

Young], and the Senator from Pennsylvania [Mr. CLARK] would each vote "yea."

On this vote, the Senator from Washington [Mr. JACKSON] is paired with the Senator from Louisiana [Mr. LONG].

If present and voting, the Senator from Louisiana would vote "nay" and the Senator from Washington would vote "yea."

Mr. CARLSON. I announce that the Senator from Kansas [Mr. PEARSON] and the Senator from Pennsylvania [Mr. SCOTT] are necessarily absent.

The Senator from New York [Mr. JAVITS] is absent on official business.

The Senator from Arizona [Mr. GOLDWATER] is detained on official business.

If present and voting, the Senator from Arizona [Mr. GOLDWATER], the Senator from New York [Mr. JAVITS], the Senator from Kansas [Mr. PEARSON], and the Senator from Pennsylvania [Mr. SCOTT] would each vote "yea."

The Senator from Illinois [Mr. DIRKSEN], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from California [Mr. KUCHEL], and the Senator from Massachusetts [Mr. SALTONSTALL] are detained on official business at the White House.

The result was announced—yeas 60, nays 18, as follows:

[No. 528 Leg.]

YEAS—60

Allott	Gruening	Morton
Bartlett	Hart	Mundt
Bayh	Hartke	Muskie
Beall	Holland	Nelson
Bennett	Hruska	Neuberger
Bible	Humphrey	Pastore
Boggs	Inouye	Prouty
Brewster	Jordan, Idaho	Proxmire
Byrd, W. Va.	Keating	Randolph
Carlson	Lausche	Ribicoff
Case	Long, Mo.	Sailinger
Church	McCarthy	Stennis
Cooper	McGee	Symington
Cotton	McGovern	Talmadge
Curtis	McIntyre	Thurmond
Dodd	McNamara	Tower
Dominick	Mechem	Walters
Douglas	Metcalf	Williams, Del.
Eastland	Miller	Yarborough
Fong	Monroney	Young, N. Dak.

NAYS—18

Aiken	Johnston	Pell
Ellender	Jordan, N.C.	Russell
Ervin	Magnuson	Simpson
Fulbright	Mansfield	Smathers
Hayden	McClellan	Smith
Hill	Morse	Sparkman

NOT VOTING—22

Anderson	Gore	Pearson
Burdick	Hickenlooper	Robertson
Byrd, Va.	Jackson	Saltonstall
Cannon	Javits	Scott
Clark	Kennedy	Williams, N.J.
Dirksen	Kuchel	Young, Ohio
Edmondson	Long, La.	
Goldwater	Moss	

So Mr. HART's amendment was agreed to.

Mr. HART. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. KEATING. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

Mr. MORSE. Mr. President, I wish to make a statement in explanation of my vote against the Hart amendment,

which amendment was just adopted by the Senate. I was called from the Chamber when the chairman of the Foreign Relations Committee [Mr. FULBRIGHT] made his statement in regard to this particular amendment.

I had planned to vote for the amendment. I believe that we should do what we can to provide appropriate care for the graves of Polish veterans of World War II in Italy.

Inasmuch as I was absent from the Chamber, and did not get back until the vote had started, I therefore could not ask any questions.

I was advised that the chairman of the Foreign Relations Committee had said that there are no excess funds in Italy.

I hold his statement in my hand, in which he states, in part:

First, no testimony was presented during the hearing phase which would have clarified the arguments for this proposal and its further implications; second, the foreign currencies referred to obviously would be Italian lire, which are not in "excess" supply. In connection with the second point, a successful effort to implement this authority could take place only if dollars were appropriated with which to buy lire.

While the vote was being taken, I asked certain questions of my colleagues on the Committee on Foreign Relations. They said there are not any excess Italian funds, that we do not have a storage supply of Italian so-called counterpart funds, as we have with so many other countries of the world. Therefore I decided that I could not vote for what I considered to be an empty gesture.

It is my own personal opinion that my constituents are entitled to know my reasons for the vote. I could not vote for an amendment, although I am for the purpose of the amendment, when at the time of the vote I was voting funds which were nonexistent.

I believe that raises false hopes. If they state in the bill that they wish to make an appropriation to pay for perpetual care for Polish graves in a cemetery in Italy, I believe I would support that bill.

I voted against this because in my judgment I thought it was asking me to vote for something when, in fact, the funds that are supposed to be used to accomplish the purpose are nonexistent. The Senator from Oregon does not hold for that kind of legislation.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, communicated to the Senate the intelligence of the death of Hon. JOHN B. BENNETT, late a Representative from the State of Michigan, and transmitted the resolutions of the House thereon.

#### DEATH OF JOHN B. BENNETT, A REPRESENTATIVE FROM THE STATE OF MICHIGAN

Mr. HART. Mr. President, we have just been advised of the death of the senior member of the Michigan delega-

tion, Representative JOHN B. BENNETT.

I am sure that there will be time for those of us who knew him well to express more fully and adequately our deep regret at his passing.

While I am in the Chamber, I assure the family of Representative BENNETT of the great sense of loss that each Senator feels. Whatever political differences there may have been, in everything that Representative BENNETT did, he always sought to do that which would advance the best interests of his country.

The PRESIDING OFFICER. The Chair lays before the Senate a resolution from the House of Representatives, which the clerk will read.

The Chief Clerk read as follows:

*Resolved*, That the House has heard with profound sorrow of the death of the Honorable JOHN B. BENNETT, a Representative from the State of Michigan.

*Resolved*, That a committee of fifty-four Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

*Resolved*, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

*Resolved*, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

*Resolved*, That as a further mark of respect, the House do now adjourn.

Mr. HART. Mr. President, I send to the desk a resolution and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the resolution submitted by the Senator from Michigan.

The Chief Clerk read the resolution (S. Res. 349) submitted for himself and Mr. McNAMARA, as follows:

*Resolved*, That the Senate has heard with profound sorrow the announcement of the death of Hon. JOHN B. BENNETT, late a Representative from the State of Michigan.

*Resolved*, That a committee of two Senators be appointed by the Presiding Officer to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

*Resolved*, That the Secretary communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased.

The resolution was considered by unanimous consent, and unanimously agreed to.

The PRESIDING OFFICER. The Chair appoints the two Senators from Michigan [Mr. McNAMARA and Mr. HART] to accompany the committee from the House to attend the funeral of the late Representative BENNETT.

#### AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (H.R. 11380) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

Mr. PROXMIRE. Mr. President, I call up my amendment No. 1207 and ask unanimous consent that the amendment

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be not read, but printed in the Record at this point.

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

Mr. PROXMIRE. Mr. President, I have modified my amendment on page 2, line 2, following the word "affiliates," deleting the remaining of the language on line 2.

The PRESIDING OFFICER. The Senator has the right to modify his amendment.

The amendment, as modified, was ordered to be printed in the Record, as follows:

On page 10, between lines 12 and 13, insert the following:

"(b) Amend section 604(b), which relates to maximum prices for commodities procured under the Act, by inserting '(1)' after the word 'than' and by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: 'or (2) in the case of petroleum or petroleum products, the price generally charged by the supplier in comparable export sales from the source country at the time of purchase. Clause (2) of the foregoing sentence shall not apply to the purchase price in sales under formal competitive bid procedures. The term "comparable export sales" as used in such clause shall not include sales to affiliates.'"

"(b) Amend section 604, which relates to procurement, by adding the following new subsection (e):

"(e) None of the funds made available under this Act shall be used to pay any barter agent's commission or other servicing charges or disposal fees in any case in which commodities or defense articles furnished to a recipient country are procured through the barter of other commodities or articles, and any such commission, charge, or fee shall be paid by the supplier of the commodities or defense articles so furnished or the recipient country."

Redesignate subsections (b) to (f) as (c) to (g), respectively.

Mr. PROXMIRE. Mr. President, AID is consistently paying prices for oil which is far in excess of existing market prices. My amendment would require AID or recipient countries using AID funds to purchase oil at competitive market prices rather than artificially higher prices.

## NO QUESTION OF BUY AMERICA

These amendments do not involve the so-called buy America policy. The question of where products are purchased, or the ownership of the companies from which products are purchased, is not raised. The only purpose of my amendments are to see that, wherever or from whomever are bought, we receive the maximum value for the expenditure.

What's wrong with that? Who can object to insuring that we get value received for our money? Certainly not the countries receiving aid, since they will receive the same amount of final goods whether high prices or low prices are paid.

The purpose of foreign aid is not to provide dollars but to provide physical goods that can be actually used in the recipient country.

In effect, they provide AID with more real assistance at no cost to the taxpayer since the Agency will be able to

purchase more products with the same amount of funds. The first part of my amendment, moreover, is based verbatim on a proposed regulation issued by the Agency. The reason I am proposing my amendment is simply that AID has not seen fit to issue the regulation in final form and I believe a matter of this importance should be in law rather than in regulation.

## THE PRICES PAID BY AID

For the past decade, AID petroleum procurements have amounted to over \$100 million a year. Virtually all of these purchases, incidentally, have been from overseas sources and over 50 percent from foreign-owned companies. Thus, there has been a major drain on our balance of payments from these purchases alone.

Now, at what prices was this oil purchased? About 2 percent of the purchases were for lubes and greases. These were purchased from U.S. firms, from independent producers, and at competitive prices. All the rest—98 percent or more than \$100 million—was purchased from seven international companies and all was purchased at posted prices which are 20 to 35 percent over world prices. That means a \$20 to \$35 million of American taxpayers' money spent wastefully.

How can such artificial prices be established? The seven international companies have affiliated operations throughout the world. The companies can set virtually any prices they wish on the in-the-house transactions among their own affiliates. Their normal policy is to establish artificially high prices in the producing countries so that profits can be retained in these countries where taxes are low.

To make that as clear as I can, where taxes are low in a producing country of one of the seven companies, the company sets artificially high prices—20, 30, or even 40 percent higher than competitive market prices. No one except AID and the affiliates of the company will pay those prices. The affiliate pays the price because the profit would go into the same overall holding company. And if taxes are lower in the producing country the overall taxes of the corporation would be less and profits higher. It makes sense for the corporation to handle its bookkeeping in this profitmaking way. But it makes no sense for AID to pay a price that is higher and in most cases much higher than the world price.

Aside from affiliates, virtually no one pays these posted prices except AID or countries receiving AID funds. In these cases, AID essentially insists upon purchases at posted prices. The result of this policy is either that countries which we judge require oil obtain 20 to 30 percent less than they need or the U.S. taxpayers pay 20 to 30 percent more than is necessary so that seven international oil companies can benefit.

What is the justification given by AID for such a policy? The only answer is that these are the "normal channels of trade." Yet they obviously are not. What private firm would pay a high price for a product when it can be obtained at

a lower price? Competitive world prices exist and are used by private buyers. Our own Defense Department also consistently pays competitive world prices and refuses to pay posted prices at present and it works effectively. Clearly, AID should indicate to countries receiving aid that they should buy at the lowest prices available. This procedure is exactly what my first amendment would require.

## BROKER COSTS PAID BY AID

There are other examples of how AID purchases at excessively high prices. One of the ways in which petroleum products are purchased by foreign countries with AID funds is through barter. Thus, funds are provided which are used to purchase agricultural surpluses which are in turn exchanged for other commodities, such as oil and gas. These transactions still involve posted prices and therefore a loss to the American taxpayer. In one case alone, in 6 months, barter arrangements with the Government of Tunisia cost an additional \$4 million because posted prices rather than competitive prices were used.

But even more is involved. According to rules issued in connection with these barter arrangements, "No barter agent's commission may be paid by the suppliers of petroleum products." This is an incredible provision for the benefit of one industry. Suppliers of all products customarily pay the servicing charges and disposal fees associated with their sales. These are normal costs to a seller of selling his products. Why should the normal business procedures be completely overturned by a Government order leading to additional Federal expenditures for the benefit of one industry?

From July 1, 1949, through March 31, 1963, over \$1½ billion of barter transactions were consummated all without the Commodity Credit Corporation subsidizing the barter contractor in the form of a "disposal fee" payment.

It was not until August of 1963 that procedures of this type were set up within the framework of the barter regulations, and the general recommendations from Agriculture at that time indicated that these subsidies should be paid only if absolutely necessary.

There have only been about \$200 million worth of barter contracts from August 1963 until now that could have been incorporated under these new regulations.

When AID finances barter transactions involving oil, AID insists the oil suppliers should not pay brokerage or selling cost ranging from 2½ percent to 3 percent gross. This means the taxpayer pays the broker's fee.

## PAYMENTS OF COSTS IN EXTREME CASES

For example, a foreign country such as Turkey obtains AID funds for the purchase of agricultural products. Turkey trades these agricultural goods with a foreign-owned oil company such as Royal Dutch Shell and AID will pay the brokerage fees. This has actually happened on several occasions.

This peculiar treatment has obviously set a precedent. Other producers will

now be coming to AID and asking for the same type of "service" that the Agency is providing to oil companies. If we do not stop this practice now, the first thing we know AID may pay other operating costs of companies—domestic and foreign—which sell products to foreign governments. Do we really want such a policy? I think not, the other part of my amendment simply requires that AID not pay these business costs.

A July 1963 article in *Petroleum Intelligence Weekly* report that:

Whatever price "stability or rigidity" may have existed in international oil is a thing of the past.

As a result of rapidly changing conditions in the last 5 years, says Howard W. Page, Standard Oil of New Jersey director and vice president.

Page made this comment in challenging a university professor's description of the international oil industry as an oligopoly. Their remarks were made at a meeting of the Princeton University conference, the proceedings of which were made public by Princeton this weekend.

