction of every Member of Congress.

I ask unanimous consent that the article, entitled "Paraguay Colony Stirrs Complaints," be printed in the Record.

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

**PARAGUAY COLONY STIRRS COMPLAINTS—SECT MOVED FROM TEXAS TO U.S.-AIDED RANCH SITE**

ASUNCIÓN, PARAGUAY.—A controversial project in northern Paraguay aided by the U.S. Government has turned out to be the site for a new colony of 75 American settlers.

The group, consisting of 15 families, was flown in from Texas a few weeks ago. Their belongings are en route by ship.

U.S. sources here describe the settlers as members of a Protestant sect who frequently have opposed education of their children in public schools.

Jim McRoberts, a developer from New Orleans, brought the rural group to the new property. He intends to develop a large cattle ranch, according to U.S. sources here.

The amount is estimated at about \$750,000, but the credit will be in Paraguayan currency.

Although officials of the U.S. Embassy and the Agency for International Development here are maintaining silence on the assistance to Mr. McRoberts' ranch project, reliable sources say that they flatly opposed the loan. They were overruled by Washington.

**VAST AREA BOUGHT**

Mr. McRoberts, operating as Pan Western Enterprises, has bought hundreds of thousands of acres of potential cattle-grazing land near Puerto Mihanovich, 850 miles up the Paraguay River from Asunción.

He applied for credit under a U.S. program that permits some of the proceeds from surplus wheat sales in Paraguay to be loaned to U.S. enterprises here as a means of helping the economy.

The officials who opposed Mr. McRoberts' plan said they doubted that it would help Paraguay. The arrival of the colonists surprised both Embassy and AID officials.

One U.S. official in Asunción summed up the granting of credit to Mr. McRoberts' project as "strange and discouraging."

Under U.S. Public Law 480, surplus U.S. wheat is sent to Paraguay on a 20-percent grant basis, the remainder being sold by the Paraguayan Government for payment in Paraguayan currency. Some of the proceeds from the sales help pay U.S. Embassy costs, some go toward mutually approved public development projects in Paraguay, and a small percentage is set aside for loans to U.S. companies here.

**POLITICAL PRESSURE SEEN**

Judging by the comments of U.S. citizens here, it is evident that they feel some political pressure was brought to bear to influence Washington's decision on credit to Mr. McRoberts.

Paraguay's most important export is meat

and much of it goes in the form of small cans of beef to the United States.

Under a proposal recently made in the United States, Paraguayan meat exports could be increased considerably. This plan calls for the setting up of U.S.-approved facilities here that would allow Paraguay to send the cooked beef meat in bulk to the United States. At present cooked meat entering the United States has to be recooked there as double protection against hoof-and-mouth disease. The new plan would dispense with the need for recooking, thus permitting tastier meat to reach the consumer and resulting in increased sales.

The principal meat exporters in Paraguay are the International Products Corp., which is U.S. owned, the British Liebig Co., and a Paraguayan company.

Mr. McRoberts, with his own funds and with the U.S. loan, apparently has taken over two vast ranch and grazing properties and intends to raise large herds. Presumably, he could then sell to the meat exporting companies.

The loans require the borrower to meet a number of requirements before credits are advanced. But U.S. officials who are skeptical or disapprove of the loan, say far better use could have been made of the money in helping Paraguay, which has one of South America's lowest per capita income rates.

Yet the critics are not speaking out because the decision has been made by important Washington officials.

Supporters of the project say it could stimulate development of a remote undeveloped area and help Paraguay's beef output.

**CHANGED REGULATIONS IN REGARD TO FOREIGN SHIPS TRADING WITH CUBA**

Mr. MILLER. Mr. President, some serious charges have been leveled at the State Department and the administration by the maritime trades department of the American Federation of Labor and Congress of Industrial Organizations. The charges are deserving of an answer.

According to the New York Times of January 12, Paul Hall, president of the department, has sent to Secretary of State Dean Rusk a telegram of protest relating to "whitewashing effects of recently changed Government regulations on blacklisting foreign ships that trade with Cuba."

The charges, the Times says, were announced in December. They provide "that a vessel that has been chartered for trade with Cuba since January 1, 1963, can be removed from the blacklist if her owner gives assurances that other vessels owned by him and still active in Cuban trade will stop serving the island upon completion of their charters."

Mr. Hall claims that the amendment only serves to "whitewash" vessels previously blacklisted by the Government for trading with Cuba.

The number of ships which could be affected by this relaxation of policy is considerable—196, according to the Times.

