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HEARINGS

BEFORE THE

SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH CONGRESS

FIRST SESSION

SUBCOMMITTEE ON FOREIGN OPERATIONS APPROPRIATIONS

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FRANCIS G. MERRILL, *Staff Assistant to the Subcommittee*

PART 3

Peace Corps

International Organization Affairs

Statements of Members of Congress, Interested Organizations, and Individuals

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FOREIGN OPERATIONS APPROPRIATIONS FOR 1962

MONDAY, AUGUST 21, 1961.

PEACE CORPS

WITNESSES

ROBERT SARGENT SHRIVER, JR., DIRECTOR
JOHN D. CORCORAN, ASSOCIATE DIRECTOR FOR MANAGEMENT
WARREN W. WIGGINS, ASSOCIATE DIRECTOR FOR PROGRAM DEVELOPMENT AND OPERATIONS
WILLIAM P. KELLY, DIRECTOR OF CONTRACTS AND LOGISTICS
WILLIAM JOSEPHSON, DEPUTY GENERAL COUNSEL
RICHARD R. BOGARDUS, DIRECTOR OF BUDGET AND FINANCE

Mr. PASSMAN. The subcommittee will come to order.

The next item for consideration will be the request for funds for the Peace Corps.

We have with us to make the presentation Mr. Robert Sargent Shriver, Director of the Peace Corps.

Mr. Shriver, do you have a statement to make to the committee?

Mr. SHRIVER. Yes, Mr. Chairman.

GENERAL STATEMENT

I appear today in support of a request for $40 million to operate the Peace Corps during the fiscal year ending June 30, 1962.

The principal purpose of the Peace Corps is to provide trained Americans to help other countries meet some of their critical needs for skilled manpower.

Most of the Americans who volunteer to go overseas for the Peace Corps will, by the nature of the program, be similar to those we have already selected. So far we have selected for training approximately 450 people, Mr. Chairman. They are mostly single men and women, approximately 21 to 36 years of age, with an average age of 24. They are dedicated, active, patriotic Americans.

We expect all of our volunteers to live overseas in a simple and inexpensive way. We expect them to be imbued with a sense of cooperation and fellowship with their counterparts in the host country. We expect them to work, to train and teach, and to set examples.

We confidently expect important residual benefits from this program. We know that the Peace Corps volunteers will return to the United States with a much deeper understanding of the world outside our borders. All other considerations aside, these educational benefits will well be worth the $40 million we are asking. We expect the Peace Corps volunteers to be drawn from, and ultimately to come back to, the broad spectrum of American occupations and locations. When they come back to enter or resume their careers as farmers, businessmen, teachers, government workers, craftsmen, or whatever we can expect them to share the understanding and insights they have gained.

Similarly, we confidently expect the Peace Corps program to give a lot of people in other countries an opportunity to learn about America. We do not expect our Peace Corps volunteers to have very much influence, directly, on Prime Ministers and Cabinet members and political leaders. We don't expect Peace Corps volunteers to be aggressive in arguing immediate political causes. We do expect—and our

selection and training processes are so designed—that our Peace Corps volunteers can, with pride and conviction, talk about the United States of America, and we expect that their living and working arrangements, attitudes, and general demeanor will help to balance out some of the unfortunate impressions that people in other countries have developed about some Americans overseas.

One more word, before we get into the specifics of our budget request.

We do not intend to create a large separate administrative organization overseas. We expect to rely heavily, for administrative backstopping and support, on the U.S. Embassy or USOM in any particular country and, indeed, arrangements for this kind of administrative support are now being developed. We do agree, and the State Department and our Ambassadors urge, that we have a small staff in each country which is directly responsible for Peace Corps activities.

Now, to specifics of our appropriation request.

We come to you as a new agency, without much in the way of expenditure history, without experience to validate our cost estimates. As you know, the Peace Corps was created by Executive order just a little over 5 months ago, and our funds to date have been made available by the President under the provisions of the Mutual Security Act. You have each been provided with our congressional presentation booklet which represents our best projection of cost estimates. We have tried in this booklet to sort out costs both by the traditional Government "object" classification, as well as to do some cost accounting, that is, the cost per volunteer and each component of that cost, such as cost of training, medical services, transportation, and so on.

We are supplementing this original submission by some other things that are of vital interest to this committee:

1. A financial statement, by object classification, of our obligations through June 30, 1961. These were contingency funds made available under section 451(b) of the Mutual Security Act, and allocated to the Peace Corps.

2. A financial statement, by object classification, of our obligations of fiscal 1962 funds through August 1. These are funds which are available under the continuing resolution, and would be part of the $40 million hereby requested.

3. A listing of the contracts, with amounts, thus far negotiated by the Peace Corps. Our congressional presentation booklet makes reference only to the single contract, with CARE, that had been negotiated at the time the booklet was prepared.)

In our appropriation request for this year we are asking that no distinction be made between administrative and program expenses. There is not yet enough experience to afford a sound basis for an accurate forecast of our administrative costs. No other Government agency has previously engaged in large-scale recruitment of civilian volunteers, their training and selection for service in remote areas of the world, and their logistic support while engaged in that service. Our own brief operational history is an insufficient basis on which to project long-range administrative costs. We know that the classifications traditionally used in Government for administration and program expenses are perhaps necessary. In our first year of operation we expect to develop some very specific standards of administrative and program costs. These can be the standards of future congres-

sional action on our program. At this time, however, we submit a budgeted program, with our estimates of administrative and program costs; but we hope that this committee will not impose upon us, during this developmental period, ceilings on these categories.

It is our desire to keep our administrative overhead to a minimum. We must do this not only because of our responsibilities to this committee and to the Congress as a whole, but also because of our responsibilities to the volunteers, whom we expect to lead a rather Spartan existence. Our plans are based on a total of 369 positions. Of these, we would expect no more than 100 to be serving overseas by next June 30, or about one for every 27 volunteers.

I submit that my own previous experience as a businessman, as a taxpayer, as a member and president of the board of education in Chicago, has made me extremely conscious of government spending, of program costs, of value received for the dollar spent. My management staff—some of whom are here today—are not surprised when I say: "I want to know what the total costs are. Add in everything, including all overhead. Then give me a cost figure per Peace Corps volunteer. On this basis, I can better decide if this is a worthwhile project for the U.S. Government."

Our presentation points out that we expect to use, on a contractual basis, the American institutional resources that can help us in training, selection, and occasionally in actual administration overseas. These contracts, are, of course, available for your examination. We are proud to have enlisted in the Peace Corps program some of the tremendous resources that are available in American educational institutions and nonprofit private agencies.

My final comment, Mr. Chairman, is one that I have made in my appearances before other committees, and I would like to repeat it here. We in the Peace Corps feel a strong sense of responsibility to Congress, and through Congress to the American people. Particularly to this committee we want to give an accurate and faithful accounting of our stewardship.

Thank you.

Mr. PASSMAN. Thank you very much, Mr. Director.

DISCUSSION OF CHARLES KAMEN

So that the committee may have some understanding of how exacting the Peace Corps may be with respect to recruiting the highest type of personnel, it may be well to bring this matter up for discussion with the Director before we proceed to the questioning relative to the details and justifications for the $40 million which is being requested. I read from the Miami News for Friday, July 21, 1961, under the heading, "Rotary Protests; Peace Corps Supports Rebel":

> Charles Kamen, 21, awarded a Peace Corps assignment in the Philippines, received official support from Corps headquarters in Washington today after some local opposition to his appointment.
>
> Several Rotary officials here questioned Kamen's loyalty, based upon his appearance at a December 29 luncheon meeting where he attempted to gain the floor to protest the controversial anti-Communist film "Operation Abolition." He was forcibly ejected from the meeting.
>
> Robert Smith, Rotary executive secretary, today charged that based upon Mr. Kamen's actions and statements it would appear that his leanings are toward another form of government than our own.

Let me note at this point that I am a former member of the Rotary Club, and know that it is an outstanding civic service organization. I am sure that matter has been brought to your attention, Mr. Shriver.

Mr. SHRIVER. Yes, sir; it has.

Mr. PASSMAN. Would you like to comment briefly, as to whether or not this person has been discharged for what are described as his apparent leanings toward another form of government other than our own?

Mr. SHRIVER. No, sir; he has not been discharged. I would like to say, as you have, Mr. Chairman, that I am a member of the Rotary Club and have been for a number of years a member of the Chicago Rotary Club. Mr. Kamen has not been selected for oversea work. He was selected for training. The training program is an integral part of the selection process. We determined early in the game that there was nobody competent enough to select people on the basis of one examination or one interview or one test or any other single criterion. So, instead of having just one process, we have a long, extended process of about 3 to 4 months before the selection actually takes place for oversea work. During that time we get a full FBI field check on every volunteer. Mr. Kamen will have such a check. We have a full medical check and a full psychological examination for every candidate selected for training. We have letters of reference from at least six persons who know him well and who are his seniors, either the minister of his church or the principal of his school or his employer, people of that type. Then during the training period we have the benefit of evaluation of each individual selectee given to us by the faculty of the training program. These are men who are experienced in dealing with people in their twenties and thirties, who can give us their evaluation of each person, his emotional maturity, his stability, his patriotism, and so forth. So at the end of the training program, at the end of 3 or 4 months, we have a file jacket on each person which includes all of this information. At that time the selections are made.