Page cited these examples of competition today: "Actual" sales prices for Persian, Gulf crude have fallen 45 cents a barrel for the heaviest grades to "as much as 65 cents" for the lightest crudes since the 1957-58 peak. Page observed:

In considering crude oil prices, it is important to distinguish clearly between posted prices and actual prices. Posted prices are used to determine government revenue in middle Europe. There is sometimes a tendency to equate posted prices with the actual market. Unfortunately, this is no longer the case, and rigidity in posted prices should not be taken to imply rigidity in actual prices for crude oil and in realization from the ultimate sale of products.

In a December 1963 article in *Petroleum Intelligence*, it is reported that:

The indicated discount (i.e., from posted to actual) on the Texaco sale (to the Tunisian Government); an eye-opening discount of 37 to 42 cents a barrel. (At the approximate time, the posted price was \$1.80.) And also that a discount to Morocco by Texaco of 47 cents a barrel, when the posted price was \$2.17.

In these cases the buyers were other governments. They were not using AID funds. What did they pay? Not posted prices, but competitive prices.

#### SUMMARY

Mr. President, I wish in conclusion to indicate exactly the types of abuses that I am concerned about in our AID program and the types of changes that will be made by my amendments.

First, AID is paying rigged prices for oil that are far above, sometimes 20 to 35 percent above, the prices that any business would pay for the same products. This is because AID, and it alone, is willing to pay prices that are set by companies simply for their own in-the-house transactions that have no relationship to the marketplace.

Second, The first part of my amendment would simply require AID to buy oil at market prices established in com-

petitive markets. Such competitive procedures would permit independent producers to bid on these sales and obtain the type of competitive markets for which the United States should be known. This first amendment follows the line of a proposed regulation by AID which the agency has never seen fit to make final.

Third, In some cases, AID is obligating our Government to pay broker's fees for oil which sellers normally pay and which have already included in the prices charged to AID.

Fourth, The second part of my amendment simply makes it clear that our Government should not pay these brokerage fees. In this way, we will eliminate a precedent by which all sellers to AID could insist upon payment of some of their costs. At present, we are even paying these costs in some cases where the United States is not even a participant in the transactions.

Fifth, Mr. President, the United States has been known for its freely competitive marketplace. For the one agency that deals most with foreign nations, it would seem sensible that, as my amendments provide, our Government operates as a prudent trader in the marketplace and pays only prices established by competitive practices.

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

Mr. PROXMIRE. I yield.

Mr. SPARKMAN. Mr. President, this amendment has been discussed with the Senator from Wisconsin [Mr. PROXMIRE], and with the chairman of the committee [Mr. FULBRIGHT]. It is my understanding that the Senator from Arkansas expressed a willingness to accept the amendment.

Mr. PROXMIRE. Mr. President, I thank the distinguished Senator. I press my amendment to a vote.

The PRESIDING OFFICER (Mr. WALTERS in the chair). The question is on agreeing to the amendment, as modified, offered by the Senator from Wisconsin [Mr. PROXMIRE].

The amendment, as modified, was agreed to.

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

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

Mr. MILLER. Mr. President, I call up my amendment No. 1183 and ask that it be stated.

The PRESIDING OFFICER. The amendment of the Senator from Iowa will be stated.

The CHIEF CLERK. On page 12, line 23, it is proposed to add the following new subsection:

(g) In order to encourage preservation of the financial solvency of the United Nations which is being threatened by the failure of some member nations to pay currently their

assessments and/or contributions to the United Nations, no assistance shall be furnished under the provisions of this Act, to the government of any nation which is more than one year in arrears in its payment of any assessment by the United Nations for its regular budget or for peace and security operations, unless a report is first furnished by the President to the Committee on Foreign Relations of the Senate and to the Speaker of the House of Representatives setting forth his determination that such assistance should nevertheless be furnished, accompanied by the reasons for such determination, including the assurance, if any, given by the government concerned of paying (independently of such assistance) all such arrearages and placing its payments of such assessments on a current basis, or an explanation of the unusual and exceptional circumstances which make it economically incapable of giving such assurance.

Mr. MILLER. Mr. President, the cold war demands on the world make it imperative that we reorient our foreign aid policies. It should be impressed upon various countries that they must do their share in making this world a better place in which to live.

The United Nations, a world organization designed to bring the peoples of the world closer together, has actually in some ways, drawn us farther apart.

One reason for this is that some nations treat the organization as merely a global forum to air their interests. They want that forum, in fact, need that forum, but they do not concern themselves with maintaining it. They have adopted as their motto—"let Uncle Sam do it." But they are the first to spring to the forefront in theatrical breast-beating if the United States does something which displeases them.

The United States must be put on record that it is displeased with the attitude of those nations which derive the benefits but ignore their share of the costs of operating the United Nations.

This is the purpose of my amendment. It would deny to those nations more than 1 year in arrears on their U.N. dues and assessments the opportunity to receive our foreign aid. We would be saying to them, "Either do your fair share to support the United Nations or that share of our taxpayer's dollar which was scheduled for you will go elsewhere to those nations which are concerned with the welfare of the world, as expressed through their support the United Nations."

My amendment would encourage the preservation of the financial solvency of the United Nations. Its very existence is being threatened by the failure of many nations to pay their just dues and assessments—all scaled, I might add, on the basis of relative ability.

Efforts have been and are being made to submerge the degree and extent of irresponsibility of these delinquent countries. Such is the result, if not the purpose, behind the recent change by the U.N. Secretariat in its method of reporting on arrearages. Instead of listing delinquencies on a year-by-year basis, they are now being lumped together. So, unless one is willing to make a detailed examination of previous reports—De-

ember 31, 1963, and before—it is difficult to ascertain how long and how much each country is in arrears for particular years. Not too many newsmen have the time to make a country-by-country analysis of the arrearages.

One State Department official said, when queried as to the reasons behind this change, "It is a face-saving device, making it difficult to find out who pays precisely what."

But the financial crisis of the United Nations cannot be hidden. One cannot ignore the fact that total United Nations arrearages, as of June 30, 1964, came to a staggering total of \$123 million.

And 51 nations which received assistance, in one form or another, from the United States in fiscal year 1963 cannot avoid their responsibility for creating this situation. Some are delinquent for the year 1963 only, but 41 nations have dues and assessments outstanding not only for 1963 but for 1962, and in many cases, before.

These 41 are the countries which would be, and should be, affected by my amendment.

These are the countries which received more than \$1,600 million in aid from the United States in fiscal year 1963.

These are the countries which are behind close to \$48 million in United Nations dues and assessments for all years.

These are the countries which owe close to \$38 million in unpaid dues for the years 1962 and before.

These are the nations whose receipts from our foreign aid in 1 year alone totaled many times the amount of their delinquencies in the United Nations.

My amendment provides that no assistance shall be furnished under the provisions of this act to the government of any nation which is more than 1 year in arrears in its payment of any assessment of the United Nations for its regular budget or for peacekeeping and security operations.

However, the President is given authority to make exceptions.

If he provides a report to the Committee on Foreign Relations of the Senate and to the Speaker of the House of Representatives, setting forth his determination that such foreign aid should nevertheless be furnished—accompanied by specific reasons—the delinquent nation can receive our aid.

The President's report must also indicate what assurances have been given by the recipient government of paying all its arrearages and placing its payments on a current basis, or set forth a statement of the unusual and exceptional circumstances which make its economically incapable of giving such assurance.

I believe my amendment, if included as a part of this bill, would result in many countries becoming more aware of the necessity for preserving the financial integrity of the United Nations.

If it is necessary to give these nations some shock treatment, it must be done. It is only fair to our taxpayers, who are paying for foreign aid, to do so. And if we do not do it, we may awaken one

day and find that the peace of the world, as reflected in the United Nations, is no more, because the United Nations has gone out of existence due to financial bankruptcy.

On each Senator's desk are some statistics which I believe have a timely bearing on this amendment. The first table lists 52 countries to which we have furnished assistance from fiscal year 1946 through fiscal year 1963, which are delinquent in one or more other assessments by the United Nations.

Of these 52 countries, 51 actually received some type of assistance from the United States in fiscal year 1963. Moreover, of these 51, 41 would be affected by my amendment, inasmuch as the 41 countries are more than 1 year delinquent.

The sources set forth are from the United Nations Secretariat.

On the next chart is a breakdown of the types of delinquency that exist in the United Nations. For example, 26 nations are delinquent in their regular dues. Of those 26, 25 are currently receiving assistance from the United States.

I point out that, of the 26, only Cuba, which is delinquent in its dues account, is not receiving financial assistance from the United States.

Then there is the group that is delinquent in its assessments with respect to the emergency budget. There are 44 of those countries. Of those 44, 43—Cuba being the only exception—are still receiving assistance under our foreign aid programs.

Then there is the Congo ad hoc assessment account. All 52 of the delinquent nations have received assistance from the United States since 1946; 51 are still receiving such assistance, here again Cuba being the only one which is not.

Now for some examples of the delinquencies shown on the next chart. For example, during 1963, Argentina received foreign aid from the United States totaling \$156,500,000. Nevertheless, Argentina could not bring itself to pay \$2,482,878 in back dues and assessments to the United Nations.

I have set forth the delinquencies by the year, not only in the regular budget, but in the emergency force.

It may be noted that the delinquency of Argentina with reference to the emergency force goes back to 1957. I have not attempted to show how much foreign aid has been received from this country during all those years. I merely point out what Argentina received during fiscal 1963 to show the grotesque amount of foreign aid—\$156,500,000—compared to the relatively small amount of the arrearages of \$2,482,878.

One wonders why Argentina could not bring itself to pay these arrearages, particularly in light of the great amount of our foreign aid to her in 1 year alone.

Yugoslavia is another example. During 1963 Yugoslavia received \$113,500,000 in foreign aid from the United States. Its total arrearages came to only \$301,453. Still, Yugoslavia cannot bring

itself to pay its back dues and assessments to the United Nations.

There are other examples.

For example, Poland, during fiscal year 1963, received \$10,800,000 in foreign aid from the United States. Her total arrearages to the United Nations were \$3,665,000.

France is another example. During 1963 France received over \$30 million in foreign aid from the United States. Its total arrearages were \$16,143,000.

In fiscal year 1963, Costa Rica received \$15,500,000 in foreign aid from the United States. Its total arrearages, which it refuses to pay, amount to almost \$29,000—a small fraction of the total amount of foreign aid.

The Dominican Republic is another. In fiscal year 1963 she received in foreign aid \$51,700,000. Yet its total arrearages of \$99,000 could not be paid—or, at least, I should say, would not be paid.

There are others—Bolivia, Chile, Jordan, Somalia.

All these are examples of countries which receive a great amount of foreign aid from the United States in 1 year alone, compared with the relatively small amount of U.N. dues and assessments. They have received assistance from the United States since 1946. Nevertheless, they refuse to pay dues and assessments.

There are some examples of nations which have been receiving our foreign aid, and which, at the same time, are practicing fiscal integrity so far as the United States is concerned.

For example, Colombia in fiscal year 1963 received \$134,900,000 from the United States, and it is current in its payment of dues and assessments.

Israel received \$78,900,000. It, also, is current in its payments of dues and assessments. One wonders what Israel's reaction is to the fact that Chile received \$99 million in foreign aid, as against Israel's \$78 million, but that Israel is current in its payments and Chile is considerably behind in its payments, when Chile's arrearages amount to only a fraction of the total of \$6 billion aid that it has received from this country.

Liberia, Nigeria, Tunisia, and the Ivory Coast are other outstanding examples of nations which have been receiving our foreign aid and at the same time have been practicing fiscal responsibility by paying their dues and assessments on time to the United Nations.

Mr. President, I ask unanimous consent that the various charts and statistics to which I have been referring be placed in the RECORD.

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

Fifty-two countries to which we have furnished assistance from fiscal year 1946 through fiscal year 1963 are delinquent in one or more of their assessments by the United Nations.

Of these 52 countries, 51 received some type of assistance in fiscal year 1963 from the United States; and of these 51, there are 41 which would be affected by the Miller amendment, inasmuch as these countries are more than 1 calendar year delinquent:

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Countries which would be affected by Miller amendment

Country	Total U.S. aid, fiscal year 1963	U.N. total arrearages for all years	Arrearages for calendar year 1962 and prior <sup>1</sup>	Country	Total U.S. aid, fiscal year 1963	U.N. total arrearages for all years	Arrearages for calendar year 1962 and prior <sup>1</sup>
Afghanistan	\$19,200,000	\$76,228.00	\$65,161.00	Mexico	\$50,900,000	\$1,293,009.00	\$1,129,359.00
Argentina	156,500,000	2,482,878.97	2,042,328.97	Morocco	75,000,000	148,784.00	117,823.00
Belgium	28,100,000	3,271,651.00	2,876,284.00	Nicaragua	9,000,000	62,661.50	26,205.00
Bolivia	69,900,000	118,990.40	80,019.40	Niger	1,400,000	29,214.50	20,369.50
Brazil	172,300,000	930,749.50	327,996.50	Panama	10,000,000	43,335.50	34,490.50
Chad	1,100,000	9,516.23	777.00	Paraguay	10,200,000	126,490.50	85,680.50
Chile	99,200,000	510,303.00	252,049.00	Peru	31,000,000	195,752.50	158,745.50
China	212,600,000	14,426,448.00	9,791,580.03	Poland	10,800,000	3,665,051.00	3,121,919.00
Costa Rica	15,500,000	28,950.59	20,105.59	Portugal	18,900,000	188,277.00	161,919.00
Dominican Republic	51,700,000	99,624.25	62,354.00	Saudi Arabia	(?)	122,885.00	107,404.00
El Salvador	30,600,000	15,927.00	7,082.00	Senegal	5,200,000	30,014.00	8,965.00
France	23,100,000	16,143,083.00	14,186,016.00	Somali	9,200,000	28,583.32	7,507.07
Guatemala	16,000,000	119,909.00	69,332.00	Spain	61,000,000	1,828,833.00	1,638,647.00
Guinea	15,400,000	17,064.00	8,219.00	Syria	400,000	91,501.00	38,622.00
Haiti	6,200,000	125,227.50	85,581.50	Togo	1,300,000	34,810.50	20,369.00
Honduras	14,400,000	66,179.50	32,385.50	United Arab Republic	198,700,000	354,716.37	284,742.00
Iraq	1,000,000	172,246.00	152,342.00	Upper Volta	1,000,000	47,541.00	12,952.00
Jordan	63,600,000	82,617.00	67,772.00	Uruguay	24,600,000	263,259.00	155,970.00
Lebanon	300,000	23,434.02	12,691.00	Yemen	4,000,000	135,467.50	94,657.50
Mauritania	200,000	62,230.26	21,314.26	Yugoslavia	113,500,000	301,453.00	238,853.00
Mali	4,600,000	18,208.86	11,619.86				

<sup>1</sup> Under Miller amendment, withholding of economic assistance would only occur in the case of those nations over 1 year delinquent.