I feel that a full explanation of the effects of these changes in regulation should be furnished. With free-world trade with Cuba, as pointed out in the Davenport, Iowa, Daily Times, on January 9, estimated at \$230 million, it has a strong bearing on our policy with other nations still trading with Cuba.

I ask unanimous consent to have printed in the RECORD the articles, "Maritime Labor Hits Cuba Policy" and "United States Fights World Trade With Red Cuba."

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

[From the New York Times, Jan. 12, 1964]  
MARITIME LABOR HITS CUBA POLICY—CHANGE IN U.S. BLACKLISTING RULES FOR SHIPS SCORED

The Maritime Trades Department of the Labor Federation said last week it would try to develop a positive policy next month to deal with the whitewashing effects of recently changed Government regulations on blacklisting foreign ships that trade with Cuba.

Paul Hall, president of the department, said he had sent a telegram of protest to Secretary of State Dean Rusk. The department is a group of 30 international or national unions in the American Federation of Labor and Congress of Industrial Organizations. They have an aggregate membership of 450,000.

The changes, announced in December and known as an amendment to National Security Action No. 220, provide that a vessel that has been chartered for trade with Cuba since January 1, 1963, can be removed from the blacklist if her owner gives assurances that other vessels owned by him and still active in Cuba trade will stop serving the island upon completion of their charters.

Ships that call at Cuban ports are barred from carrying U.S. Government-financed cargoes.

#### WHITEWASH IS CHARGED

According to the latest Government data, a total of 196 vessels aggregating 1,517,287 gross tons have called at Cuban ports since January 1, 1963. The fleet includes 59 British 53 Greek, and 41 Lebanese vessels.

In his telegram to the Secretary of State, Mr. Hall noted that the amendment tended to whitewash vessels previously blacklisted by the Government for trading with Cuba.

Mr. Hall charged that the amendment had been adopted not to protect U.S. interest, but that it represented State Department responsiveness to pressures by foreign-flag operators.

It was a coincidence, Mr. Hall observed that the blacklisting changes were made at a time when various foreign owners in the dwindling Cuba trade had excess tonnage available to handle U.S. wheat shipments to the Soviet Union.

Under Department of Commerce regulations half of such wheat shipments are reserved to U.S.-flag vessels at prescribed rates, if they are available.

Shipping sources said positive policy threatened by Mr. Hall could take the form of picketing such vessels if they came to U.S. ports. The Seafarers International Union, of which Mr. Hall is president, early in December unsuccessfully picketed a West German vessel that was loading wheat for Hungary.

The picketing was in protest of Government waivers of the 50-50 provisions on commercial grain exports to Iron Curtain nations.

[From the Davenport Times, Jan. 9, 1964]  
UNITED STATES FIGHTS FREE WORLD TRADE WITH RED CUBA

(By Francis Stalley)

The United States is unhappy over growing trade between Spain and Cuba.

As a result, Uncle Sam has been waggling a finger at Spain with increasing vigor in recent weeks.

No. 12—11

Spain has been cautioned that her rapidly expanding economic relations with Fidel Castro's regime could jeopardize foreign aid from the United States.

A U.S. law forbids aid to countries dealing with Cuba, and new regulations recently were issued to discourage non-Communist ship-owners from taking part in trade between Cuba and other countries.

Spain, however, maintains that she has historical and cultural ties with Cuba, and also has a need for trade with Cuba. Spain further contends that good relations with Cuba are necessary in the interests of about 40,000 Spanish citizens now residing in Cuba.

The United States has made no formal protest to Spain but strong pressure has been applied through diplomatic channels.

#### A \$100 MILLION DEAL

The United States has a commitment to finance Spanish development through \$100 million in Export-Import Bank loans during the next several years.

It was included in a September agreement extending for 5 years the 1953 treaty under which American air and naval bases in Spanish territory were authorized.

The United States has long sought to get the non-Communist world to cut down on its dealings with Cuba, and has succeeded to a great extent except in the case of a few nations such as Japan.

Total free world trade with Cuba was estimated at \$1.3 billion in 1959 but has dropped off to less than \$230 million, according to most reliable figures now available.

On the other hand, Cuban trade with the Communist bloc has risen rapidly from virtually nothing to more than \$1 billion a year. The figure includes large supplies of military equipment.

#### JAPANESE TRADE

Figures compiled in mid-1963 by the State Department, Commerce Department, the United Nations and other agencies showed Japan's trade with Cuba in 1962 at \$46.4 million. This compared with \$36.1 million in 1961.