In this case the selection is for the Philippines project. Mr. Kamen might be selected; he might not be selected. He has not been selected yet.

Mr. PASSMAN. Should we discount this report? Is it true that this young man was forcibly ejected from the meeting when they were showing the anti-Communist film "Operation Abolition"?

Mr. SHRIVER. I cannot say that you can discount it, because the facts in this case, Mr. Chairman, are somewhat confused. For example, I have in front of me an article from the Miami News of August 15, just a few days ago, about this particular incident. This article indicates that he was not forcibly ejected. It is by a woman writer, Rollene Saal. I have here also a letter dated the 12th of August by a reporter on the Miami News who contests a great deal of the information in the original article. I am not prepared on this occasion to say whether that article or this article is right.

Mr. PASSMAN. Could you not very easily have contacted the president of the Rotary Club, the secretary of the Rotary Club, or reputable members of the Rotary Club to ascertain whether or not this is true?

Mr. SHRIVER. We have done that in part, and some of them have said one thing and some have said another. This man went there

as a guest of the previous executive secretary of the club. That man gives us a slightly different picture than some of the other people do. We are in the process of doing exactly what you suggest, Mr. Chairman. The FBI is making a check and we are making a check. We have sent people down there. All of this information on both sides of this discussion will be in this particular man's file jacket when the final decision is made about him. The people who make the final decision will not be operating, as we now have to operate, on fragmentary evidence.

Mr. PASSMAN. The article about being ejected from the meeting is not subject to discount at this stage?

Mr. SHRIVER. I would not deny it. I cannot affirm it. All I can say is that that article and all the other information from the other reporters who were at this meeting will be in this man's record and will be evaluated by the selection board.

Mr. PASSMAN. It would appear to me that if there is any ground for this charge, this man should immediately have been called into Washington for a complete examination of the matter, so as to ascertain whether or not this is true. Something such as this could get you started off on the wrong foot. It seems to me that this would have been relatively simple to have pinned down, one way or the other.

Mr. ANDREWS. I have heard any number of Congressmen commenting about this story. One of them told me he saw this man's picture in the paper, and he was a bearded beatnik at the time he was in that Rotary Club.

He has now shaved his beard off.

Mr. SHRIVER. At this time at the particular meeting, there were 20 or 30 Cubans at this meeting. There are some allegations, for example, Mr. Congressman, that they were participating in this activity, and some of the noise and confusion they were creating perhaps was attributed to this man. All I am trying to say is this: We are investigating this situation. We have already investigated it in part. The FBI is investigating it. There is a great deal of contradictory evidence. We feel that we are proceeding in the regular administrative way in accordance with our rather extensive selection program. As a matter of fact, we think it is the most rigorous one that has ever been undertaken for the Government.

Mr. PASSMAN. What did he say in his own defense?

Mr. SHRIVER. He said in his own defense, first, that he apologized for going to this meeting and asking for permission to speak, which is what he did. He said in retrospect he felt he should not have done that, even though he was a guest. He said that he hoped he could carry on an effective job as a Peace Corps volunteer; that he had been president of the student council in his college; that he had done well on the tests; that he hoped that his performance while he is being investigated, during his training period, would indicate that he had perhaps matured more than he had some time ago, and that he would be a credit to his country. He ended up by saying that he was a registered Republican, and it certainly had nothing to do with politics. He cited people who had endorsed him.

Mr. RHODES. Just a minute.

Mr. SHRIVER. This is what he said.

Mr. RHODES. Do you mean he said he is a registered Republican, so he has nothing to do with politics?

Mr. SHRIVER. He did not say he has nothing to do with politics. He said his selection had nothing to do with politics.

Congressman, perhaps you have not heard it, but some people have charged that politics was involved in the Peace Corps, even in the selections. This was said by some Congressmen on the Hill. He alluded to this in his statement. The chairman asked me to try to epitomize what he said, and I am trying to do that.

Mr. RHODES. If you know, will you tell what he was going to say when he was asked to make the speech? Did he tell you what he intended to say in the speech?

Mr. SHRIVER. No, sir; I have never talked with the man or seen him. I am telling you what his statement was that he issued in Miami. That statement, incidentally, so far as I know was never published by the newspapers.

I might say we have now selected about 500 persons.

Mr. PASSMAN. We hope that not many of them are along this line; if so, this thing will explode before it gets off the ground.

How long has the young man, Kamen, been on the payroll, Mr. Shriver?

Mr. SHRIVER. He has been a volunteer candidate since about August 12 when the training program started at Penn State. If you would like to have the exact date, somebody here might know the exact date. The training program started July 25.

Mr. PASSMAN. In beginning a new organization as important as you want to believe this one to be, if you accept a person with questionable leanings and obvious instability even before you get your authorization and your appropriation, I am inclined to doubt the wisdom of such judgment.

I yield to the gentleman.

Mr. GARY. Do I understand he was not a volunteer at the time of this incident?

Mr. SHRIVER. Yes, sir.

Mr. GARY. The incident was last December?

Mr. SHRIVER. Yes, sir.

Mr. GARY. And he was selected in August as a volunteer for the training course?

Mr. SHRIVER. That is right.

Mr. GARY. The prime purpose of that training course is to evaluate the applicant?

Mr. SHRIVER. That is one of the principal purposes of it. It is a part of the selection process. We have not discounted what he did. We have not selected him. We are not forgiving him for what he did. He is in the selection process now, and nobody knows whether he will be selected or not. Obviously, this kind of evidence will be very much against him when——

Mr. GARY. I should think so. Regardless of the other evidence, he admits that he attended the meeting as a guest and attempted to speak, and that was very indiscreet, if nothing more.

Mr. SHRIVER. No quesion about it. It will weigh heavily against him. There is no doubt about that.

Mr. GARY. It shows a lack of judgment which you would not want overseas, I would say.

Mr. SHRIVER. Perhaps you are right.

Mr. GARY. Without taking any sides as to who the man was or the extent of his protests, he certainly displayed a very gross lack of judgment.

Mr. SHRIVER. I agree with you.

Mr. PASSMAN. Did you know about this situation at the time you employed him?

Mr. SHRIVER. No, sir.

Mr. RHODES. May I ask a question, Mr. Chairman.

What would a person have to do during his training period to justify summary dismissal from the Peace Corps?

Mr. SHRIVER. Some people have already been dropped, Congressman. They have been dropped for medical reasons. They have been dropped when they falsified something on the original applications and we found that out. They have been dropped for falsification of the original documentation. We found one man who was emotionally disturbed, shall we say, and we dropped him because he was not emotionally mature.

Mr. RHODES. Is grabbing the microphone and trying to make a speech at a public meeting a sign of emotional maturity?

Mr. SHRIVER. No, sir. We have dropped people for emotional immaturity or imbalance. We have psychological and psychiatric tests, and in several cases we have dropped people because the tests showed them not to be qualified. Others have dropped out for their own reasons. We have dropped, I think, seven or eight people out of the training program so far. The training program for the Philippines started around the 25th of July. It will go until sometime in September. During that period we have the opportunity to see this man in action, and also to get an evaluation of him from the FBI and from others. It may well be that this evidence will weigh very heavily against him.

Mr. RHODES. There is no personal action which would justify immediate dismissal. In other words, if a man commits a felony, you would still keep him until the end of the evaluation period, I suppose.

Mr. SHRIVER. No, sir; we would not. A man falsified his application blank, and he was dropped. If a man committed a felony, he would be dismissed.

Mr. PASSMAN. I am not going to prejudge. But this is a new program. It will be worldwide, as it would apply to underdeveloped nations. With all the wonderful young people we have in America from whom to select, even though we may feel sorry for this indiscreet young man, I should think it would be in the interest of the organization promptly to remove any person who does not clearly measure up to high standards for judgment and stability, not to mention the paramount factor of loyalty.

Mr. Shriver, your budget estimate for fiscal 1962 is $40 million?

Mr. SHRIVER. Yes, sir.

BIOGRAPHICAL SKETCH OF MR. SHRIVER

Mr. PASSMAN. We should like for you to insert at this point in the record a personal biographical sketch.

Mr. SHRIVER. Yes, sir.

(The information requested follows:)

BIOGRAPHICAL SKETCH OF ROBERT SARGENT SHRIVER, JR.

Residence: 2430 North Lakeview, Chicago, Ill.

Birth: November 9, 1915, Westminster, Md.

Education: Parochial schools, Baltimore, Md.; Canterbury School, 1930–34, New Milford, Conn.; Yale College, B.A. degree, cum laude, 1938; Yale University, School of Law, LL.B., 1941.