<sup>2</sup> Military data classified.

Sources: United Nations Secretariat, "Statement on the Collection of Contributions as at Dec. 31, 1963, and June 30, 1964"; "U.S. Aid to Foreign Assistance Act Countries, By Region and Country, Obligations and Loan Authorizations, Fiscal Year 1963"—Preliminary, Statistics and Reports Division, Agency for International Development.

United Nations arrearages as of June 30, 1964  
Total.....\$123,120,345.08

Regular budget.....10,032,567.73  
Emergency force.....29,687,477.22  
Congo ad hoc.....82,948,912.13

Summary of payments due United Nations and number of countries in each category

REGULAR BUDGET  
Calendar year 1963 (26 countries).....\$8,705,582.76  
Calendar year 1962 (8 countries).....1,107,867.00  
Calendar year 1961 (5 countries).....219,117.97

All of the following countries delinquent in their regular budget dues have received assistance from the United States and 25 are still receiving assistance: Afghanistan, Bolivia, Brazil, Chile, China, Colombia, Cuba,<sup>1</sup> Dominican Republic, Ecuador, Guatemala, Haiti, Honduras, Jordan, Laos, Mauritania, Nicaragua, Paraguay, Peru, Senegal, Somalia, Syria, Togo, United Arab Republic, Upper Volta, Uruguay, and Yemen.

EMERGENCY BUDGET  
Calendar year 1963 (44 countries).....\$2,759,045.88  
Calendar year 1962 (35 countries).....2,251,824.00  
Calendar year 1961 (31 countries).....4,741,805.25  
Calendar year 1960 (27 countries).....4,678,493.09  
Calendar year 1959 (20 countries).....4,289,511.00  
Calendar year 1958 (17 countries).....7,148,481.00  
Calendar year 1957 (14 countries).....3,818,317.00

Forty-four of the following countries delinquent in their emergency fund accounts have received assistance from the United States since 1946 and 43 are still receiving assistance: Afghanistan, Argentina, Bolivia, Chad, Chile, China, Congo (Brazzaville), Costa Rica, Cuba,<sup>1</sup> Dominican Republic, Ecuador, El Salvador, Ethiopia, Guatemala, Guinea, Haiti, Honduras, Iraq, Italy, Jordan, Lebanon, Mexico, Morocco, Nepal, Nicaragua, Niger, Panama, Paraguay, Peru, Poland, Saudi Arabia, Senegal, Somalia, Spain, Sudan, Syria, Thailand, Togo, Tunisia, United Arab Republic, Upper Volta, Uruguay, Yemen, and Mauritania.

<sup>1</sup> Not currently receiving assistance.

Summary of payments due United Nations and number of countries in each category—Continued

CONGO AD HOC  
Calendar year 1963 (52 countries).....\$12,138,474.30  
Calendar year 1962 (38 countries).....24,065,432.00  
Calendar year 1961 (37 countries).....29,563,877.93  
Calendar year 1960 (29 countries).....16,181,127.90

Source: United Nations Secretariat. Statement on the Collection of Contributions as of Dec. 31, 1963, and June 30, 1964, AID.

All 52 of the countries delinquent in this account have received assistance from the United States since 1946 and 51 are still receiving assistance: Afghanistan, Argentina, Belgium, Bolivia, Brazil, Central African Republic, Chad, Chile, China, Colombia, Congo (Brazzaville), Costa Rica, Cuba,<sup>1</sup> Dominican Republic, Ecuador, El Salvador, Ethiopia, France, Guatemala, Guinea, Haiti, Honduras, Iraq, Italy, Jordan, Lebanon, Mali, Mauritania, Mexico, Morocco, Nepal, Nicaragua, Niger, Pakistan, Panama, Paraguay, Peru, Poland, Portugal, Saudi Arabia, Senegal, Somali, Spain, Syria, Thailand, Togo, Tunisia, Upper Volta, Uruguay, Yemen, Yugoslavia, and United Arab Republic.

Examples of delinquencies

ARGENTINA  
Fiscal year 1963 aid.....\$156,500,000.00  
Fiscal year 1946-63.....773,000,000.00  
Total arrearages.....2,482,878.97

Regular budget:  
Calendar year 1963.....782,949.00  
Calendar year 1962.....611,362.00  
Calendar year 1961.....175,217.97  
Emergency force:  
Calendar year 1963.....56,974.00  
Calendar year 1962.....18,442.00  
Calendar year 1961.....103,291.00  
Calendar year 1960.....109,594.00  
Calendar year 1959.....168,180.00  
Calendar year 1958.....285,000.00  
Calendar year 1957.....171,869.00  
Congo ad hoc:  
Calendar year 1963.....166,384.00  
Calendar year 1962.....160,664.00  
Calendar year 1961.....219,911.00  
Calendar year 1960.....18,797.00

<sup>1</sup> Not currently receiving assistance.

Examples of delinquencies—Continued

YUGOSLAVIA  
Fiscal year 1963 aid.....\$113,500,000.00  
Fiscal year 1946-63.....2,510,000,000.00  
Total arrearages.....301,453.00

Congo ad hoc:  
Calendar year 1963.....62,600.00  
Calendar year 1962.....60,505.00  
Calendar year 1961.....69,341.00  
Calendar year 1960.....109,007.00

CHINA  
Fiscal year 1963 aid.....212,600,000.00  
Fiscal year 1946-63.....4,524,000,000.00  
Total arrearages.....14,426,448.00

Regular budget:  
Calendar year 1963.....3,624,229.00  
Emergency force:  
Calendar year 1963.....257,793.00  
Calendar year 1962.....217,133.00  
Calendar year 1961.....466,207.50  
Calendar year 1960.....989,797.00  
Calendar year 1959.....739,151.00  
Calendar year 1958.....1,252,500.00  
Calendar year 1957.....405,048.00  
Congo ad hoc:  
Calendar year 1963.....752,846.00  
Calendar year 1962.....1,823,774.00  
Calendar year 1961.....2,481,426.00  
Calendar year 1960.....1,396,543.50

POLAND  
Fiscal year 1963 aid.....10,800,000.00  
Fiscal year 1946-63.....533,000,000.00  
Total arrearages.....3,665,000.00

Emergency force:  
Calendar year 1963.....121,406.00  
Calendar year 1962.....60,854.00  
Calendar year 1961.....256,343.00  
Calendar year 1960.....135,134.00  
Calendar year 1959.....207,514.00  
Calendar year 1958.....380,000.00  
Calendar year 1957.....229,159.00  
Congo ad hoc:  
Calendar year 1963.....421,726.00  
Calendar year 1962.....510,845.00  
Calendar year 1961.....678,553.00  
Calendar year 1960.....663,517.00

FRANCE  
Fiscal year 1963 aid.....30,600,009.00  
Fiscal year 1946-63.....9,445,000,000.00  
Total arrearages.....16,143,083.00

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*Examples of delinquencies—Continued*

Congo ad hoc:  
 Calendar year 1963----- \$1,957,068.00  
 Calendar year 1962----- 4,746,601.00  
 Calendar year 1961----- 6,339,772.00  
 Calendar year 1960----- 2,823,432.00

## COSTA RICA

Fiscal year 1963 aid----- 15,500,000.00  
 Fiscal year 1946-63----- 105,000,000.00  
 Total arrearages----- 28,950.59

## Emergency force:

Calendar year 1963----- 2,256.00  
 Calendar year 1962----- 735.00  
 Calendar year 1961----- 3,722.00  
 Calendar year 1960----- 3,171.09

## Congo ad hoc:

Calendar year 1963----- 6,589.00  
 Calendar year 1962----- 6,366.00  
 Calendar year 1961----- 7,611.50

## DOMINICAN REPUBLIC

Fiscal year 1963 aid----- 51,700,000.00  
 Fiscal year 1946-63----- 100,000,000.00

Total arrearages----- 99,624.25

## Regular budget:

Calendar year 1963----- 36,211.25

## Emergency force:

Calendar year 1963----- 2,821.00  
 Calendar year 1962----- 919.00  
 Calendar year 1961----- 9,356.00

## Congo ad hoc:

Calendar year 1963----- 8,238.00  
 Calendar year 1962----- 7,958.00  
 Calendar year 1961----- 9,905.00  
 Calendar year 1960----- 24,216.00

## BOLIVIA

Fiscal year 1963 aid----- 69,900,000.00  
 Fiscal year 1946-63----- 334,000,000.00

Total arrearages----- 118,990.40

## Regular budget:

Calendar year 1963----- 30,126.00  
 Calendar year 1962----- 24,274.00  
 Calendar year 1961----- 136.00

## Emergency force:

Calendar year 1963----- 2,256.00  
 Calendar year 1962----- 735.00  
 Calendar year 1961----- 7,484.00  
 Calendar year 1960----- 3,939.00  
 Calendar year 1959----- 6,056.00  
 Calendar year 1958----- 12,500.00

## Congo ad hoc:

Calendar year 1963----- 6,584.00  
 Calendar year 1962----- 6,366.00  
 Calendar year 1961----- 7,925.00  
 Calendar year 1960----- 10,604.00

## CHILE

Fiscal year 1963 aid----- 99,200,000.00  
 Fiscal year 1946-63----- 840,000,000.00

Total arrearages----- 510,303.00

## Regular budget:

Calendar year 1963----- 200,759.00

## Emergency force:

Calendar year 1963----- 14,667.00  
 Calendar year 1962----- 4,765.00  
 Calendar year 1961----- 25,125.00  
 Calendar year 1960----- 26,643.00  
 Calendar year 1959----- 35,269.00

## Congo ad hoc:

Calendar year 1963----- 42,831.00  
 Calendar year 1962----- 41,372.00  
 Calendar year 1961----- 53,492.00  
 Calendar year 1960----- 65,383.00

## JORDAN

Fiscal year 1963 aid----- 63,600,000.00  
 Fiscal year 1946-63----- 414,000,000.00

Total arrearages----- 82,617.00

*Examples of delinquencies—Continued*

## Regular budget:

Calendar year 1963----- \$6,000.00

## Emergency force:

Calendar year 1963----- 2,256.00  
 Calendar year 1962----- 735.00  
 Calendar year 1961----- 7,484.00  
 Calendar year 1960----- 3,951.00  
 Calendar year 1959----- 6,062.00  
 Calendar year 1958----- 10,000.00  
 Calendar year 1957----- 5,876.00

## Congo ad hoc:

Calendar year 1963----- 6,589.00  
 Calendar year 1962----- 6,366.00  
 Calendar year 1961----- 7,925.00  
 Calendar year 1960----- 19,373.00

## SOMALI

Fiscal year 1963 aid----- 9,200,000.00  
 Fiscal year 1946-63----- 38,000,000.00

Total arrearages----- 28,583.32

## Regular budget:

Calendar year 1963----- 2,231.00

## Emergency force:

Calendar year 1963----- 2,256.00

## Congo ad hoc:

Calendar year 1963----- 6,589.00  
 Calendar year 1962----- 6,396.00  
 Calendar year 1961----- 1,111.07

*Examples of nations not in arrears*

Country	Fiscal year 1963 aid	Fiscal year 1946-63 aid
Colombia	\$134,900,000	\$547,000,000
Israel	78,900,000	962,000,000
Liberia	50,800,000	179,000,000
Nigeria	36,600,000	81,000,000
Tunisia	71,800,000	394,000,000
Ivory Coast	7,900,000	13,000,000

## U.S.S.R. ARREARAGES, AS OF JUNE 30, 1964

Regular budget----- \$2,145,051.30  
 Emergency force----- 15,638,166.00  
 Congo ad hoc----- 36,984,971.00

Total----- 54,768,188.30

Source: U.N. Secretariat, Statement on the Collection of Contributions, as at June 30, 1964.

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

Mr. MILLER. I yield.

Mr. LAUSCHE. Under the column entitled "Total U.S. Aid, Fiscal Year 1963" I note the listing of Belgium. The Senator shows that Belgium received from the United States in foreign aid \$28,100,000. What items does the listing embrace. Does it cover Public Law 480 sales, or does it cover only what we genuinely know as foreign aid?

Mr. MILLER. It would cover any type of foreign aid—Public Law 480, Development Loans, Development Grants, and Military Assistance. The idea behind these figures is to show the total amount of foreign aid, whether it comes from one source or another, which that country received, as compared with the relatively small amount which it cannot quite bring itself to pay to the United Nations to keep it current, as the result of which the United Nations is facing bankruptcy.