Most of Japan's trade with Cuba consisted of sugar purchases. Japan has been shipping manufactured goods to Cuba, though none of strategic value.

Although Cuban sugar harvests have been poor of late, Castro recently claimed that by 1970 his country will dominate the world market. He asserted that greatly expanded production and low prices will enable Cuba to ruin producers in capitalist countries.

A few days ago Castro announced that Cuba has made heavy purchases of Russian mechanical equipment for use in harvesting the sugar cane crop.

Surprisingly enough, the latest figures show that the second largest non-Communist trader with Cuba is Morocco. This trade was said to have increased from \$9.7 million in 1961 to \$28 million in 1962.

#### BRITAIN THIRD

Britain followed as third, but the figure dropped off from \$28 to \$27 million.

Other countries in order were, with figures for 1961 and 1962 respectively, as follows, with figures in millions:

Egypt, \$20 and \$22; Canada, \$35 and \$12; Netherlands, \$15 and \$11.5; West Germany, \$14 and \$11.5; Chile, \$15.7 and \$10.5; Spain, \$13.6 and \$10 (this was before the recent increase in trade); Tunisia, \$2 and \$8.5; Greece, \$3.4 and \$6.7; Sweden, \$2 and \$4.6; Finland, \$1.7 and \$4.5; France, \$6 and \$4; Syria, \$5 and \$3.6; Switzerland, \$3.9 and \$3.6, and Norway, \$2.5 and \$2.8.

Others dealing with Cuba include India, Belgium, Yugoslavia, Ceylon, Uruguay, Italy, Brazil, and Mexico. Their trade was reported at less than \$3 million each, and in nearly

all cases represented a drop over previous figures.

Mr. MILLER. Mr. President, apropos of the articles which I have just placed in the RECORD, I ask unanimous consent that the lead editorial published in the Detroit Free Press on January 11, 1964, entitled "Europe Knocks Down Our Wall Around Cuba," be printed in the RECORD.

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

#### EUROPE KNOCKS DOWN OUR WALL AROUND CUBA

One of President Johnson's most delicate tasks seems likely to be conducting a retreat from our economic blockade of Cuba without appearing to do so.

Last week's sale by Britain of \$12 million worth of buses and spare parts to Cuba puts a strong spotlight on the dilemma confronting him.

It came to a head recently when the transport ministers of 10 European countries met to denounce the blockade as interference. More than that, they urged the owners of vessels under their flags to pay no attention to a U.S. Maritime Commission demand, and invited Japan to make common cause with them.

Britain went even further. It gave British vessel owners formal instructions to disregard the Commission's demand. Also, the issue has been up in Parliament and is expected to be on Prime Minister Douglas-Home's agenda when he confers with President Johnson.

What the Commission wants is a full disclosure on vessel movements to Cuba. It would be used to enforce an edict barring from U.S. ports all the ships of any owner who has let so much as one of them take proscribed cargo to Cuba.

Should Japan join the 10 European nations in refusing to go along with the Maritime Commission, three-fourths of the world's merchant tonnage would be involved.

Conceivably, as time went on, we could find ourselves in grave straits as to foreign commerce. The goings and comings of ocean vessels might be so reduced as to leave us insufferably isolated from world trade.

What we're up against is the hard fact that on the other side of the Atlantic there is not the feeling against doing business with Communists which exists in this country.

Another hard fact is that the farther one is from danger, the less ominous it looks. Hence Europe is much less apprehensive than we over the spread of Castroism in Latin America.

Moreover, it can be pointed out that we're hardly consistent when it comes to checking the spread of Communist influence. Indonesia's President Sukarno is decidedly Red oriented, and the Soviet has endowed him with a splendid arsenal of modern weapons. Yet the United States lent a strong helping hand when he ousted the Dutch from Western New Guinea.

Nor do the Europeans see a difference in the Maritime Commission's banning of ships that have visited Cuba and the Arab nations' refusal to let a vessel dock if it has touched at an Israel port—and around Washington nobody but Arab diplomats speak highly of that policy.

So there we are. We can fall back on the Monroe Doctrine, using the ground that Cuba is really a Soviet outpost in the Western Hemisphere. But the Monroe Doctrine isn't a treaty. It is simply a statement of U.S. intent and no European power is obligated to abide by it.

Thus the only way we can enforce it is to begin shooting or think up some sort of reprisals that could be invoked. The first

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 Hammarskjöld 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 expense of keeping the peace in the Congo and in the Near East. If this policy persists, and the U.S.S.R. will lose its vote in the Assembly and critically weaken the U.N. as an adjuster 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 4½ 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 Munn, 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.