Business career: Law firm, Winthrop, Stimson, Putnam & Roberts, New York City, 1940–41; admitted to bar of State of New York, December 1941; war service, 1941–45; assistant editor, Newsweek magazine, 1945–46; associated with Joseph P. Kennedy Enterprises, 1946–48; assistant general manager, the Merchandise Mart, 1948–61 present; admitted to bar of State of Illinois, April 1959; executive director of the Joseph P. Kennedy, Jr. Foundation, resigned 1961; Director, the Peace Corps, Washington, D.C. 1961.

Military service: Enlisted as apprentice seaman (V–7) July 1940, USNR; commissioned ensign, USNR, September 1941; continuous oversea duty, Atlantic and Pacific Ocean areas aboard battleships and submarines, October 1941–December 1945; awards, Navy Unit Citation, Submarine Medal, various campaign medals with battle stars; inactive duty as lieutenant commander, USNR.

Marital status: Married May 23, 1953; wife's maiden name, Eunice Mary Kennedy; children, son, Robert Sargent Shriver III, born April 28, 1954, daughter, Maria Owings Shriver, born November 6, 1955, son, Timothy Perry Shriver, born August 29, 1959.

Political affiliation: Registered Democrat.

Religious affiliation: Roman Catholic.

Illinois residence: Permanent and voting residence since 1948.

Educational associations: Chicago, Ill.: President, Chicago Board of Education, October 1955–June 1960; member: Illinois School Problems Commission No. 6 (1959–61), resigned January 1961; member: Illinois School Problems Commission No. 5 (1957–59); citizens board, University of Chicago; board of trustees, DePaul University; citizens board, Loyola University; board of trustees, St. Xavier College for Women.

Others: Citizens committee, University of Illinois; advisory council, College of Commerce, Notre Dame University; board of directors, St. Paul Guild, New York City; national chairman, Yale Alumni Board, June 1958–June 1960; executive committee, Yale Law School Association; board of trustees, Yale School of Fine Arts; member, Committee on Government and Higher Education, Ford Foundation (1957–59). Member at large, National Council, Boy Scouts of America, May 1961.

Organizations: President, Catholic Interracial Council of Chicago, resigned December 1960; director, Catholic Charities of Chicago; director, Chicago Council on Foreign Relations; director, Chicago Maternity Center.

Honorary degrees: Doctor of laws, awarded by St. Procopius College, Lisle, Ill., June 4, 1949; awarded by Notre Dame University, Notre Dame, Ind., June 4, 1961; awarded by DePaul University, Chicago, Ill., June 7, 1961; awarded by Seton Hall College, South Orange, N.J., June 10, 1961.

POINT OF ORIGIN OF THE PEACE CORPS

Mr. PASSMAN. What is the point of origin of the Peace Corps program, Mr. Shriver?

Mr. SHRIVER. There has been a great deal of difference of opinion expressed about that. Some people say the idea of the Peace Corps goes away back in the history of this country to the early part of the 19th century. Others say most immediately that the responsibility for it is right here in the House, where the House recommended the appropriation of and then appropriated $10,000 of mutual security funds to have a study made to determine the feasibility of what was then called a Youth Corps. Colorado State University made this study. It cost a lot more than $10,000, but they made it. That report was submitted to the Congress some months ago. That report

indicated that the Youth Corps, or a Peace Corps as they began to call it, was feasible and would make a contribution, it is believed, to American foreign policy. It was one of the fundamental reports that we relied upon in setting up our organization.

Mr. TABER. Who made that report?

Mr. SHRIVER. Colorado State University. The Colorado State University Research Foundation was selected by the officials of the International Cooperation Administration to make this study, in conformity with the request of Congress.

Mr. PASSMAN. The committee last year accepted the amendment offered on the floor providing for the study. I think the sponsor at that time indicated it should not have been Youth Corps, that it was a misnomer, and he wanted to change the designation, but it was then too late. This item was stricken on a point of order, was put back in by the other body, and the committee accepted it in conference.

I wonder if that was really the begining.

Mr. SHRIVER. That was one part of it. Then during the last year, as you know, President Kennedy endorsed the idea of the Peace Corps. Senator Humphrey had introduced a bill in the Senate. All of these ideas had certain points of difference. Nevertheless, it was in the air, you might say. About 10 days or 2 weeks or so after the President was inaugurated, he asked me whether I would come to Washington and undertake a study about the feasibility of developing such an organization. He also asked that Prof. Max Millikan, of the Massachusetts Institute of Technology Center for International Studies, write a report. Professor Millikan did so. Professor Hayes, who is at Michigan University, also wrote a report. So by the time we started actually to put an organization together or make some proposals about an organization, we had the benefit of the Colorado State preliminary study, Professor Millikan's study, and Professor Hayes' study; and we had the benefit, of course, of work which had been done by missionary groups such as the Quakers, Methodists, Baptists, and Catholics, for generations. We had all of this information to draw upon. Also, some of the ICA officials had given some thought on their own to how this might be best organized. All of this information was available to us.

COST OF STUDY ON THE PEACE CORPS

Mr. PASSMAN. Congress authorized $10,000 for the study. What was the ultimate cost of the study?

Mr. SHRIVER. I do not know the exact ultimate cost, but I think it was in excess of $50,000, Congressman, of which only the amount of $10,000 was financed from U.S. Government funds.

Mr. PASSMAN. As we have said in this committee before, from little acorns big trees grow. It is quite a jump from $10,000 to $50,000 and then to $40 million, all within a year's time. It is growing rather rapidly. Do you think the study was sufficiently complete and comprehensive to warrant a start so soon on this large a scale?

Mr. SHRIVER. Yes, sir, I think the study that Colorado State made was a very good study. Of course, it was only a research study. They projected a program comparable to the one that we are projecting, Mr. Chairman, when they made the study. For example, they estimated it would cost $10,000 or $12,000 per volunteer. They

made an indication that they thought there was a great demand overseas. If it costs $10,000 or $12,000 per volunteer and there is really a huge demand, it is merely a matter of multiplication.

ADVISABILITY OF PILOTING PROGRAM IN SELECTED FRIENDLY NATIONS

Mr. PASSMAN. Have you given any thought to perhaps starting the program by placing these young people in maybe two or three of the more friendly recipient nations for something on the order of a trial run?

Mr. SHRIVER. Yes, sir; we did give thought to that.

Mr. PASSMAN. Why did you rule it out?

Mr. SHRIVER. Some people felt, Mr. Chairman, if you operated a program only with friendly nations, so-called, some of the people would interpret this as merely a thing that was being done for the benefit of people who had already, so to speak, indicated their commitment to our side.

Mr. PASSMAN. We were thinking about a pilot operation, maybe selecting three or four nations, more or less, to give it possibly a 1- or 2-year trial run, in order to evaluate what service, and the value of it, they could actually render. I suggested friendly recipient nations for the reason that if there were incidents which could lead to embarrassment, those which are friendlier no doubt would be more willing to forgive. This program could be either a great sucess or a damaging failure, in my opinion, or it might be neither very successful nor very damaging.

Mr. SHRIVER. For example, we are sending people to Tanganyika, as you know, Mr. Chairman. I think many people would call that a friendly country, even though it is not totally independent yet.

Mr. PASSMAN. That is in tropical Africa.

Mr. SHRIVER. Yes, sir.

(Off the record.)

Mr. SHRIVER. I was trying to indicate that if we had an experience in Tanganyika which was successful, it really would not be very much of an indication as to whether an experiment in Guinea or Mali would be successful.

Mr. PASSMAN. How about if you had picked the Philippines, and then maybe from the Philippines to some other country or countries? In all probability, since we have waited all these years to start such a program, and since it is perhaps the same coat others have put on, such as ICA technical aid, U.N. technical aid, and the Organization of American States operating in Latin America, you could have reasonably proceeded to gain some experience with it, at least 1 year, and then come in later for an expanded program.

Mr. SHRIVER. Mr. Chairman, we feel that we have a rather conservative program in view of several important factors. First, there is a huge demand overseas for Peace Corps volunteers. Second, there is a tremendous supply here. We have had about 12,000 people volunteer. If we take 2,000 or 2,500 out of 12,000 to 15,000, we are taking only about 1 of every 5 people who volunteer. So there is a large number of Americans who would like to serve their country in this Corps who will never have a chance to serve under the present program.

Mr. PASSMAN. We are thinking, not of whether they serve the Corps, but of whether they serve the best interests of America.

Mr. SHRIVER. That is what I said, their country, not the Corps.

INITIATION OF PEACE CORPS PROGRAMS IN COUNTRIES

Mr. PASSMAN. Page 10 indicates that the government of the country must have requested the project. Then, we go over to page 65 of your statement, and its says:

> In one case an ICA mission director was brought to the United States, given a full briefing on the Peace Corps, and asked on his return to his post to prepare a Peace Corps program for that country. In other cases, embassies or USOM's have proposed on their own initiative the initiation of Peace Corps programs in their countries.

How could it, in those circumstances, be very voluntary on the part of the countries?