Mr. LAUSCHE. U.S. aid means direct U.S. aid to these nations, and not aid which is received from international associations, made up of many countries. Is that correct?

Mr. MILLER. The Senator is correct. I appreciate the Senator's bringing out

that point. I should have done it before. The point is that, quite apart from the amounts shown here of our foreign aid to these countries, some of these countries are recipients of other types of aid through United Nations subsidiary organizations and through international organizations, such as the Inter-American Development Loan Fund. Of course such amounts could be added to the total of worldwide assistance which these countries receive.

Mr. LAUSCHE. I thank the Senator.

Mr. MILLER. I point out that to the argument that some of these nations cannot afford to pay their back dues and assessments, there are two answers. The first answer is that the dues and assessments are scaled by a committee in the United Nations, composed of representatives of various countries, both large and small, both relatively well off and relatively poor. These countries have scaled dues and assessments, with an eye to the relative ability to pay their dues. If adverse economic developments make it impossible for these nations to pay their back dues and assessments to the United States, the President of the United States may report that fact in his determination that they should nevertheless receive such foreign aid, and make that report to the Speaker of the House of Representatives and to the Senate Committee on Foreign Relations.

I believe that under these circumstances my amendment is very fair. I recognize that we have gone through this before. Since I became a member of the Senate, starting in 1961, each year I have offered an amendment somewhat along these lines. What prompted me to do so was the first inking, back in 1961, when I came to the Senate, that the United Nations was facing a financial crisis. We were warned in 1961 that the day of reckoning was not far away. That day of reckoning became so serious in the fall of 1961, or certainly early in 1962, that Congress was presented with a request by the President to help stave off the day of reckoning by approving a United Nations bond issue, which we were supposed to support to the extent of one-half. Necessary appropriations were made by Congress to this end.

However, I regret to say that the payment of back dues and assessments by various member nations has not done much to end the deficiencies of the U.N. and, as a result, notwithstanding the U.N. bond issue, we are told that the day of reckoning will be at the next General Session of the United Nations, this fall.

There is a provision in the United Nations Charter that any nation which is more than 2 years in arrears in its assessments and dues shall lose its right to vote in the General Assembly of the United Nations. This subject was presented to the World Court, and the World Court found that the dues and assessments, regardless of whether they were for the regular budget or for emergency peacekeeping activities, were part and parcel of the dues for purposes of interpretation of the United Nations Charter; therefore, the Soviet Union and several other nations which have been deliberately refusing to pay their

dues can properly be challenged at the next meeting of the United Nations when it comes their turn to vote.

I am pleased to say that the decision of our representatives in the United Nations is firmly to the effect that the provision of the charter is supported by the interpretation of the World Court and should be put into full effect at the next meeting.

But there seems to be some question as to whether the presiding officer, the Secretary General, will ignore it, because he could state that such a ruling would be unprecedented and, since he feels he should not rule on it, the membership should rule on the question. That would be not unlike the manner in which we in the Senate decide some parliamentary procedures.

One wonders what the ruling might be if the membership had to decide whether those who are more than 2 years in arrears should be passed over on a roll-call, when more than half the members of the United Nations are delinquent.

Be that as it may, I find it impossible to understand why we should not gear our foreign aid program to the support of the United Nations. Our country's policy, under both Democratic and Republican administrations, has been to support wholeheartedly the principles of the United Nations. This does not mean that we agree with some of the abuses and mistakes of the United Nations, but we do support the United Nations in its objectives of world peace.

I venture to say that most of us do not wish to see the United Nations go out of existence as a result of bankruptcy. We are told that if the United Nations does not receive some of the assessments and dues that are in arrears, it will indeed be faced with bankruptcy.

The Soviet Union is the biggest debtor of any member of the United Nations. The Soviet Union does not receive any foreign aid from the United States, so we cannot very well use our foreign aid program in a manner that would have a salutary effect upon the Soviet Union's fiscal integrity before the United Nations.

But many nations receive our foreign aid, and it seems to me that when they refuse to pay their commitments to the United Nations, while having the ability to pay, the least we might do, if we really mean what we say, when we say that we support the United Nations, is to say to them, "You had better 'get right' with the United Nations; otherwise, do not ask the taxpayers of the United States to furnish you with foreign aid." That could be very harsh in certain circumstances, and that is precisely why I have worded my amendment so as to provide that the President can, nevertheless, upon certain conditions, determine that certain nations should receive our foreign aid. But when he makes such a determination, he ought to come before the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs and state why the aid should be furnished. He should also state that assurances have been given by those countries that they will pay their back dues and assessments and put their payments on a current basis. If such as-

surances cannot be given, the President also should state what are the economic conditions which make it impossible for the countries in arrears to give such assurances.

I believe that in this respect the amendment is in a better form than the amendment which was presented last year. It provides for a reasonable escape hatch; nevertheless, an escape hatch that will provide a certain amount of information to Congress for control. I would envision that some of the countries which are not paying their back dues and assessments would, nevertheless, be furnished foreign aid when the President made a determination that they should receive such aid. He would make such a determination only after he had received assurance from the representatives of those governments that they would button down and clear their books. That would have a salutary influence on those countries.

If this is not done, just as surely as we are sitting in the Senate, the day will not be too far off when the United Nations will go out of existence because of financial bankruptcy. Before that happens, I would venture the guess that there might be a further request that the taxpayers of the United States support another bond issue of the United Nations. Whether such a request would be acted on favorably, no one can say. However, I see no reason why we should come to that position. We have it within our ability to gear our foreign aid program to a policy of support of the United Nations.

I have heard the arguments against this proposal before. People have said that we are not dues collectors for the United Nations. This is a rather superficial approach, because nobody is saying, either in my amendment or anywhere else, that we ought to pick up the dues from those countries. Still, it seems to me that the least we can say to such countries is that if they want our foreign aid, they must pay their dues and assessments to the United Nations.

Some may say that my amendment has no place in the foreign aid program; that the problem should be handled through our representatives at the United Nations. Perhaps it should be; but it has not been, and I see nothing to indicate that it will be. If our representatives at the United Nations had been able to handle this problem, my amendment would not be before the Senate today.

This situation has continued, and it will go on and on, if all we say is, "Let our representatives at the United Nations handle the problem."

By my amendment, we have an opportunity to say to the rest of the world that we want to help those who cannot help themselves. We want those who can do so to help themselves, and we are willing to help them.

We support the United Nations. The United Nations affords the world its foremost opportunity for peace. But we should say that we will not furnish our foreign aid to nations which refuse, year after year, to pay their dues and assessments to the United Nations, unless they can somehow show to our President that

they do not have the economic ability to pay their dues and assessments, which, as I have said, are scaled by their brother member nations, large and small, wealthy and poor.

I observe in the Chamber the distinguished chairman of the Committee on Foreign Relations. I invite his attention to the fact that my amendment is cast somewhat differently from the amendment that was considered last year. I would hope that he might take my amendment to conference. I shall welcome any comments he has on it. I have tried to cover this proposal rather fully.

I yield the floor.

Mr. FULBRIGHT. Mr. President, I appreciate the Senator's invitation to comment. I cannot accept the amendment. The main reason is that it would not accomplish the purpose which the Senator from Iowa intends that it should accomplish.

This amendment was brought up and defeated in connection with last year's foreign aid legislation, and the executive branch continues its strong opposition to the proposal.

In effect, the amendment tries to make the United States become a collection agency for the United Nations. It would do so on the basis of regulations far more severe than the U.N. itself imposes on its membership. The amendment would cut off aid to a country whose debt to the U.N. is not sufficient to subject it to the United Nations own sanctions. Article 19 of the U.N. Charter denies voting rights in the General Assembly to any member whose total arrearages exceed U.N. assessments over the previous 2 years. This amendment, however, would apply to any country in arrears for more than 1 year. The United States would be in a peculiar position if it tried to impose its own sanctions on countries which were not even subject to the sanctions of the U.N. Charter.

In any case, the amendment would not accomplish its intended purpose—which is "to encourage preservation of the financial solvency of the United Nations." By far the largest fiscal problem facing the United Nations is the delinquencies of the Soviet bloc countries, which collectively amount to about \$74 million in terms of the provisions of article 19 of the charter. This must be compared with arrearages of less than \$19 million by this standard on the part of all countries which receive foreign aid from the United States. Furthermore, almost three-quarters of this amount is owed by Nationalist China. In short, even if this amendment were changed to conform to the U.N.'s own definition of delinquency, it would only be directed against a very minor aspect of the problem; insofar as it did so, it would be an amendment directed against the Nationalist Chinese.

It should also be stressed that the aid-recipient countries owing the remainder of the \$19 million referred to above have all given assurances that they will pay the amounts necessary to avoid the sanctions of article 19 of the U.N. Charter before the next session of the General Assembly. Unless the United States sets up entirely new standards,

by imposing unilateral conditions on U.N. members through acceptance of this amendment, most of our friends in default will have repaired their positions before November.

Perhaps the most important objection to this amendment on an immediate basis derives from the forthcoming struggle to make article 19 apply to the Soviet bloc countries at the next General Assembly. In order to make this sanction effective, the United States will have to conduct a continuous diplomatic offensive designed to marshal support for its position among all the free world members of the United Nations. If the provisions of this amendment were enacted the result inevitably would be to create strong resentment among friendly countries. This resentment almost certainly would destroy our diplomatic initiative against the Soviet bloc countries.

So I hope that the amendment of the Senator from Iowa will not be accepted.

Mr. MILLER. Mr. President, I ask unanimous consent to have printed in the RECORD two articles and one editorial, the first an article entitled "U.N. Sources Say K. Threatens Bolt Over Dues," published in the Washington Post of Sunday, August 2, 1964; an article written by Thomas J. Hamilton entitled "Plan in U.N. Would Allow Some in Arrears To Vote," and published in the New York Times July 6, 1964; and an editorial entitled "To Save the U.N." published in the New York Times on August 3, 1964.

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

[From the Washington Post, Aug. 2, 1964]

**U.N. SOURCES SAY K. THREATENS BOLT OVER DUES**

UNITED NATIONS, N.Y., August 1.—Top sources reported today that Premier Khrushchev told Secretary General U Thant that the Soviet Union will walk out of the General Assembly and perhaps quit the United Nations altogether if its vote is taken away for nonpayment of bills.

These sources said Thant will fly to Washington Thursday to discuss this threatened breakup of the world organization with President Johnson.

Thant has just returned from a trip to Moscow where he appealed to the Kremlin there to pay its arrears on U.N. peacekeeping bills. He told newsmen there, after a long talk with Khrushchev, that he saw no change in the Soviet stand.

The U.N. Charter says that any country 2 years behind in U.N. dues "shall have no vote" in the Assembly.

The Soviet Union has refused to pay its assessments for Congo and Middle East peacekeeping costs and, if these are counted along with its regular budget assessments, it is 2 years behind.

The United States has said these peacekeeping costs must be counted because they are binding on all members. The Russians say they are not because they were not assessed by the Security Council.

The Soviet Union walked out of the Security Council in 1950 to protest the continued representation of Nationalist China there. The absence of the Kremlin's veto-wielding delegate permitted the U.N. to set up its Korean operation which would otherwise have been stopped. The Soviet Union later returned to the Council.

The United States, the next year, pushed through a "uniting for peace" resolution

which enabled the General Assembly to act in cases of breaches of the peace when the Security Council did not do so.

It was under this provision that the Congo and Middle East operations were set up and the Soviet Union has refused to acknowledge their legality. The World Court in the Hague has ruled that they are legitimate.

A U.S. delegation source said today that the U.S. view is unchanged—the Soviet Union must pay up or lose its vote.

The Soviet Union is only one of 16 countries that stand to lose their votes for failure to pay toward the U.N. Congo or Middle East forces or both.

[From the New York Times, July 6, 1964]

**PLAN IN U.N. WOULD ALLOW SOME IN ARREARS TO VOTE**

(By Thomas J. Hamilton)

UNITED NATIONS, N.Y., July 5.—A group of Latin-American delegates has suggested a new approach to solution of the United Nations financial crisis under which members genuinely unable to pay all their assessments would be allowed to retain their votes in the General Assembly.

Under the plan, the Assembly's Standing Committee on Contributions would divide countries more than 2 years behind on their assessments into 2 categories:

1. Those that plead inability to pay and are certified by the committee as unable to do so. Article 19 of the Charter provides that members owing the equivalent of 2 years' contributions "shall have no vote" in the Assembly. However, it authorizes the Assembly to waive enforcement "if it is satisfied that the failure to pay is due to conditions beyond the control of the member."

2. All other members subject to article 19 who have not executed what some delegates say would be a "pauper's oath."

The plan has been submitted to the United States and other Western delegations. A U.S. spokesman said he had no comment on it.

**THE SOVIET POSITION**

Reliable sources said one aim of the Latin Americans was to isolate the Soviet Union, which would be subject to article 19 when the Assembly opens its 1964 session in November, from underdeveloped countries, that also face loss of their votes in the Assembly.

The Soviet Union owes \$36,984,971 on the United Nations Congo force and \$15,638,166 on the force in the Middle East, which are financed from special accounts, not from the regular United Nations budget.

The Soviet Union has hardened its position and has also withheld \$2,145,051 due under the regular 1963 United Nations budget for appropriations that it terms illegal. These include payments of interest and principal on bonds issued by the United Nations to help pay the costs of the Congo and Middle East forces.

**FRENCH PAYMENT DUE IN 1965**

Moscow would have to pay between \$8 million and \$9 million to avoid possible loss of its Assembly votes.

Under the Latin Americans' plan France, which will become subject to article 19 at the 1965 session unless she pays part of the \$16,143,083 she owes on the Congo force, also would be separated from those unable to pay.

The Soviet Union and France base their refusal to pay on the ground that the Security Council, not the General Assembly, has the right to impose assessments for peacekeeping forces. Total arrears on assessments for the Congo and Middle East forces are \$123,623,742.

Some delegates believe that, following last Thursday's withdrawal of the Congo force, both the Soviet Union and France will pay

the United Nations enough this year to avoid application of article 10.

[From the New York Times, Aug. 3, 1964]

**TO SAVE THE U.N.**

Premier Khrushchev has again refused to pay Russia's debt to the United Nations and Secretary General Thant has returned from his dunning trip to Moscow empty handed. As a result, this world organization, now more than \$122 million in the red, not only continues to flounder in a financial crisis that has brought it close to bankruptcy but also faces a showdown on whether Russia's refusal to pay shall deprive her of her vote in the General Assembly.

The Soviet Premier now says that Russia may walk out of the United Nations as well as the General Assembly if her right to vote is withdrawn. France, which is delinquent to a total of \$18 million for her share of the U.N. Congo force, is showing no signs of yielding, either. Meanwhile, the United States continues to push hard for strict compliance with article 19 of the Charter, which penalizes members when their arrears reach a certain level.

It is beginning to look like a game of brinkmanship, with the brink coming in November when the Assembly meets. If one starts from the premise that the United Nations cannot be allowed to fall apart or be seriously weakened, nor can it abandon its efforts to maintain peacekeeping forces, the problem becomes one of finding "a formula."

The United Nations is an immensely valuable forum and power fulcrum for Moscow, President de Gaulle may have nothing but contempt for the world organization, but this is not a feeling widely shared by his French compatriots. The United States is deeply committed to the strengthening, as well as the maintenance of the U.N.

Therefore, some time between now and November a way must be sought to bridge the contradictory positions. The idea of getting Moscow and Paris to make token payments seems doomed since the principle, not the amounts due, is the real issue. The point to be saved—along with the structure of the United Nations, of course—is that the U.N. can and will continue to utilize and build up peace-keeping forces to prevent war and suppress aggression. It is not enough to keep the Security Council and General Assembly simply as debating forums.

Basic contradictory positions between nations are normally solved by compromises. The two important considerations are that the United Nations be held together and that there be no impairment—but rather a strengthening—of its effectiveness as a policeman of peace.

An exercise in ingenuity could save the day. Perhaps when U Thant sees President Johnson some new ideas will be forthcoming.

Mr. MILLER. Mr. President, I intend to ask for the yeas and nays on my amendment, but first I should like to suggest the absence of a quorum for the purpose of alerting Senators to that fact.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

Mr. MILLER. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. MILLER. Mr. President, I should like to respond briefly to the statements



made by the distinguished chairman of the Foreign Relations Committee, the Senator from Arkansas [Mr. FULBRIGHT].

My amendment provides that if a nation is more than 1 year in arrears, the payments on foreign aid shall halt.

I deliberately made it for 1 year instead of for 2 years, the period provided in the United Nations Charter for determining whether a nation shall lose its vote, for the reason that we do not want this process to go to the point where a nation will lose its vote in the United Nations before we decide to put a limitation on foreign aid. In other words, it seems to me that after 1 year—and this is 1 calendar year, those in arrears for 1962 and back—a nation might well be on notice that we do not want it to get into the category of a nonvoting member of the United Nations. We want it to pay its dues and assessments; and we wish to let it know that our taxpayers who are paying the bill on foreign aid do not wish it to go any further in its delinquencies. We want it to be current.

There are some who might think that this amendment might well provide that nations which are not current in their payment of assessments and dues in the United Nations should not receive our foreign aid, instead of being allowed to get a year behind.

I do not believe my amendment is particularly harsh in this respect. I believe that it would be most unfortunate to provide a 2-year period and then let a Nation become a nonvoting member of the United Nations, before we start to try to exercise a salutary effect on that Nation through withholding foreign aid.

The point was made about China being a large debtor. I am not unmindful of that. I am quite sure that the Senator from Arkansas [Mr. FULBRIGHT] is just as fully aware as I am of why that is so. We know that the government of Nationalist China is still operating under an assessment scale with respect to the assumption that it controls all of China, both the mainland and Taiwan. This is most unrealistic. This would be a perfect example of what I provide for in amendment, which would give the President of the United States an opportunity to make a determination whether aid should be granted in situations in which there are economic conditions that make a country unable to pay its dues and assessments.

The point was made that the Communist bloc nations would be responsible for the United Nations going bankrupt, rather than the 41 nations which have been receiving our foreign aid. Perhaps yes; perhaps no. I suggest that if there were merely 8 or nations in the United Nations General Assembly—and those all Communist bloc nations—which were delinquent, world opinion coming from all of the other nations which are current in their dues and assessments would be something to be considered by the Communist bloc nations. It would be something to be considered, particularly when the time arrives for a vote on whether nations which are more than 2 years delinquent, including the Soviet Union, shall lose their right to vote.

I would feel much more comfortable about that vote being put to the membership of the United Nations General Assembly if only the Communist bloc nations were delinquent, than I would be if the vote were put now, with the present unfortunate situation of arrears in assessments and dues by more than half the membership.

I believe there is a point to be said in favor of persuading the free countries and the independent countries which are members of the United Nations to practice fiscal integrity before this organization. I would guess that it could result in bring other pressure to bear on the Soviet Union and the other Communist bloc nations to pay up and remain voting members of the United Nations, and not confront us with the problem that might arise if those nations should withdraw from the UN. The membership, if I properly interpret the United Nations Charter and the World Court opinion, would deprive themselves of their right to vote.

Mr. President, I hope my amendment will prevail.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa [Mr. MILLER].

The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Maryland [Mr. BREWSTER], the Senator from North Dakota [Mr. BURDICK], the Senator from Tennessee [Mr. GORE], the Senator from Washington [Mr. JACKSON], the Senator from Louisiana [Mr. LONG], the Senator from Utah [Mr. MOSS], the Senator from Connecticut [Mr. RIBICOFF], the Senator from Georgia [Mr. RUSSELL], the Senator from Florida [Mr. SMATHERS], and the Senator from Mississippi [Mr. STENNIS], are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from Massachusetts [Mr. KENNEDY] are absent because of illness.

I further announce that the Senator from Nevada [Mr. CANNON], the Senator from Pennsylvania [Mr. CLARK], the Senator from Oklahoma [Mr. EDMONDSON], the Senator from Indiana [Mr. HARTKE], and the Senator from New Jersey [Mr. WILLIAMS] are necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Pennsylvania [Mr. CLARK], the Senator from Washington [Mr. JACKSON], the Senator from Louisiana [Mr. LONG], the Senator from Connecticut [Mr. RIBICOFF], the Senator from Florida [Mr. SMATHERS], and the Senator from New Jersey [Mr. WILLIAMS], would each vote "nay."

On this vote, the Senator from Maryland [Mr. BREWSTER] is paired with the Senator from Georgia [Mr. RUSSELL].

If present and voting, the Senator from Georgia would vote "yea" and the Senator from Maryland would vote "nay."

Mr. KUCHEL. I announce that the Senator from Nebraska [Mr. HRUSKA], the Senator from Kansas [Mr. PEARSON],

and the Senator from Pennsylvania [Mr. SCOTT] are necessarily absent.

The Senator from New York [Mr. JAVITS] is absent on official business.

The Senator from Arizona [Mr. GOLDWATER] and the Senator from Iowa [Mr. HICKENLOOPER] are detained on official business.

If present and voting, the Senator from New York [Mr. JAVITS], and the Senator from Kansas [Mr. PEARSON] would each vote "nay."

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from Pennsylvania [Mr. SCOTT]. If present and voting, the Senator from Nebraska would vote "yea" and the Senator from Pennsylvania would vote "nay."

The result was announced—yeas 25, nays 52, as follows:

[No. 529 Leg.]

YEAS—25

Beall	Gruening	Simpson
Bennett	Johnston	Symington
Boggs	Jordan, Idaho	Talmadge
Byrd, Va.	Mecham	Thurmond
Cooper	Miller	Tower
Cotton	Morse	Williams, Del.
Curtis	Mundt	Young, N. Dak.
Dirksen	Robertson	
Dominick	Saltonstall	

NAYS—52

Alken	Hill	Monroney
Allott	Holland	Morton
Bartlett	Humphrey	Muskie
Bayh	Inouye	Nelson
Bible	Jordan, N.C.	Neuberger
Byrd, W. Va.	Keating	Pastore
Carlson	Kuchel	Pell
Case	Lausche	Prouty
Church	Long, Mo.	Proxmire
Dodd	Magnuson	Randolph
Douglas	Mansfield	Sallinger
Eastland	McCarthy	Smith
Ellender	McClellan	Sparkman
Ervin	McGee	Walters
Fong	McGovern	Yarborough
Fulbright	McIntyre	Young, Ohio
Hart	McNamara	
Hayden	Metcalf	

NOT VOTING—23

Anderson	Hartke	Pearson
Brewster	Hickenlooper	Ribicoff
Burdick	Hruska	Russell
Cannon	Jackson	Scott
Clark	Javits	Smathers
Edmondson	Kennedy	Stennis
Goldwater	Long, La.	Williams, N.J.
Gore	Moss	

So Mr. MILLER's amendment was rejected.

Mr. FULBRIGHT. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. KUCHEL. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MORSE. Mr. President, in keeping with the assurance I gave to the majority leader, that I would move as rapidly as possible consistent with expeditious handling of my amendments, I now call up my amendment No. 1184.

The PRESIDING OFFICER (Mr. SALLINGER in the chair). The amendment will be stated.

The Chief Clerk read the amendment, as follows:

On page 12, between lines 22 and 23, insert the following:

(g) Add the following new section at the end thereof:

"Sec. 620A. (a) PROHIBITION ON FURNISHING OF ASSISTANCE SUBSEQUENT TO JUNE 30, 1966.—Notwithstanding any other provision

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of this Act, no assistance shall be furnished pursuant to this Act to any country or area (or enterprise therein) subsequent to June 30, 1966 unless—

"(1) Such country or area has requested such assistance and can show that it is pursuing the following economic, political, and military policies:

"(A) That it (i) is seriously and continuously engaged in measures of self-help, (ii) has taken appropriate steps to assure that its own private capital resources will be utilized within its own country or area, (iii) will encourage the development of the private enterprise sector of its own economy, (iv) has taken adequate steps, where appropriate and necessary, to bring about reforms in such fields as land distribution and taxation to enable its people fairly to share in the products of its development, and to assure that the project or program for which economic aid is requested will contribute to the economic or social development of the country;

"(B) That it is promoting the maximum amount of individual freedom and is encouraging its people freely to choose their own government; and

"(C) That it seeks to establish and maintain only such military force as may be adequate to prevent the internal overthrow of an elected government or to deter threatened external Communist attack;

"(2) The furnishing of such assistance is required by an irrevocable commitment made, or contractual obligation incurred, prior to the date of enactment of this section; or

"(3) In case of any such assistance extended in the form of loans, the interest rate thereon is not less than the average rate payable on obligations of the United States of comparable maturities.

"(b) The total number of countries or areas receiving assistance under this Act subsequent to June 30, 1966, shall not exceed fifty."

Mr. MORSE. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. MORSE. Mr. President, I consider this amendment a basic policy reform amendment. I shall discuss the amendment in regard to the specific conditions that it would impose.

There is much talk about the need for major changes in the foreign aid program. There has been much talk for several years to the effect that we must bring about reforms in foreign aid. There has been a great deal of congressional buck passing to the State Department and the AID authorities in regard to foreign aid.

I offer an amendment that would not jeopardize sound foreign aid, but is designed to guarantee sound foreign aid.

It should be supported by those who really believe foreign aid needs an overhauling; and that there is need for reform in regard to policy, procedure, and substance.

I would have Senators, in the next few moments, go, with me, through the proposed amendment, condition by condition, as I propose it. Starting with line 3, it reads:

Notwithstanding any other provision of this Act, no assistance shall be furnished pursuant to this Act to any country or area \* \* \* subsequent to June 30, 1966, unless—

That fixes a terminal date. It gives every country in the world due notice that the United States will completely revise its foreign aid program.

Mr. President, that would be very salutary. It would answer the question, once and for all, as to whether or not all the talk in the United States in recent years about meaning to revise the foreign aid program is merely talk, or is meant.

I cannot think of anything that would be better for the development of a sound foreign aid program, or better for the internal welfare of the recipient countries, than to serve such notice.

If we say to such a country, "This is the last time we are going to pass a foreign aid program based upon past practice. We want you to know that we will continue foreign aid, but it will be a different foreign aid program. You are not going to receive any foreign aid on the basis of the past pattern, because we are fed up with it."

It is my judgment, that this is the kind of reform the American people want.

I am satisfied that the majority of the American people are willing to continue foreign aid, but I am also satisfied that the overwhelming majority of the American people do not want to continue foreign aid as it has been practiced up until this hour. They believe the time has come for a change in the whole foreign aid pattern.

Mr. President, this is the way to do it. We say, "We are going to end the program, as it is now, at the end of fiscal 1965. We will start all over. You can have more foreign aid, provided you meet certain qualifications."

Note that the new program I propose is based upon application. In other words, the recipient must come in and make his own case.

We do not find banks trying to force loans on us. If we want a loan, we must go to the lending agency and show good cause why we would be a good risk for the loan. We do not hear people argue, when they go to a bank and conditions are imposed necessary to protect the lender, that such conditions are an interference with their individual rights. It happens to be the banker's money. If one does not want the money as a borrower, that is up to him, but if a borrower wants the money he must meet the conditions laid down by the bank.