Have you had an opportunity to check the conflict between the statement on page 10 and the one on page 65?

Mr. SHRIVER. Yes, sir; I just heard it. I agree there is an apparent conflict, but I believe it is not an actual conflict. The ICA mission director who is mentioned there was actually coming to this country on recall by the ICA for consultation. That sentence is inaccurate in that we alone did not recall him. He was coming here. While he was here at the beginning of the Peace Corps program, he expressed an interest in finding out about what we were doing and what the possibilities were for such a program in his country. In other words, he was taking the initiative in trying to inform himself while he had the opportunity in this country, which he did. Subsequently he went back to his post and possibly talked to some of the people in that Government. I do not know.

The previous statement on page 10 is to the effect that we do not go anywhere unless we are invited. That is true.

Mr. PASSMAN. By the recipient country?

Mr. SHRIVER. That is correct. Let us say this ICA man went back and talked to some of the people in government. He might think it a great idea. Some of the people in that government might think it a great idea. We still do not go to that country unless we are requested.

Let me give you a case in point. Before I went around the world last May, there were several ambassadors here who called and suggested that I go to their country. They said the headman in their country, the prime minister or the president, was very anxious to talk about the Peace Corps. Rather than take solely the indication of an ambassador here—a very high-ranking official, but nevertheless he was here—we asked if we could get an actual invitation from the countries. That is what actually happened. They extended an invitation to us to come to talk about the Peace Corps. That has been true in all of the cases where we have actually conducted a negotiation. We are there by invitation.

Mr. PASSMAN. Mr. Shriver, I do not think that coincides with the statement, but if that is your explanation——

Mr. SHRIVER. I said that statement is inaccurate in the sense that it indicates we brought a man up here at our expense to go back there and sell a program. We did not do that. The man was not here at our expense. He came up under the ICA.

Mr. PASSMAN. If we must pursue it, the last sentence on page 65 says:

In other cases, Embassies or USOM's have proposed on their own initiative the initiation of Peace Corps programs in their countries.

Mr. SHRIVER. That is correct, but that does not mean that we do not get invitations. For example, the ICA mission——

MATURITY OF VOLUNTEERS

Mr. PASSMAN. Would it simply follow that these people work up a program, and after they work it up, the recipient nations have no alternative but to accept it? Would that statement be too broad?

Mr. SHRIVER. That is too broad, yes, sir.

Mr. PASSMAN. The President of one of the recipient nations was in America. He addressed the Congress, and some thought it was one of the finest speeches ever made. I say frankly, however, that there were no blisters on my hands resulting from applause. He said that his country was the only one which could be relied upon. That was the President of Pakistan. He also made the statement while here that what they wanted out there, in effect, was grown-ups, not youngsters. Did you see that statement?

Mr. SHRIVER. Yes, sir, I saw that statement. I had the pleasure of meeting him.

Mr. PASSMAN. I wonder why he would want to make a statement of such nature?

Mr. SHRIVER. I do not know why he made the statement.

Mr. PASSMAN. Have you any plans for his country?

Mr. SHRIVER. He asked us to come. I had the opportunity to meet him in Pakistan.

Mr. PASSMAN. Subsequent to the statement he made?

Mr. SHRIVER. No, sir; before.

Mr. PASSMAN. He must not have felt too kindly about it, or he would hardly have issued a statement of that type.

Mr. SHRIVER. It certainly did not apply to us, because we are not sending immature or untrained people.

Mr. PASSMAN. It was in reply to a question. You are not sending elderly men out, are you?

Mr. SHRIVER. It depends on what you think is elderly. We are sending a couple of men 55 and 57, and a wife of 54.

Mr. PASSMAN. Most of these people are youngsters, are they not, in their 20's, who are going out to these countries?

Mr. SHRIVER. The average age is 24. We have a median age of 27, so there is a substantial number over 30 as well as under 30.

OBLIGATIONS AS OF JUNE 30, 1961

Mr. PASSMAN. What were the actual financial obligations of the Peace Corps as of June 30, 1961?

Mr. SHRIVER. $2,917,000, I think it is.

Excuse me. The actual total obligations as of June 30 were $1,627,-804, according to our computation. These are computed from our records. They have not yet been audited.

NUMBER OF PERSONNEL

Mr. PASSMAN. The number of people on the payroll at that time?

Mr. SHRIVER. On June 30, probably something in excess of 100. We now have 121 permanent employees on the payroll.

SOURCE OF FUNDS

Mr. PASSMAN. From what source did you get the $1,627,804? Out of what appropriation did you fund the Peace Corps?

Mr. SHRIVER. Out of the mutual security special assistance funds.

Mr. BOGARDUS. Special assistance funds under the Mutual Security Act.

Mr. PASSMAN. Did it not come out of the President's contingency fund?

Mr. BOGARDUS. Out of the President's contingency.

NUMBER OF PERSONNEL

Mr. PASSMAN. What is the number of administrative personnel?

Mr. SHRIVER. When?

Mr. PASSMAN. Now.

Mr. SHRIVER. There are 121 permanent employees as of today. I do not have what it was exactly on June 30.

Mr. PASSMAN. What about the program personnel?

Mr. SHRIVER. That is the whole thing. The permanent payroll of our organization, including program and everything, is 121. We have had some summer people to help us. We have had some consultants and others. But the permanent payroll is 121, which includes all of the people we have, secretaries, program people, me, and everybody else.

Mr. PASSMAN. That is the administrative personnel. Now let us get the total personnel on the payroll, either by grant or by tuition.

EXPENDITURES TO DATE

Mr. TABER. Your expenditures down to June 30 indicate that the average expenditure for these 121 people would be $13,000 a month. We have to have something to explain that figure.

Mr. SHRIVER. I would be happy to give you a complete explanation of it, Congressman Taber.

Personal services cost $300,000. Travel, $189,000. Transportation, $4,100. Communications, rents, and utilities, $30,000. Printing and reproduction, $67,000. Other contractual services, which is commitments we have made for training and program activities, $794,000. Supplies and materials, $61,000. Equipment, $178,000. Total, $1,627,804.

The $794,000, the biggest figure there, is broken down by what we paid to ICA for administrative support, program support, what we are contracting with CARE for, our project in Colombia of $178,000, and so on.

Mr. PASSMAN. Your travel was $189,996 for 121 persons. For such a brief period, is that not rather high?

Mr. SHRIVER. Yes, sir, I think it is; but it is not high in terms of what we have accomplished. The figure also includes travel of con-

sultants, temporary and detailed employees in addition to the 121 permanent employees.

Mr. PASSMAN. So far you are in the process of creating an organization, so it would be rather difficult to pin down any accomplishment, other than recruiting personnel?

Mr. SHRIVER. I do not think that is altogether correct, because we have in this period of time managed to effect agreements with a number of foreign countries, which require travel to those countries to achieve. For example, I and two or three of my associates went around the world to find out what the true demand was, if any, for the Peace Corps. We had no desire to start something for which there was not an actual demand.

DUTIES OF MEMBERS OF THE PEACE CORPS

Mr. PASSMAN. Just what will the members of the Peace Corps do? What will be the duties of a member of the Peace Corps as it would apply, say, to a farm?

Mr. SHRIVER. The Peace Corps is sending over skilled personnel at junior level, if you will, who will do specific jobs which have been prepared for them in advance or which exist, irrespective of their arrival, in advance. For example, in Tanganyika the Government has a tremendous need for surveyors, geologists, and civil engineers. They want to develop a system of feeder roads. They have a couple of large highways, but their agrarian economy is mostly a subsistence economy because they cannot get the product from the farm to the market. They have wanted a system of feeder roads for a number of years. They have been working with the British, and they originally tried to work with our ICA. They were not able to get these surveyors, and they could graduate or produce only about two surveyors every 5 years in Tanganyika. In response to their request, we were able to say to them that we felt we could get 20 surveyors, 4 geologists, and 4 civil engineers to take on this specific job that they wished to have done. We have gotten those surveyors, civil engineers, and geologists who have been training at Texas Western. Those are the ones who graduated from the training program yesterday. The Tanganyikan Government itself has looked these people over. A member of that Government has come here, the man in charge of that particular work. He has expressed his unbounded, I would say, enthusiasm for these people. They will be doing actual surveying, actual geological work, and actual civil engineering in Tanganyika.

In the case of the Philippines, which is a different one, they have asked us for people who could help them in the teaching of English there, and also in the teaching of general science at the elementary school level. As a result of negotiations with them, we have 157 men in training at Penn State, at State College, Pennsylvania—a large number of these are women, incidentally—to go out there as teachers aids, we call them. It will be their job to teach in a Philippine classroom, not to go from school to school or village to village giving high-level advice or consultation or anything of that kind, but to go into a classroom and teach.

Mr. PASSMAN. If they are junior experts, do you have serious hope that they can do what the senior experts failed to do? We have

had ICA personnel engaged in these activities and there have been some miserable failures. They have been paid fabulous fees, going into millions of dollars, to design, let us say a highway, and supervise its construction, and the ultimate cost has been maybe six times the original estimate.

QUESTION AS TO TRAINING OF VOLUNTEERS IN OTHER COUNTRIES

I notice here, on page 33, that volunteers will be assigned to geologists and other experts during their training in Tanganyika. It looks as if you are sending them out there to be trained, and not to train people. Am I reading that correctly?

Mr. SHRIVER. I would not say that you are reading it incorrectly, but I think the implication you have drawn, Congressman, is not what was intended.

Mr. PASSMAN. We shall have to mark the bill up according to what has been said. I quote:

> Then the volunteers will be assigned to geologists and other experts for a period of time before undertaking work of their own.

They will be trained by our personnel or by the nationals of the country?

Mr. SHRIVER. Let me explain it, if I may, Congressman. In the first place, they are already, for example, civil engineers or surveyors. In addition, as an example, the Tanganyikans asked us originally for four civil engineers. The head of that department of the Tanganyikan Government came to Texas Western and saw the people we had and asked us whether he could not please get three more of the civil engineers we have because they were so good. They are already civil engineers. They go out there, and then when they arrive the Tanganyikan Government is so interested in their success, in their knowledge of the language and the customs of that country, that at their own expense they are giving them a 7-week course in Tanganyika to perfect their knowledge of Swahili and to give them additional training.

Mr. PASSMAN. All this without an authorization by the Congress and without an appropriation. How did that official from that part of the world know we had such a program?

Mr. SHRIVER. As I was saying a minute ago, before we can undertake a program with a country, we have to get an invitation from the country and an agreement from that country. Of course, the officials of that country knew that we had such a program.

Mr. PASSMAN. In all probability, they had plenty of help from our State Department and ICA in learning about this program, did they not? What worries me, Mr. Shriver, is that we get started on these programs, and get ourselves completely involved, even before the Congress has had an opportunity to take a look at the plans. It is going too far, in my opinion, whether it is one administration or another, in assuming that all they need to do is come to Congress and get it rubberstamped. As far as I am concerned, I do not like that way of operating. We are already getting this thing pretty far afield, when you do not even have an authorization.

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DISTRIBUTION OF QUESTIONNAIRES

Mr. Shriver, how many questionnaires have you mailed out?

Mr. SHRIVER. I think we mailed out in excess of 600,000. Mr. Chairman, we have made questionnaires available in post offices, and so on, so every American who wished to volunteer could get a questionnaire, and to cover our country, which is such a large country, it is necessary to have at least a small supply in a number of different places easily available to the taxpayers and citizens. So we have had to send out a lot more questionnaires than we ever anticipated getting in total number of volunteers, in order to have a questionnaire available in various places for potential volunteers.

Mr. PASSMAN. Mentioning the taxpayer, in that connection, too often the taxpayer is not taken into account. I was reading the U.S. Treasury statement for the first 45 days of fiscal 1962. I blinked two or three times. I could not believe my own eyes. Actually the net deposits in the U.S. Treasury are running behind the amount for the same period last year. But, we have withdrawn nearly $2 billion more from the Treasury than we did in the same period last year. Yet, more expenditures are being stacked on, and we will have to borrow the money to carry them on, because you will not be able to finance them out of tax collections. I am glad that you referred to the taxpayer.

What kind of response did you get from the questionnaires which you mailed out, Mr. Shriver?

Mr. SHRIVER. We have now gotten in 12,363 completed questionnaires. Many more questionnaires than that have been mailed out, but what we call a completed questionnaire is one which is completely filled out and sent in to us, containing the proper number of references, and so on.

COST FOR USE OF ICA DATA-PROCESSING EQUIPMENT

Mr. PASSMAN. What is the cost to the Peace Corps for the use of ICA's data-processing equipment?

Mr. SHRIVER. The cost of that in the early stages, Mr. Chairman, was very high, because when the equipment was put in, we were the only agency utilizing it. I am not certain of the cost today. I do not have those figures at hand. The ICA management people told us that as of this time or approximately this time, these machines would be utilized not only by us, but by them and by others. Consequently, at the time when they were fully utilized, the cost to us would be small. In the beginning, the cost to us was large.

Mr. PASSMAN. Now, if we may have the amount?

Mr. SHRIVER. For the 2 fiscal years 1961 and 1962, the estimated grand total is $39,556.

Mr. PASSMAN. That is for fiscal 1961?

Mr. TABER. This is an estimate, is it not?

Mr. PASSMAN. We want to get, first, the cost for fiscal 1961.

Mr. SHRIVER. The cost to the Peace Corps in fiscal 1961 was $6,985.

Mr. PASSMAN. And the estimate for fiscal 1962?

Mr. SHRIVER. $32,571. If you add those two together, you get $39,556.

Mr. PASSMAN. W wanted to keep them separated, because you still do not have any authorization for fiscal 1962.

Mr. SHRIVER. The money we are using now is under the continuing resolution.

Mr. PASSMAN. It is a budget request, and if the Congress should turn it down, then, of course, fiscal 1962 funds would be nothing more than just a figure you projected. It is good to have both of them in the record.

FUNCTION OF CAREER PLANNING BOARD

Have you set up your Career Planning Board, Mr. Shriver?

Mr. SHRIVER. We established a Career Planning Board at the beginning of our operation for the reasons indicated. There were six people on it. On the Senate side, the Foreign Relations Committee of the Senate felt that this was not a necessary operation at this time. They felt that it might be important in future years but not at this time. On the House side in the Foreign Affairs Committee, the members seemed—I say "seemed" because they have not voted yet—seemed to feel that the Career Planning Board should be an integral part of the operation from the beginning.

Mr. PASSMAN. Is it true that the Career Planning Board is to take care of the volunteers at the end of their tenure or training period out in the field?

Mr. SHRIVER. Not to take care of them exactly, Congressman.

Mr. PASSMAN. What are they supposed to do?

Mr. SHRIVER. The idea is that they should study the performance record of these people overseas and make recommendations to them about career opportunities useful to the National Government and to our country, that these people could get into when they returned. For example, on the Career Planning Board we have the Chairman of the Civil Service Commission and the Deputy Under Secretary for Administration in the State Department.

Mr. PASSMAN. Will there be an obligation to continue these people in employment after they have returned?

Mr. SHRIVER. None.

Mr. PASSMAN. If you have this Planning Board, would that not be an indication that there will be an effort to keep them in Government?

Mr. SHRIVER. No, sir. On our Planning Board are private industry representatives, representatives of education, and representatives of labor, as well as of Government. We thought that these people could assist and encourage the returning Peace Corps volunteers to go into constructive and important work in industry, labor, Government, or education.

Mr. PASSMAN. It looks as if the Government will start taking care of people from the cradle to the grave, instead of encouraging them to make their own way in life. It looks as if Uncle Sam will start planning everything for everybody.

Mr. SHRIVER. We are very happy, Congressman, to hear you say that, because this whole Peace Corps is a volunteer effort. A person has to have the private initiative on his own. He is not drafted into this or forced into it at the point of a gun. He volunteers to serve his country in the Peace Corps. When he comes back, he has no necessity to utilize this Board if he doesn't care to. These people on the Board are not paid for their services.

Mr. PASSMAN. But the Board will be there just in case they need it, and they will have recommendations. It seems to me that youngsters in general would be interested in accepting this on a volunteer basis, because there is a lot of attraction here. Even some representation allowance is included in the budget.

Mr. SHRIVER. The volunteers do not get any representation allowance, Mr. Chairman.

Mr. PASSMAN. You have representation allowance in here. What does a volunteer get?

Mr. SHRIVER. A volunteer gets allowances to cover his food, housing——

Mr. PASSMAN. First, he gets his expenses paid, and his tuition paid to take the training course, does he not?

Mr. SHRIVER. That is correct.

Mr. PASSMAN. He gets a certain allowance. What does he get while he is in training?

Mr. SHRIVER. $2 a day.

Mr. PASSMAN. What else?

Mr. SHRIVER. He gets his food and housing. He lives in a dormitory. He gets the instruction which is given to him.

Mr. PASSMAN. He gets $2 a day spending money.

Mr. SHRIVER. Yes, that is what he gets.

Mr. RHODES. Do you pay his laundry and drycleaning, or does he have to pay that out of his $2 a day?

Mr. SHRIVER. In some instances he pays for it; in others it is taken care of by the training institution, or he may do his laundry himself.

Mr. PASSMAN. Does he pay his own expense when he goes out in the field, or does the Government pay it?

Mr. SHRIVER. The Government pays his transportation.

Mr. PASSMAN. After he is out there, how does he live? If he lives out on a farm, do you pay the family so much a month for his board?

Mr. SHRIVER. No, sir. Take the Philippine situation. That one is further advanced than most. The cost is estimated at $100 a month in Philippine money. I do not remember how many pesos it is; $100 a month. That covers their food, clothing, transportation, pocket money, expenses, everything.

Mr. PASSMAN. Who gets that?

Mr. SHRIVER. The volunteer gets that to pay for the rent, the food, the housing, and clothing.