Mr. President, we are not dealing here with money that belongs to the Senate of the United States. We are not dealing with money that belongs to any Senator, except to the extent that he has a pro rata interest in it, as one citizen of 180 million. We are dealing with money that belongs to all the people of the United States. In my judgment, we are guilty of gross negligence in the handling of that money in respect to the present policies we are following in foreign aid.

As I said earlier when I made comments expressing disagreement with the Senator from Minnesota [Mr. HUMPHREY] when he, earlier today, made a speech following the administration's line on foreign aid—which we have had given to us now for some years. All one has to do is examine the critical analyses by the Comptroller General of foreign aid as it has been administered in the past. As Senators, we know that

it is our duty to bring about reforms that will eliminate the mismanagement, the inefficiency, and miscalculations that have characterized foreign aid for a number of years past.

So we say to the applicant, "We will consider some foreign aid for you, provided you meet certain conditions:"

1. Such country or area has requested such assistance and can show that it is pursuing the following economic, political, and military policies.

One of the sad things in our record on foreign aid in years gone by is that we have rammed foreign aid down the gullets of a good many nations. We have had the idea that if we could only persuade them to take it we would somehow obtain a commitment from them, and that we could rely on them; and that if we could get them obligated to us morally and otherwise, we could count on them to do our bidding.

It has not worked that way. Take Pakistan, for example. We have urged Pakistan to take millions of dollars from us, only to find that Pakistan in many respects has left us. Pakistan is entering into arrangements with Red China. Pakistan, through its Foreign Minister, has announced that she will not help us in accordance with her obligations under SEATO.

Mr. President, we cannot buy friends. We cannot buy support, either. That is why I have said in my minority views that to a degree our foreign aid policy in the past has been built upon the idea that we could buy support. The trouble is that such countries do not "stay bought."

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

Mr. MORSE. If it is in their national interest to go to Red China, they will go to Red China. If they think it is in their national interest to use our military support to make war against a neighbor, they will do so. We need only to look to Turkey, Greece, Pakistan, and India to prove that point.

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

Mr. MORSE. I yield.

Mr. MILLER. I should like to ask the Senator from Oregon about his paragraph "C."

Mr. MORSE. I wonder if the Senator will wait until I reach that point. I wish to go through these points ad seriatim. If he will wait, I shall be glad to answer the Senator's question. I have decided to make this speech by explaining the amendment point by point, in order that I may make my position clear on each point. I shall reach that section shortly. I hope the Senator will ask me that question when I get to it.

Mr. MILLER. Without asking the question, I should like to express the hope the Senator will point out how he would solve the problem relating to a recipient's contribution to a military force and how that might be affected by the Senator's amendment.

Mr. MORSE. I shall come to that point. Continuing with my present point, this provision would stop us—and we ought to be stopped as a country—from seeking to force foreign aid on a

country, instead of making that country come in and voluntarily ask for it, and prove that it is entitled to it.

I say that a country must request aid. A country must show that it is following certain economic, political, and military policies:

(A) That it (1) is seriously and continuously engaged in measures of self-help.

Mr. President, we cannot do the job for other countries in developing them. They must do something for themselves. They must stop following the line that all they have to do is to come, hat in hand, to Uncle Sam and ask for funds, or say to Uncle Sam, "If you do not give it to us, we will get it from Russia."

Every time a country has taken that course of action—and there have been many such instances in the past—we should have told that country to get to Moscow as fast as it could get there for help.

We should have called its bluff. In my judgment, we have yielded to that kind of international blackmail time and time again. We never should have loaned or granted so much as a dollar under the foreign aid program on the basis of the argument that if we did not give it to them, Russia would. They should have been told that if that was the unethical principle on which they approached us, they should be on their way to Moscow, and fast.

We have not served the interests of the American taxpayer by yielding to that kind of unethical argument.

So my first condition is that they must come in and show what they propose to do to meet some of the economic, social, and political problems which confront their country. That is what is needed in so many parts of the world on the part of those countries. That would be a proper use of our foreign aid in cooperating with them to help them bring about the objectives of such self-help programs.

I have pleaded for it. We have been making remarkable progress in connection with it in the Alliance for Progress program. We have done better in regard to this program in Latin America than anywhere else in the world in connection with our foreign aid program. I wish to extend it.

Then the country must show that it—

(ii) has taken appropriate steps to assure that its own private capital resources will be utilized within its own country or area.

This point involves the problem, for example, of the flight of capital. In some places in the world we have been pouring a great many American dollars into a country while its own wealthy have been flying their money out of their country and investing it in New York and Swiss banks.

We still have a very serious problem in connection with this point in Latin America. That is one aspect of our Alliance for Progress which has not worked out too well. There has been some change of attitude on the part of wealthy oligarchs in Latin America, but not enough. Some of them have begun to recognize, as President Kennedy had

warned them shortly after the Alliance for Progress program went into effect that they need to recognize their responsibility to see to it that they are willing to invest in their own future, if they are to have a future, and that if they followed the course of action of taking their money out of their country, to the great detriment of the mass of people, they might lose all.

That is what I have in mind in connection with this condition. We owe the duty to the American people to stop pouring millions of dollars into a country when the record shows that the wealthy of the country do not have enough confidence in the country's future to invest their wealth in developing the economic freedom of that country, but invest it in Swiss banks and elsewhere. I do not believe we should aid a country if it follows that course of action.

Furthermore, we need to have some assurance from the applicant that it is making a record of the use of private capital by way of an investment to develop their own economic freedom. I am so convinced of the essentiality of this as the foundation of political freedom that I believe the time has come to say to certain countries. "We will not give you millions of dollars while you continue with a sort of economic fascism in your country where the wealthy take the mass and the poor get the dribbles."

We seek to defeat communism anywhere in the world where it is a threat; and it is a threat in every underdeveloped country. It is a threat where people have an exceedingly low standard of living. It is a threat where the average longevity is from 30 to 36 years—and that includes many millions of human beings on the face of the earth. It is a threat in countries where poverty and disease are rampant and where infant mortality from 25 percent to 85 percent is the record of a given country or of large segments of a given country. In such countries our foreign aid is being poured into the drain, unless the ruling class, the government of that country, and the wealthy of that country are willing to do their share by way of self-help in improving the living conditions of the masses, whose present living conditions create the danger and threat of a Communist takeover.

The only way to defeat communism in any of those countries is to do something about raising the standard of living of the people. It will not be done by a foreign aid program that does not establish as a condition before the fact, requirements by way of capital investment on the part of the wealthy of that country in its own economic future. It will not be done unless we make as a condition before the fact of receiving American foreign aid, proof submitted by the applicant country that it is really taking steps to encourage the investment of its own private capital to develop a system of free enterprise.

I shall repeat over and over in this debate that there cannot be political freedom for people anywhere unless the people of the country have a system of economic freedom represented by a free enterprise system. In the last analysis,

that is what our own political freedom has depended on. I do not know why liberals everywhere in our country do not recognize that. I do not know why conservatives are not recognizing it more in respect to the foreign aid bill. I do not think the conservatives in the Senate can justify casting the votes that some of them are casting for the kind of foreign aid program they have been supporting.

What we have been supporting in many parts of the world is economic totalitarianism, state industry, and the development of a state monopoly. As I shall show before I finish offering my amendments, that is true of Turkey, which is one of the outstanding state economic totalitarian societies on the face of the earth, built up by hundreds of millions of dollars of American taxpayers' money. The amount has already reached several billions of dollars since the start of the foreign aid program.

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

Mr. MORSE. I yield to the Senator from Nebraska.

Mr. CURTIS. The Senator from Nebraska is much interested in many of the points which the Senator from Oregon has discussed. For the purpose of information, I should like to have the Senator elaborate a little on the legislative intent of his amendment and the language to institute reforms in such fields as land use and taxation, particularly land distribution.

Mr. MORSE. I shall come to that subject next, if the Senator will allow me to finish this point. As I said to the Senator from Iowa, I am discussing my amendment point by point. However, I shall shortly discuss the point the Senator from Nebraska has asked about. I am finishing my discussion of item No. 2, which relates to the condition to which the applicant must submit. I close my discussion of that point by saying that I believe it is desirable to require the applicant to consult with the representatives of the United States who pass judgment on the application, and to give proof as to what their country is doing and what its program is concerning the conditions I propose under item 1(a) of the amendment.

I stress that that is quite consistent with the Act of Punta del Este and in accordance with the Alliance for Progress upon which the Act of Punta del Este is based. Together with the Senator from Nebraska [Mr. HICKENLOOPER] I was one of the delegates to that conference, just as we were the Senate delegates to the Bogotá conference under the able leadership of the present Secretary of the Treasury Dillon. We presented what we were satisfied was a program of self-help.

We said to the countries at both Bogotá and Punta del Este that we would help them if they would help themselves; but that unless they came forward and showed that they were willing to conduct a reasonable program of self-help, the time was coming when the American taxpayers would rise up and say to their own Government, "Stop this wasteful

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giveaway program into which foreign aid is rapidly turning itself."

Now I come to the third point, the point which I think the Senator from Nebraska had in mind.

The next condition that an applicant country would have to meet would be to encourage the development of the private enterprise sector of its own economy. As I said 2 or 3 minutes ago, we want to know whether we are dealing with an economically free state or a socialist state, to use a broad descriptive term. We want to know whether we are dealing with a state that directs the economy of the state; whether we are dealing with a state in which the people live as servants, not as masters of the state, so far as the economy is concerned. If they are the servants, not the masters of the state, in respect to the economy of that country, they never can be the masters of the country politically. Whenever a government can control and direct the economy of a country, that country cannot possibly be free; it is bound to be a country of economic fascism or communism. It is bound to be an economic police state. No one can show me in all history a country that was an economic police state and at the same time a politically free state.

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

Mr. MORSE. I yield.

Mr. LAUSCHE. I express my concurrence in the statement made by the Senator from Oregon with respect to the need to grant aid to countries that believe in our system of private enterprise. In my opinion, we have erred gravely by practically encouraging governmental operations of all types of business in a manner that is in complete conflict with our concept of how freedom can be developed.

Place industry within the control of government, and eventually the liberties of the people will be shackled.

I express deep concurrence in all that the Senator from Oregon has said on this subject. We have erred unpardonably in what we have done in the development of sound enterprise in the countries which we have aided. Eventually, out of socialism they will pass into communism, where all will be owned and controlled by the State, including soul, the thinking, and the property of the individual. Nothing will remain as the individual domain of the citizen in such a state.

Mr. MORSE. I thank the Senator from Ohio. This is not the first time the Senator from Ohio has supported the Senator from Oregon on this issue.

The Senator from Ohio and I have stood together in the Foreign Relations Committee in connection with many issues which underlie the principle of economic freedom and the dependency of political freedom upon it.

Mr. LAUSCHE. The last instance of this was the plant in India, where the United States was to set up a steel plant to be operated by the Indian Government in competition with the private steel plants within India. We did not accept the arguments advanced by the admin-

istration that it would be sound, and we opposed it. I am glad that we stopped it.

Mr. MORSE. We had a hard time stopping it, but we finally stopped it. There are many more countries where we should stop it, and Turkey and Bolivia are two of them. But we will never stop it by leaving it up to AID officials any more than we stopped it that way in India.

The State Department and AID argument on this issue is completely fallacious.

It adds up to the fact that we have no right to interfere in the sovereignty of another country.

Who seeks to interfere with the sovereignty of another country?

If another country wishes to go Socialist, if another country wishes to adopt a system of economic fascism, that is its business. But it happens to be our business to determine whether we are going to give them any money to help build up that kind of program.

This is the taxpayers' money. We are the trustees of the taxpayers. In my judgment, we cannot justify using American taxpayers' dollars for the development of economic fascism, or economic statism, or an economic police-type of government anywhere in the world, whether it be Turkey, Pakistan, or any one of the junta governments in Latin America—about which I shall have something to say later today, or tomorrow, in connection with another amendment.

The point I wish to make now is that we should have a condition for the granting of a single dollar of aid to any country, that we are not going to grant the money unless that country can show that it will encourage the development of private enterprise in the private enterprise sector of the economy, but that this does not mean that we are not going to give consideration to any program which may be based upon some regulation, or even some ownership of certain natural resources which it is felt should be kept under government ownership.

Even in our own country we have a strong regulatory policy in connection with industries that are vested with the public interest. We also recognize that in certain sectors of the economy, such as, for example, power—some government ownership is desirable.

The point is perfectly clear that when an applicant is unable to show that it is encouraging the development of the private enterprise sector of the economy, we should say, "Go elsewhere for your money."

This is a condition which under this situation—as the banker—we have a right to impose. If they do not wish our money, under that condition, let them try to get it elsewhere.

The fourth condition under the item is if the country—

has taken adequate steps, where appropriate and necessary, to bring about reforms in such fields as land distribution and taxation to enable its people fairly to share in the products of its development, and to assure that the project or program for which economic aid is requested will contribute to the

economic or social development of the country—

This is the point raised by the Senator from Nebraska a few moments ago.

Let me cover it quickly in this way: In many places in the world, the avoidance of taxation is a national pastime. In many places in the world, we find that those who should pay taxes consider taxes negotiable, both on top and beneath the table. A strange psychology exists in some countries that if one really pays fair taxes, he is a fool. That has been one of the great problems we have encountered in Latin America.

Last year in debate, I told the true story about an experience I had in Mexico City when I was down there on one occasion at a luncheon that was given for me, and there was a considerable amount of talk about a wonderful huge retail outlet establishment that Sears, Roebuck had developed in Mexico City. I felt a little coolness to the subject on the part of some Mexican businessmen who were at the luncheon. I wondered whether it was due to the competition which Sears, Roebuck was giving them in the retail trade.