Mr. PASSMAN. How much does this Filipino family get for furnishing his living quarters?

Mr. SHRIVER. He does not live with a Filipino family.

Mr. PASSMAN. Where does he live?

Mr. SHRIVER. He lives in a house.

Mr. PASSMAN. If it is agricultural, I thought the individual lived out there with them.

Mr. SHRIVER. They do. For example, in a Filipino village you will find, we have a Filipino house which they live in.

Mr. PASSMAN. He gets his own individual house, then?

Mr. SHRIVER. No, sir. In the Philippines in a particular village, there may be, for example, four Peace Corps volunteers working as

teachers in this village in the school. They will be in a home rented for them, a Philippine house that exists there.

Mr. PASSMAN. They do not actually live in the house with a family?

Mr. SHRIVER. No, sir.

Mr. PASSMAN. They have their own house in the village, and if there is only one working out there, he has that house to himself?

Mr. SHRIVER. But there will not be one volunteer to one village.

Mr. PASSMAN. If there are two workers, would they have the house to themselves?

Mr. SHRIVER. If there are two, they would have some accommodations. There could be cases where they would live with a family. We are not ruling that out.

For example, the group going to East Pakistan is starting off by living with a Pakistani family.

Mr. PASSMAN. Are you mixing the sexes out on the farm?

Mr. SHRIVER. No, sir.

Mr. PASSMAN. If you had four young men out in this village, then the four would have a house to themselves?

Mr. SHRIVER. That is right.

Mr. PASSMAN. Who pays the rent on the house?

Mr. SHRIVER. The U.S. Government does.

Mr. PASSMAN. To the extent of $334,000; is it not? I see logistic support, 75 four-man team houses at $1,000 per annum, 20 family houses at $1,500 per annum. That is page 2.

You have furnishings at $1,000 per house, $105,000. Who pays the utilities?

Mr. SHRIVER. Let me summarize, if I can. This man who goes overseas gets his cost of his living, housing, utilities, food, and so on, and he gets $75 a month in addition to that, which is kept for him in this country. All this adds up to substantially less than a private in the Army gets.

Mr. PASSMAN. I do not think a private does so badly, overall.

Mr. SHRIVER. I did not mean that he did badly. All I meant was in terms of what the Peace Corps volunteer is getting, he is getting less, we believe, than any American going overseas to do any work for this Government has received in recent times.

Mr. PASSMAN. I do not want you to think I am arguing with you, but I am trying to understand it. If you have four men out in the village, they have a house to themselves, all utilities furnished, and they have the furnishings in the house. Does that include linens and everything?

Mr. SHRIVER. There will have to be some cooking utensils, and so on. When you say all utilities, in most villages there is no electricity.

Mr. PASSMAN. How about coal-oil lamps?

Mr. SHRIVER. If they have kerosene lamps, we give them the money to buy the kerosene.

Mr. PASSMAN. I call them coal-oil lamps. I have firsthand familiarity with them.

Mr. SHRIVER. We give them the coal oil and sheets for the bed, if they have a bed.

Mr. PASSMAN. In addition, they get what?

Mr. SHRIVER. $75 a month which is kept here.

Mr. PASSMAN. Do they buy their food out of the $75? That would be $300 a month.

Mr. SHRIVER. $300 a month?

Mr. PASSMAN. If there are four in the house, that would give them $300.

Mr. SHRIVER. That money is kept in the United States. They do not get it for expenditure abroad.

Mr. PASSMAN. Who pays for the food out on the farm?

Mr. SHRIVER. They do.

Mr. PASSMAN. Out of what?

Mr. SHRIVER. They get a certain allowance for food, a certain allowance for clothing, a certain allowance for housing. They pay for these things.

Mr. PASSMAN. Can you give us a breakdown on one individual?

Mr. SHRIVER. In the Philippines they get $100 a month for food, clothing, housing, et cetera.

Mr. PASSMAN. In addition, there is $75 a month accruing to their credit back here, which they get when they come out?

Mr. SHRIVER. Right.

Mr. PASSMAN. Do they get any other type of allowance?

Mr. SHRIVER. These allowances, this $100 a month in the Philippines is to cover all their needs out there to enable them to live like a Philippine teacher. We are endeavoring to have our teacher live like a teacher there.

DISCUSSION OF LIVING CONDITIONS OF VOLUNTEERS

Mr. PASSMAN. He is not living like the villager or the farmer, but he is living like the Philippine teacher?

Mr. SHRIVER. That is right. If he is a farmer, he lives like a farmer.

Mr. PASSMAN. Like a farm instructor?

Mr. SHRIVER. Not like an instructor. If he goes out as a civil engineer, he is expected to live approximately like a civil engineer in that country. The cost varies from one country to another.

Mr. PASSMAN. Would you mix these in one house, a man planting rice and a civil engineer? Would they live in the same house together?

Mr. SHRIVER. Probably not.

Mr. PASSMAN. Would that mean another house?

Mr. SHRIVER. No, sir; they probably would not be in the same village. In other words, if we have one project in the Philippines, say it is a teaching project, we do not have civil engineers in the Philippines. The teachers live together like teachers.

Mr. PASSMAN. Are they allowed an automobile, if there are four in a village?

Mr. SHRIVER. That may be necessary. For example, in Ghana—we tried to work this out with the Government people who help us, and the U.S. Embassy people help us to find if it is necessary. In the Philippines we suggest bicycles are all that is necessary. In St. Lucia it was suggested that horses would be better because of the terrain being more suitable for horse transportation than anything else.

Mr. PASSMAN. What system do you have for keeping boys and girls separated? If you have so many girls and so many young men, say you have a team out in the Philippines, how would that be worked out?

Mr. SHRIVER. As you said, as you asked a minute ago and I replied,

there is no mixing of them in the same house. We will not have girls and boys in the same house.

Mr. PASSMAN. You may have two houses in the same village? You are recruiting young ladies, too?

Mr. SHRIVER. Yes, sir, they would be teachers in the elementary schools there, just as they are teachers in the elementary schools here. They would live in a Philippine village with 2,000 to 5,000 people just as they would live here in Washington.

TERMINATIONS DURING TOUR OF DUTY

Mr. PASSMAN. What is the duration of the tour?

Mr. SHRIVER. We are asking them to volunteer for 2 years, but again we do not have a military organization, nor do we have general court-martial proceedings.

Mr. PASSMAN. What do they lose if they get out in a year and they want to come home? Do they get the $75 a month for the 1 year they spent?

Mr. SHRIVER. It would depend to a certain extent on the reason why they separated.

Mr. PASSMAN. Homesick, for example.

Mr. SHRIVER. If they had successfully worked up to a certain point, we would feel they should be reimbursed for what they have done. On the other hand, we feel that if they had failed or if they just quit——

Mr. PASSMAN. What if they say, "I have had enough of it, and I want to come home," and they have been good——

Mr. SHRIVER. We might use the money they accumulated to defray the transportation cost.

Mr. PASSMAN. But you might also give them the money?

Mr. SHRIVER. It depends on why the volunteer is leaving the Peace Corps.

Mr. PASSMAN. So far it is pretty loose?

Mr. SHRIVER. We are trying to run it as a volunteer organization.

Mr. PASSMAN. I am talking about so far as the duration. If you tell a man 2 years is the normal tour, he goes out for 12 months and wants to come home because he is homesick; he has done a good job, you bring him home. In all probability, he would be entitled to and would receive his $75 a month; would he not?

Mr. SHRIVER. If he had done satisfactory service, and there were no other circumstances in the case, it is probable that we would give him the money which he had earned.

BASIS FOR SUBSISTENCE ALLOWANCE ESTIMATE

Mr. PASSMAN. According to page 2 of this document, "Official Use Only," you show subsistence allowance at $100 a month for 20 months in the Philippines.

Mr. SHRIVER. Yes. You have to understand that some of these are based on estimates that were made, and they are the best estimates we could get at a certain time. In each case, as I tried to indicate, we are cutting these expenses to the minimum not only for the benefit of the taxpayer, although we are conscious of that, but because we want our people to live as closely as possible to their counterparts in the

host country. This will vary from country to country. It may even vary within a country, but we are trying to keep it within one country at the same level.

You can easily see these are round numbers; 75 Peace Corps volunteers, 4-man team houses, at $1,000 per annum. I cannot sit here and say that we have actually selected 75 specific houses and 75 different villages. We have a man out there working on that. This is what we estimate as to the cost on the basis of the best evidence our Embassy people and the Philippine Government can give us.

Mr. PASSMAN. These people are not actually going to go out and live with the families, as such. You are going to find housing accommodations for them in the towns and villages, and if there are as many as four, there will be individual houses, and the house will be furnished with certain articles and provisions.

Mr. SHRIVER. Yes. In East Pakistan at the outset they will live in homes. It depends a little on the program. In East Pakistan they are working in the rural areas, and there we have them live with the family at the beginning.

ADDITIONAL LEAVE ALLOWANCE FOR TRAVEL

Mr. PASSMAN. What is the basis for granting additional leave to each volunteer for travel within each country to which he is assigned?

Mr. SHRIVER. For example, there are cases where there are teachers and there is a summer vacation and maybe there is a month or a month and a half when the students are not in the schools. We are giving them 30 days' leave per annum. During that period we would like them to be able to move around the country and learn more about that country.

Mr. PASSMAN. They could travel and they would be reimbursed for the travel cost?

Mr. SHRIVER. In some cases that would be true and in some cases not.

Mr. PASSMAN. What if they are in West Pakistan and want to travel 1,000 to 2,000 miles over to East Pakistan? That would be warranted under this setup, would it not?

Mr. SHRIVER. It could be.

Mr. PASSMAN. What if they are in Pakistan and want to go to Thailand. Would that be permissible?

Mr. SHRIVER. Yes. They might do it on their own, too. They might have by that time made friends, they might go with a Pakistan family for a month.

Mr. PASSMAN. But they could travel over the world to underdeveloped countries. A teacher is assigned to Pakistan, and the school closes down for 60 days. Say these young men and young women decide to go to Burma or Thailand for that 60-day period. Under this legislation they would be permitted to go?

Mr. SHRIVER. They would be subject to the Peace Corps representative in each country. They would have to get permission and could not just go off on a lark.

Mr. PASSMAN. But they could go from Pakistan to Thailand or to Burma, if it were approved?

Mr. SHRIVER. Yes.

Mr. PASSMAN. Would the Government pay their expenses on this tour?

Mr. SHRIVER. Not necessarily.

Mr. PASSMAN. Would the legislation be broad enough that if these youngsters wanted to travel and it is approved by the local head of the Peace Corps, the Government would pay their expenses?

Mr. SHRIVER. No, sir; we would not send somebody out of West Pakistan to the Philippine Islands for a month's vacation at Government expense.

Mr. PASSMAN. How far would you send him?

Mr. SHRIVER. We have estimated official incountry travel at $100 a person, but this may vary from country to country. That is within the country. If he wants to go out of the country, he would have to go either on his own or maybe with some friends from that country who would invite him to go.

Mr. PASSMAN. Or with the approval of the head of the Peace Corps in the country?

Mr. SHRIVER. But not at our expense.

Mr. PASSMAN. What kind of allowance does he get in travel status?

Mr. SHRIVER. He gets what we call the leave allowance, which is $5 a day.

Mr. PASSMAN. Plus transportation?

Mr. SHRIVER. No, sir. In the country, we have estimated his official travel costs to be $100 per annum.

Mr. PASSMAN. In the country.

Mr. RHODES. Does he get the $5 a day in addition to the $100?

Mr. SHRIVER. Yes. That is his leave allowance, so that when he has a month off, he has some money to live and travel on during that month.

Mr. RHODES. Does he get this month once a year? If it is a 2-year tour of duty, he would get the month twice in the tour?

Mr. SHRIVER. Yes.

USE OF PEACE CORPS PERSONNEL BY OTHER AGENCIES

Mr. PASSMAN. Why are you using Foreign Service personnel in this program, Mr. Director?

Mr. SHRIVER. How do you mean, as members of our organization in Washington?

Mr. PASSMAN. Yes, in the program.

Mr. SHRIVER. We hoped that some Foreign Service personnel would be attracted to work for the Peace Corps, and some have. We have three or four people from the State Department who indicate they would like to work for the Peace Corps. We have people from the Navy and the Army and NASA and Development Loan Fund and others.

Mr. PASSMAN. What other U.S. agencies besides the ICA would be able to utilize the Peace Corps personnel, Mr. Director?

Mr. SHRIVER. I do not know all that would, but I know the USIA has asked us to help them in some of their binational language training centers.

Mr. PASSMAN. Maybe you should be commended for having these old-line agencies, which have been running for years, asking for the junior trainees out of this organization.

Mr. SHRIVER. The reason they give is they have not been able to get teachers to go overseas to teach, for example, in the binational centers, but that if we can get them, it would increase the effectiveness of their program.

Mr. PASSMAN. It could be that commendations would be in order. Here is something brand new, and these old-line agencies, with very attractive salaries and oversea pay, have failed to get personnel: but, on this approach they seem to be coming in, and you have old-line agencies asking for the personnel.

Mr. SHRIVER. I think it is in keeping with what you are saying, that some people like the feeling of private initiative, and they are willing to serve their country or to serve a broad humanitarian ideal rather than go just as an employee getting paid. I am glad personally there is that kind of initiative and self-sacrifice.

Mr. PASSMAN. In your opinion, how long would it take to put this thing together, and tighten it up, so that all of us know just about how broad or narrow it is? It is now wide open, with a hole in the middle. Do you think it would take a year or 2 years before it can actually be pinned down to just about what the organization will be? I could not see the reason for a brandnew organization, with what you call junior personnel, giving thought to making its personnel available to these old-line agencies, as you referred to earlier.

Mr. SHRIVER. All I said, Mr. Chairman, was that they had asked us to help them if we can.

Mr. PASSMAN. You could do that, could you not, as you operate today?

Mr. SHRIVER. Under the authorization we indicate that this is one thing we would like to do.

Mr. PASSMAN. Why would you like to get into that field?

Mr. SHRIVER. Because they have asked us.

Mr. PASSMAN. Why do you not tell them to run their own business and let you run yours? If you are going to put together an organization to serve the purpose most members think you intend to serve, which is in the field of technical aid, then I just would not see why these old-line agencies would be wanting to dip over into your reservoir for personnel.

Mr. SHRIVER. Let me give an example. Out in India they have three or four high-level professors of agriculture from Ohio State on the faculty of an agricultural college. They are able to do a lot of good work, but they find it difficult for their instruction to seep down, you might say, and become practically effective at the village level. They say if there were Peace Corps volunteers who know about farming, who could translate what they are teaching in the school into action at village level by being there and working with the village farmers, the effectiveness of their instruction would be greatly increased.

Mr. PASSMAN. How are you able to get the personnel, where these old-line agencies could not get them?

Mr. SHRIVER. I think there obviously are a large number of Americans who are willing to serve under these conditions because they are patriotic, because they want to help their country overseas, they want to improve the effectiveness of the program and are willing to join.

Mr. PASSMAN. Can they not do that through the old-line agencies?

Mr. SHRIVER. They do not have the same spirit of volunteering to do something for their country. The point is I think a lot of people volunteer——

Mr. PASSMAN. I hope you do not attract too many people similar to the one in Miami.

Mr. SHRIVER. He is one out of 500 we have selected, and we have not heard too many complaints about the rest.

Mr. PASSMAN. But you have selected him.

Mr. SHRIVER. For training.

Mr. PASSMAN. How firm are your proposals to use Peace Corps personnel in the United Nations and other agencies?

Mr. SHRIVER. How firm? Not firm at all in the sense that we have not offered——

Mr. PASSMAN. You have not offered?

Mr. SHRIVER. We have proposed to the so-called ECOSOC Council of the United Nations that the United Nations accept volunteers like ours from various countries.

Mr. PASSMAN. Under that proposal the United Nations would be getting into this thing?

Mr. SHRIVER. Under that proposal if we had a request from WHO, for example, for volunteer services or if Germany had a request from WHO or Holland, for instance, the proposed agreement with the United Nations is that the United Nations would be able to accept such volunteer services.

Mr. PASSMAN. Would they get them from your organization, or would they create the type of organization that you have in the United Nations? Would they not have to set up their own Peace Corps section?

Mr. SHRIVER. We do not know the answer to that. They are debating that now.

Mr. PASSMAN. It could be that this Peace Corps would be working with the United Nations?

Mr. SHRIVER. It could be; that was the original way the President proposed that we try to operate, that we explore that proposition. As of today, nobody can say definitely how that will develop. The ECOSOC Council did vote 14 to 3 in favor of the U.S. position. All Communist countries opposed what we were trying to do in the United Nations, and that was something of a——

Mr. PASSMAN. It looks as if we are getting pretty far out on a limb, being committed to the United Nations. I notice, on page 13, that Ambassador Stevenson recently proposed that the summer meeting of the Economic and Social Council study the possibility of utilizing American Peace Corps volunteers and volunteers from other nations in carrying out United Nations technical assistance programs. The proposal was accepted by a vote of 14 to 3, with the Communist bloc opposed.

It looks like we are getting pretty far into it already.

Mr. SHRIVER. We do not get into it at all until Congress approves our getting into it. The President recommends that we explore this possibility.

Mr. PASSMAN. What is the number of administrative personnel proposed for fiscal 1962, for the Washington office and overseas?

Mr. SHRIVER. 269 program support and administrative personnel in Washington.

Mr. PASSMAN. How many for overseas?

Mr. SHRIVER. Approximately 100.

OVERSEA ADMINISTRATIVE PERSONNEL

Mr. PASSMAN. Why do you need administrative personnel overseas?