So, I politely and respectfully directed the luncheon conversation toward that phase of the subject. I soon discovered that they were not worried about Sears, Roebuck competition in regard to the goods involved. They were not bothered about that one bit. Finally, I got to what was bothering them. One of the businessmen finally said to me, "Senator, I wish to tell you what we are concerned about. Do you know what Sears, Roebuck has done? Sears, Roebuck has paid its taxes in full."

That was the unpardonable sin. That is what they did not like.

Mexico is not the only place in which there has existed a historic pattern of evasion of taxes in one way or another, or trying, in one way or another, to get out of paying a fair share of taxes.

We took the position in the Alliance for Progress in the beginning, at Bogotá, at Punta del Este, and in many conferences that have been held with the leaders of Latin American countries, that they should impose fair and equitable taxes on the wealthy. That idea has been hard to sell. But I believe that we can justify it morally and ethically.

I am one of those politicians who say frankly to their constituents, "You should be happy that you can pay taxes." The question is whether we are keeping those taxes fair and equitable, and whether it is fair to discriminate on the basis of ability to pay. But if the tax is based on ability to pay, and it is fair, reasonable, and equitable, I am very frank to say to my constituents, "You should be pleased to pay taxes, because, although the price of freedom comes high, it is worth the price. You would not change your position with that of any other taxpayer in the world if, by changing your position with any other taxpayer in the world, you had to live under the same circumstances."

It is not fair to the American taxpayer to apply the sound doctrine of American taxation to the American taxpayer and

raise millions of dollars of money to be spent on a foreign aid program when citizens of the recipient countries are not taxed on the basis of ability to pay, where tax escaping is the order of the day, where the wealthy who have the ability to pay do not pay a fair tax.

This is a condition that I would impose in the amendment. The applicant must show that it is trying to do something about reforming its tax program. That is needed in many parts of the world. It is easy for Americans, and, it appears, for American legislators, to overlook this point. We are inclined to brush this one under the rug.

What does one think about the tax program in Turkey? Does one think that the wealthy Turks are taxed in accordance with their ability to pay? Nonsense. What does one think about the tax program in Pakistan? If it is thought that it is based upon a fair application of the formula that taxes ought to be levied in accordance with the ability to pay, that is nonsense.

One can go on down the line, naming country after country. We have the right, in keeping with the acts of Bogotá and Punta del Este, to prove that in those two acts the self-help provisions are not merely so much verbiage. We meant it.

If we are going to insist on tax reform as a condition precedent to the granting of a loan, at least we must prove that a truly good faith attempt is being made at the time in the parliaments of the recipient countries. I know that we cannot bring about tax reform overnight. We have had a good many examples of that, not too far in the past, in the U.S. Senate. There are still many tax disjunctures that we ought to improve upon. We have not a perfect system. It is pretty hard to get tax reforms through in our own body.

But we ought to insist that good faith attempts at tax reform can be shown by the responsible leaders of the government asking for the aid. We ought to also insist upon a document which sets forth that they will do everything they can to carry out their side of the commitment.

I mention specifically the case of land distribution. Using it as an example, I wish to make it perfectly clear that this part of the amendment is not all inclusive. I am seeking to make clear that any foreign aid program that would be initiated under this particular amendment would put the burden upon the applicant to show that it is trying to develop a system of economic freedom for the individual in the respective countries. If that can be done, we do not have to worry about subsequent political freedom for the individual.

Let me make perfectly clear that the senior Senator from Oregon does not stand for land confiscation. The Senator from Oregon stands in connection with that problem as he would stand for fair compensation for any land in our own country that the Government decides must be distributed in order to strengthen the cause of development in a society based upon economic freedom, so that political freedom can take seed and grow in that seed bed.

I told a story of a former President of Colombia, President Lleras. I was down in Colombia a few years ago and met at luncheon, all afternoon, with the President and his cabinet. In the course of that conference, when I asked the President for the one thing—if I were limited to one recommendation to my country—that he would have me recommend, the President said:

Senator, can you go back and change the position of your Government in respect to land reform? Your Government has never made available to Colombia a single dollar of credit for land reform. Apparently you have the idea in the United States that we are advocating land confiscation. We are not. We are advocating compensation for the land that, as a matter of public policy, we find needs to be redistributed so that we can check communism in those areas of Colombia in which the people are serfs to the soil.

And they are massive.

Mr. President, all the aid in the world will not check communism. All the aid in the world that we can make available under the foreign aid bill will not check communism in any underdeveloped area of the world unless the people cease to be serfs to the soil.

We cannot have economic and political freedom if we have a feudal system of land tenure. And some of our Latin American friends shudder a little when we put it that bluntly, but that is the truth. In much of Latin America, many people are really, in effect—if they are working in the field of agriculture—nothing but serfs to the soil.

There is no substitute for ownership of land, or a family-sized farm that makes it possible for the head of that family to support his family in health and decency.

The President of Colombia told me on that occasion:

Your military aid could not possibly beat down communism in Colombia with the best military weapons you sent us if a Communist revolt takes place in the rural areas. And that is where Communist revolts usually take place. Then they spread to the metropolitan area. They do not start there in the usual pattern. They start out where the people are hopeless, suffering from despair. They see no future, for all they are are serfs to the soil.

He said:

If a revolt should start and they flee into the mountains, you could not put down that revolt with your military aid. But you give me some help in establishing a land ownership system based upon family farm ownership and communism will not survive.

We did change the policy of the United States. But many of these countries have yet to come forward with a realistic land reform program.

My amendment says "Come in and show us, if you wish to apply for foreign aid, what you are doing by way of taking adequate steps, where appropriate and necessary, to bring about reforms in such fields—but not limited to such fields as land distribution and taxation to enable its people fairly to share in the products of its development, and to assure that the project or program for which economic aid is requested will contribute to the economic or social development of the country."

Reforms in a good many other fields are necessary. What are they doing about developing democratic processes? What are they doing in connection with employment? What are they doing to stop economic discrimination?

The fields in which we would have the right to ask for at least a good showing before we grant aid are numerous. But if we wish to use the aid program really to help the people become economically and politically free and to stem the threat of communism in all parts of the world where applications for loans are sought, we really ought to ask for those conditions as a minimum.

I come now to part (B). An applicant would be required under that paragraph of the amendment to show—

That it is promoting the maximum amount of individual freedom and is encouraging its people freely to choose their own government; and

That statement causes a great deal of trouble in the State Department. They are great ones down there to talk about freedom. They are great ones to talk about how we are trying to defend freedom around the world. But if the slightest suggestion is made that the foreign aid program ought to have attached to it, to any degree whatsoever, a condition that the country seeking the funds must pay some attention to the rights of the individual—and that is what freedom is all about—they throw up their hands, because such a condition would mean that we would have to stop aiding certain totalitarian governments. We would have to stop aiding certain dictators. We would have to stop aiding some of the most tyrannical governments that exist in the world outside the Communist bloc.

Why should we not stop it? I do not know how we are going to get support for the image of the United States that we are trying to create when we continue to support regimes that stamp out freedom of the individual. That is why in all my years in the Senate I have been protesting the support that we have been giving to totalitarian regimes around the world. Does any Senator believe that such a policy is going to help to defeat communism? Such countries would leave us overnight if they decided that it would be in their national self-interest to do so. They would take our money. They would call for the country's businesses. Then they would do what Pakistan did. They would enter into deals with Red China or any other totalitarian country that they might think could serve their purpose in respect to some problem.

The American people are entitled to know that their tax dollars are not being used to stamp out individual freedom anywhere in the world where our foreign aid program is developing. So far as the State Department and the Pentagon are concerned, they should be repudiated on this score.

The Pentagon takes exactly the same position in regard to military aid.

Paragraph (C) provides—

(C) That it seeks to establish and maintain only such military force as may be

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adequate to prevent the internal overthrow of an elected government or to deter threatened external Communist attack;

That suggestion causes the shudders to run up and down the spines of the officials at the Pentagon and causes the representatives of the State Department almost to take to bed. I have never been able to understand, and I have never heard an argument in all the briefing, as to why the United States should be supporting a great military establishment in another country far beyond what the domestic economy of that particular country itself could support because, as I have said so many times, each of those countries lives, exists, and has its being under the canopy of American military protection anyway. Much better that the great manpower that they pour into their military establishments should be used to develop their own economies rather than to develop the type of military oligarchies that our foreign aid money in respect of the military establishment is developing around the world, for those oligarchies are not supporting freedom. I do not believe that our foreign aid program should go into a country that has an overbalanced, inflated military program. I am for helping them with military aid to the extent necessary to maintain internal order, but we have gone far beyond that in many countries.

One of my criticisms of our military aid program to Latin America is that we are pouring too much into too many Latin American countries which in turn are using that military aid to maintain military oligarchies for the most part composed, so far as their leadership is concerned, of the sons of the rich. That means that we must stop supporting military juntas around the world, such as those in the Dominican Republic and Honduras. If we are to take the position that we stand for freedom, we cannot very well support with millions of dollars of foreign aid governments that overthrow an elected government selected by the people.

Many disagree with me about this, but I am not going to vote for foreign aid that supports military juntas, that supports dictators, that supports regimes that overthrow self-governments, or that prevents the establishment of a system of self-government.

So long as we do that, so long as we accept those juntas, we encourage more juntas. And then the Communists take advantage of the general unrest. Take a look at the pattern.

In my judgment, today there is no less danger of overthrow of governments by military cliques that have received a great amount of military aid than there was 10 years ago. That is a very sad account of the failure of American military aid, or foreign aid generally, for that matter.

Next, my amendment makes an exception of irrevocable commitments.

We have some irrevocable commitments. One should not expect the senior Senator from Oregon to advocate abrogating the obligation of contracts solemnly entered into. No doubt, some

of those contracts should not have been entered into in the first place. But one of the unjustifiable arguments made by the State Department is to spread the rumor around the precincts of the Senate Chamber that "The Morse amendment would be an amendment calling upon us to act in bad faith." "We have made commitments," says the State Department. We certainly have. I am for keeping those commitments, bad as some of them are.

I have clearly written into the amendment—as clearly as I know how to use the English language—the assurance that the assistance is not going to be affected by irrevocable commitments that this country has already entered into.

Subparagraph (3) of my amendment reads:

In case of any such assistance extended in the form of loans, the interest rate thereon is not less than the average rate payable on obligations of the United States of comparable maturities.

What is wrong with that? We cannot continue these interest rates of three-quarters of 1 percent. We cannot continue the 10-year grace period, in which no money is to be paid at all. We cannot continue a provision for 40 to 50 years for repayment, and then, in many instances, in soft currencies.

The American people are becoming more and more fed up with that kind of shakedown. That policy is a shakedown of the American taxpayer, and an unconscionable one. Because a few of us have dared to discuss it, openly, frankly, and bluntly, in the past 2 or 3 years, millions more of the American people are becoming wise to it.

I know the kind of criticism that the apologists for this shakedown make against those of us who have dared to speak out against it. They try to castigate us with the false charge that we are only a group of beginners; that we are "go-it-aloners"; that we are not team-workers.

All those name-calling tactics make no dent on me, for I know that on the facts the State Department cannot justify the present interest charges of the AID program. The American people are entitled to better protection of their tax dollars than we are giving them under this program.

So the amendment provides that, if they want to apply, they may come in with applications for loans on projects, on which loans they are willing to pay interest at a rate not less than the average rate payable on obligations of the United States of comparable maturities.

That is really a great service to each individual country. It means that the people of the country will develop sound economic projects for which they will ask money, and not boondoggle programs; and that money they want for political purposes, money they want for a good many uses for which we have no right to give them a red cent if we are to be the trustees of the American taxpayers' dollars, will have to come out of their own resources.

I am not talking about grants. I am not talking about money available for

humanitarian causes. This provision has nothing to do with such uses. It has to do with loan money.

Reading from the last paragraph of my amendment:

The total number of countries or areas receiving assistance under this Act subsequent to June 30, 1966, shall not exceed fifty.

Mr. President, what in the world is wrong with that? Anyone would have a pretty hard time listing more than 50 countries that are entitled to foreign aid. We must cut back. We cannot continue to pour millions of dollars into 80 or more countries. If one reads the record of the Foreign Relations Committee hearings, he will have a hard time knowing just how many countries we are aiding. It all depends on what definition one accepts, by way of major premise, to start with.

I close my discussion of the amendment by calling attention to the comments which appear on page 5 of my minority views dealing with this subject matter. I say:

This leads to another major objection to the character of the foreign aid program as it now stands. It is only the beginning figure for what we spend overseas on an annual basis. Many Members of the Congress, much less the American public, have only the haziest idea of how money is involved in our contributions to a large number of international financial and developmental organizations, and in our shipments of agricultural surpluses.

Moreover, executive branch requests for the same general purpose in successive years have a tendency to disappear from one bill or category and turn up in another. For example, \$135 million for Latin American development (through the Inter-American Bank's Social Progress Trust Fund) contained in the 1964 foreign aid appropriation bill does not recur this year. At first blush this might appear as a reduction in our total aid. But no, the administration has just submitted a separate new request for \$750 million over a 3-year period for the same purpose with a slight change in terminology. There is no corresponding cut in this bill. Under these circumstances it is extraordinarily difficult to perceive the overall total of U.S. foreign aid, and to make intelligent judgments about the validity of its components, such as those contained in this bill.

#### EXCESSIVE NUMBER OF COUNTRIES CONTINUE TO RECEIVE BILATERAL AID

This confusion carries over into the question of how many countries are feeding at the American trough. If only aid under the Foreign Assistance Act is counted, then some 83 countries are scheduled to receive assistance in fiscal year 1965. But the total rises to over 90 countries and territories when all forms of assistance are counted. And indeed they should be counted. The administration can scarcely claim it is extending little aid to Nasser's Egypt, for instance, when Public Law 480 supplies are flooding that country.

Now it appears that the number of countries getting help under the Foreign Assistance Act has fallen by something like the figure of 10. It is noteworthy that there is no commensurate cut in the administration request for new funds. On the contrary, the AID officials point with pride to the growing concentration of effort in fewer "key" countries. By that standard, no matter how many nonessential applicants are cut off the aid payroll, the level of foreign assistance requests is likely to remain unchanged.

We must bring the foreign aid program to a complete end with respect to any country which is capable of going it alone. When we have poured out the largesse of our American taxpayers to the extent of more than \$100 billion since 1946, we must start tapering off. We must start tapering off the amounts, and we must start tapering off the number of countries we are aiding.

If we were to lay down the terms and conditions that I suggest in the amendment, we would find that my requirement of 50 countries is ample. We ought to serve notice now that we will take applications from up to 50 countries which can show that they are entitled to loans, or, in some limited respects, grants from us. Then we could say quite frankly, "This is all we can take care of. Countries that did not qualify within the 50 could go to Great Britain, France, Belgium, Holland, West Germany, Norway, Portugal, or Italy, countries into whose economies we have poured a total of more than \$100 billion, to obtain loans.

The State Department continually tells us that other countries have come to the conclusion that they must help more. I wish to induce them to help more. We should limit our aid to the 50 most needy countries in the world, which at the same time can meet the terms and conditions of the amendment.

Mr. FULBRIGHT. Mr. President, an amendment virtually identical to this amendment was offered last year, calling for stopping the program in 1965. It was defeated. Many of the provisions in the amendment, which the Senator from Oregon would like the administration to adopt, already are the policy of the administration, but they are not put in mandatory form, as a condition precedent. In many instances the administration seeks to follow most of the policy statements that the Senator sets forth. The main distinction is that they are not made absolute preconditions.

The amendment proposes to terminate the aid program on June 30, 1966, except for countries which meet specified criteria of self-help, use of their own private capital resources, encouragement of private enterprise, and reforms in such fields as land distribution and taxation, promotion of freedom, and confinement of military forces to the minimum level necessary to security. The amendment further provides that interest rates on loans will be no less than the average rate payable on obligations of the United States of comparable maturities. The amendment further provides that the total number of countries receiving aid shall not exceed 50.

Most, if not all, of the criteria spelled out in the amendment are already in the act and are already accepted by the administering agency as working principles. Spelling out of these criteria, therefore, is not a new contribution but merely a substantial repetition of the act as it stands. To this extent, the amendment is redundant and unnecessary.

While the act already sets forth most of the criteria listed in this amendment, it does not set them forth in such a way that they must always and fully be met before assistance can be provided. The

amendment suggests that no aid will be provided until the recipient has solved basic problems of self-help, internal reform, and utilization of private capital. The amendment would thus bar the United States from extending predevelopment assistance to underdeveloped countries. Predevelopment programs, now being carried out in Africa and other parts of the world, are quite inexpensive but extremely useful. Their objective is to prepare countries for development, that is to say, to prepare them to fulfill precisely the criteria set forth in this amendment. The effect of this amendment would be to make it impossible to assist countries until they had gone through the most difficult stage of economic growth, which is to say, the preparation for economic development.

The amendment's requirement of an interest rate "no less than the average rate payable on obligations of the United States of comparable maturities" is inconsistent with the basic purposes of the aid program. Our aid is provided for the express purpose of making funds available where financing from other sources on reasonable terms is not available. Countries capable of paying the interest rate proposed by the amendment are normally capable of meeting their debt capital requirements from other sources.

Heavy emphasis has been placed on selectivity in the aid programs in recent years, but the designation of a maximum of 50 countries is arbitrary. Our economic and military assistance is in fact highly concentrated. Two-thirds of all development lending funds in fiscal year 1965 will go to seven countries which have demonstrated their ability to make effective use of development capital: Chile, Colombia, Nigeria, Turkey, Pakistan, India, and Tunisia. Two-thirds of all military assistance will go to 11 countries along the periphery of the Soviet Union and Communist China.

To designate an arbitrary maximum of 50 recipients is to reduce the flexibility of the program to the point of largely eliminating its usefulness as an instrument of American foreign policy. It may be in the years ahead that our national interest will require us to provide aid to more than 50 countries; it is equally possible that we will be able to confine our aid programs to many fewer than 50 countries. It makes no more sense to designate an arbitrary maximum of 50 aid recipients than it would to designate an arbitrary maximum of 50 embassies or 50 USIA missions abroad.

I hope the Senate will not accept the amendment. The foreign aid program is the best that the Government is able to do. In spite of all the criticisms that are heaped upon the Administrator, I believe that Mr. Bell is an outstanding man. He was drafted to perform this task. The Administrator is doing the best he can. The program is difficult. It is easy to criticize. It is easy to criticize practically all parts of our Government, but it still remains the best system that can be constructed.

Therefore I hope the Senate will not accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. MORSE]. On this question the

yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Tennessee [Mr. GORE], the Senator from Arizona [Mr. HAYDEN], the Senator from Georgia [Mr. RUSSELL], the Senator from Washington [Mr. JACKSON], the Senator from Utah [Mr. MOSS], and the Senator from Louisiana [Mr. LONG] are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from Massachusetts [Mr. KENNEDY] are absent because of illness.

I further announce that the Senator from Nevada [Mr. CANNON], the Senator from Pennsylvania [Mr. CLARK], the Senator from Oklahoma [Mr. EDMONDSON], and the Senator from New Jersey [Mr. WILLIAMS] are necessarily absent.

On this vote, the Senator from Virginia [Mr. BYRD] is paired with the Senator from Washington [Mr. JACKSON].

If present and voting, the Senator from Virginia would vote "yea" and the Senator from Washington would vote "nay."

On this vote, the Senator from Louisiana [Mr. LONG] is paired with the Senator from Pennsylvania [Mr. CLARK].

If present and voting, the Senator from Louisiana would vote "yea" and the Senator from Pennsylvania would vote "nay."

On this vote, the Senator from Georgia [Mr. RUSSELL] is paired with the Senator from New Jersey [Mr. WILLIAMS].

If present and voting, the Senator from Georgia would vote "yea" and the Senator from New Jersey would vote "nay."

Mr. KUCHEL. I announce that the Senator from Nebraska [Mr. HRUSKA], the Senator from Kansas [Mr. PEARSON], and the Senator from Pennsylvania [Mr. SCOTT] are necessarily absent.

The Senator from New York [Mr. JAVITS] is absent on official business.

The Senator from Arizona [Mr. GOLDWATER] is detained on official business.

If present and voting the Senator from Kansas [Mr. PEARSON] would vote "nay."

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from Pennsylvania [Mr. SCOTT]. If present and voting, the Senator from Nebraska would vote "yea" and the Senator from Pennsylvania would vote "nay."

The result was announced—yeas 29, nays 53, as follows:

[No. 530 Leg.]

YEAS—29

Beall	Gruening	Mundt
Bible	Hart	Robertson
Burdick	Johnston	Simpson
Cooper	Jordan, N.C.	Talmadge
Cotton	Jordan, Idaho	Thurmond
Curtis	McClellan	Tower
Dodd	Mechem	Williams, Del.
Dominick	Miller	Young, N. Dak.
Ellender	Morse	Young, Ohio
Ervin	Morton	

NAYS—53

Aiken	Church	Humphrey
Allott	Dirksen	Inouye
Bartlett	Douglas	Keating
Bayh	Eastland	Kuchel
Bennett	Fong	Lausche
Boggs	Fulbright	Long, Mo.
Brewster	Hartke	Magnuson
Byrd, W. Va.	Hickenlooper	Mansfield
Carlson	Hill	McCarthy
Case	Holland	McGee

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McGovern	Pastore	Smathers
McIntyre	Pell	Smith
McNamara	Prouty	Sparkman
Metcaif	Proxmire	Stennis
Monroney	Randolph	Symington
Muskie	Ribicoff	Walters
Nelson	Sallinger	Warborough
Neuberger	Saltonstall	

## NOT VOTING—18

Anderson	Gore	Long, La.
Byrd, Va.	Hayden	Moss
Cannon	Hruska	Pearson
Clark	Jackson	Russell
Edmondson	Javits	Scott
Goldwater	Kennedy	Williams, N.J.

So Mr. MORSE's amendment was rejected.

Mr. FULBRIGHT. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. MANSFIELD. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

## LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, I should like to ask the majority leader about the program for the remainder of the day and, insofar as he knows, what the program will be for tomorrow and when he proposes to convene the Senate.

Mr. MANSFIELD. It is my understanding that the distinguished senior Senator from Oregon, who has been most cooperative in offering amendments, will offer one more amendment this evening.

It is my further understanding that the yeas and nays may well be requested.

If there are other amendments following that—and I would hope that there would be—though I doubt it very much—the Senate would remain in session to consider them in the interest of expediting the measure now before it.

There is already an order for the Senate to meet at 10 o'clock tomorrow morning.

## ECONOMIC OPPORTUNITY ACT OF 1964—UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, at this time, after conferring with the distinguished minority leader and other interested individuals, I ask unanimous consent that on the question of agreeing to the House amendment, without amendment, to Senate 2642, the so-called antipoverty bill, debate beginning at 10:15 o'clock tomorrow morning be limited to 1 hour, to be equally divided between the proponents and the opponents, with the time to be controlled by the majority and minority leaders.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

The unanimous-consent agreement, subsequently reduced to writing, is as follows:

## UNANIMOUS-CONSENT AGREEMENT

Ordered, That effective on Tuesday, August 11, 1964, beginning at 10:15 a.m., the

No. 155—11

Senate proceed to the consideration of the House amendment, without amendment, to S. 2642, the so-called antipoverty bill, with all debate thereon limited to one hour, to be equally divided between the proponents and opponents and controlled by the majority and minority leaders, respectively.

## AUTHORIZATIONS FOR COMMITTEES OF THE SENATE TO MEET UNTIL 12 O'CLOCK MERIDIAN TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that committees of the Senate may be permitted to meet up until 12 o'clock meridian tomorrow.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

## ORDER OF BUSINESS—MODIFICATION OF UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, when the Senate meets tomorrow it will discuss the House amendment to the antipoverty bill (S. 2642) which is really the Economic Opportunity Act of 1964. It will then return to the foreign aid bill. I would hope that the Senate will show as much expedition tomorrow as it has shown today.

Mr. TOWER. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. TOWER. It was my understanding that the Committee on Labor and Public Welfare was meeting tomorrow only to consider nominations, but I have since been informed that it will also consider proposed legislation as well.

Since the members of that committee will be in the Chamber debating the House amendment to the antipoverty bill, it seems inappropriate that the Committee on Labor and Public Welfare should meet later than 10:15 a.m., tomorrow.

Accordingly, inasmuch as unanimous consent has already been propounded and agreed upon, would the Senator from Montana agree to change his request in regard to that committee?

Mr. MANSFIELD. The nurses training bill is due to be reported tomorrow, which is a matter of prime importance. It is a bill to which I know of no opposition. In view of the generosity of the Senator from Texas, I agree to rescind my previous request in regard to the Committee on Labor and Public Welfare.

Mr. TOWER. The only point I should like to make to the majority leader is that, of course, the antipoverty bill is also of prime concern to the Committee on Labor and Public Welfare, and members of that committee would be in the Chamber; therefore, I believe it should not meet at the time specified by the Senator from Montana.

Mr. MANSFIELD. Would it be agreeable to ask permission for the Committee on Labor and Public Welfare—if it so desires—to meet from 11:15 a.m. tomorrow until 12:30 p.m.?

Mr. TOWER. I would not object to that request.

Mr. MANSFIELD. Mr. President, I therefore make the request that the Committee on Labor and Public Welfare be permitted to meet from 11:15 a.m. tomorrow until 12:30 p.m.

Mr. TOWER. Could that request not be made so as to take effect after the vote on the antipoverty bill?

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Labor and Public Welfare be permitted to meet from 11:30 a.m. to 12:30 p.m.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

## COMMITTEE MEETING DURING REMAINDER OF 2D SESSION OF 88TH CONGRESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Appropriations be authorized to meet during the sessions of the Senate for the remainder of the 2d session of the 88th Congress.

Mr. TOWER. Mr. President, reserving the right to object, I should like to inquire of the Senator from Montana whether this authorization applies only to the Appropriations Committee?

Mr. MANSFIELD. This is only for the Appropriations Committee.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

## AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (H.R. 11380) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

Mr. MORSE. Mr. President, I call up my amendment No. 1188, and ask that it be stated.

The PRESIDING OFFICER. The amendment of the Senator from Oregon will be stated.

Mr. MORSE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and the amendment will be printed in the RECORD at this point.

The amendment (No. 1188) submitted by Mr. MORSE is as follows:

On page 4, line 5, after "Sec. 104." insert "(a)".

On page 4, between lines 13 and 14 insert the following:

"(b) Title VI of chapter 2 of part I is amended by adding at the end thereof the following new section:

"SEC. 254. RESTRICTIONS ON ASSISTANCE.—  
(a) None of the funds made available under authority of this Act may be used to furnish assistance to any country covered by this title in which the government has come to power through the forcible overthrow of a prior government which has been chosen in free and democratic elections.

"(b) The provisions of this section shall not require the withholding of assistance to