Mr. SHRIVER. We think, upon the advice of our ambassadors overseas, that with a large number of Americans living out in the rural areas of these countries, the ambassadors should have the benefit of somebody on their staff who is intimately aware of what they are doing, how well they are performing, the quality of the job they are doing, as well as providing leadership and guidance while they are in that country. The ambassador has a staff of his own, but those people are busy with their own jobs presently.

Mr. PASSMAN. This would be a separate man, under the ambassador, in the embassy who will be overseeing on a country level?

Mr. SHRIVER. That is correct. This man also makes sure we do not do anything which duplicates or conflicts with others.

Mr. PASSMAN. Is he on a voluntary basis?

Mr. SHRIVER. No, sir, not generally. But the Senate Foreign Relations Committee authorized us to use volunteers in its report of S. 2000.

Mr. PASSMAN. What is his salary?

Mr. SHRIVER. It depends on the number of volunteers in the country, the complexity of the program, et cetera. He could go from an R–4 or R–5 to an R–1.

Mr. PASSMAN. What does an R–1 get?

Mr. SHRIVER. An R–1 starts at $17,250 I believe, an R–2 at about 15, R–3 at about 13, and R–4 down the schedule.

Mr. PASSMAN. Plus whatever benefits go with a job of that type?

Mr. SHRIVER. No, sir; we have asked for executive branch permission not to have all of the benefits that go with a job of that type.

Mr. PASSMAN. You pay the travel, do you not?

Mr. SHRIVER. To and from the United States?

Mr. PASSMAN. Yes.

Mr. SHRIVER. Yes, sir.

Mr. PASSMAN. He would have access to certain medical facilities which we may have, would he not?

Mr. SHRIVER. I hope so.

Mr. PASSMAN. He would be assigned to the Embassy. What kind of deal would that be if you have a man working in the Embassy, drawing less consideration, perhaps charged with more responsibility, say, compared with the second or third secretary? Would there not be some conflict there?

Mr. SHRIVER. I think it would be an advantage.

Mr. PASSMAN. You do?

Mr. SHRIVER. Yes, sir.

Mr. PASSMAN. What is the number of program personnel proposed for fiscal 1962 for Washington?

Mr. SHRIVER. I think that is the figure I just gave, 269.

Mr. PASSMAN. That is administrative?

Mr. SHRIVER. That is our whole organization in Washington; 269, both program support and administrative personnel.

BREAKDOWN OF PERSONNEL

Mr. PASSMAN. Could you give us a breakdown for all these people, their grade and salary?

Mr. SHRIVER. Yes, sir. I thought we already had submitted such a list to you.

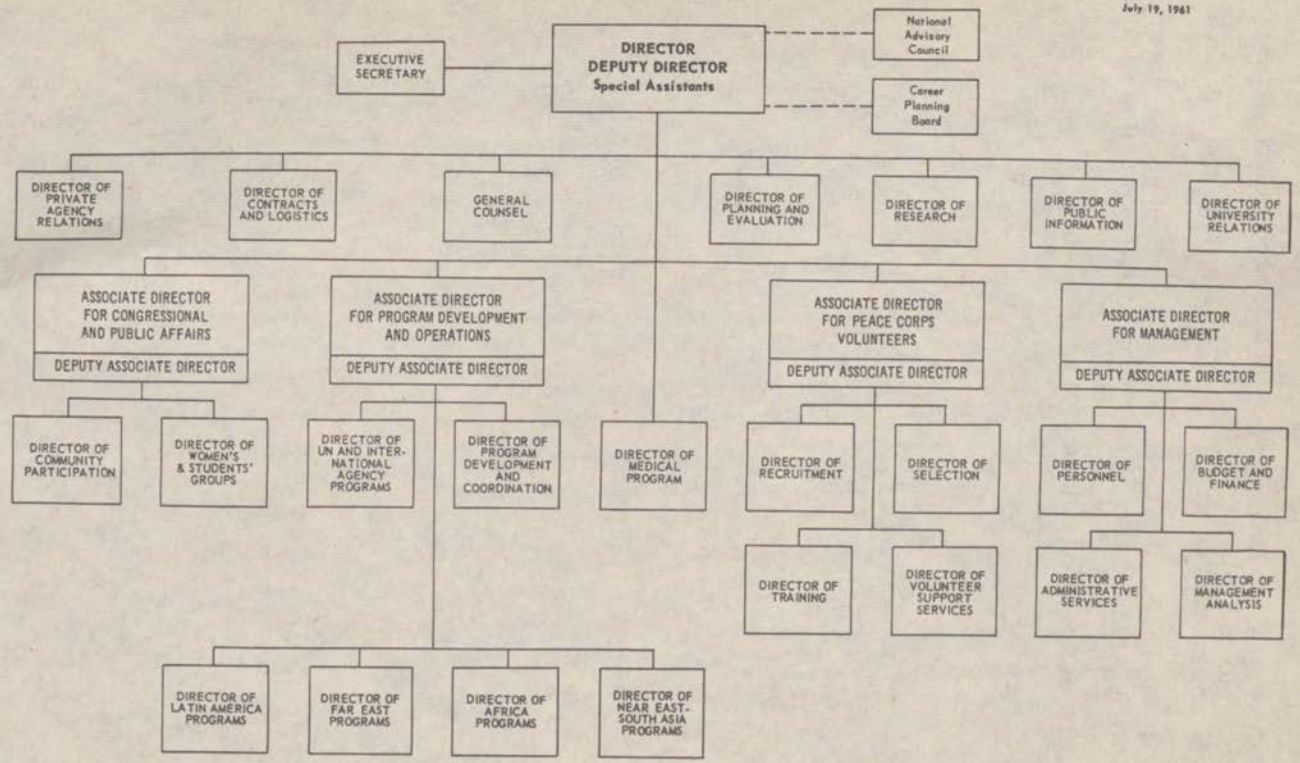
Mr. PASSMAN. Mr. Director, would you supply an organization chart showing title, grade, and salary of each position in various segments of the Peace Corps organization?

(The information follows:)

PEACE CORPS PERSONNEL ROSTER, AUGUST 1, 1961

Approved by
Sargent Shriver
Director
July 19, 1961

PEACE CORPS ORGANIZATION PLAN



PERSONNEL ROSTER

August 1, 1961

Office of the Director

Title	Name	Grade & Salary	EOD	Remarks
Director	Shriver, Robert Sargent, Jr.	Reorg. Plan No. 7, 1954 - No Compensation	3/22/61	Appointed by the President
Confidential Assistant (Sec'y to the Director)	Orlando, Mary Ann	GS-12 $8955 p/a	4/19/61	
Secretary	Belcher, Marjorie	GS-9 $6435 p/a	6/12/61	
Receptionist	Borgquist, Belva	GS-7 $5355 p/a	7/6/61	
Messenger	De St. Phalle, Richard	GS-2 $3500 p/a	7/10/61	Summer
Assistant to the Director	Henderson, Deirdre	GS-11 $8080 p/a	3/31/61	
Clerk-Typist	Dougherty, Margaret	GS-3 $3761 p/a	4/2/61	On LWOP to return 9/1/61
Special Assistant to the Director	Haddad, William	Consultant $60 p/d	3/19/61	
Management Consultant	Ferguson, Glenn	Consultant $55 p/d	6/15/61	
Consultant	Erdman, Marshall	Consultant No Compensation	6/11/61	
Secretary	Richards, Willie	GS-7 $6435 p/a	4/2/61	Detail from National Security Council
Administrative Assistant	Horner, Sally	GS-7 $5355 p/a	7/13/61	

August 1, 1961

Title	Name	Grade & Salary		EOD	Remarks
Information Specialist	Mallina, Mitzi	GS-9	$6435 p/a	3/23/61	
Administrative Assistant	Wienert, Helgard	GS-5	$4345 p/a	7/6/61	
Student Assistant	Ullman, Carmel	GS-3	$3760 p/a	7/5/61	Summer
Mail & File Clerk	Ames, Lucy	GS-2	$3500 p/a	6/26/61	Summer
Special Assistant to the Director	Josephson, William	GS-13	$13,730 p/a	4/21/61	
Secretary	Hinson, Frances	GS-6	$5655 p/a	5/14/61	Transfer

PERSONNEL ROSTER

Executive Secretariat

August 1, 1961

Title	Name	Grade & Salary		EOD	Remarks
Executive Secretary	Patterson, Bradley H., Jr.	FSR-2	$15,255 p/a	6/11/61	
Assistant to Exec. Sec.	Kizler, John	FSO-6	$7215 p/a	6/26/61	Detail from Dept. of State
Secretary	Carvellas, Georgia	GS-7	$6345 p/a	6/11/61	Transfer
Mail Assistant (Correspondence Specialist)	Chamberlayne, Nancy	GS-7	$5520 p/a	4/13/61	
Clerk-Typist	Wahlbrinck, Eleanor	GS-5	$4345 p/a	6/26/61	
Mail & File Clerk	Christenson, John	GS-3	$3760 p/a	6/13/61	Summer
Clerk	Murphy, Clennie	GS-5	$4840 p/a	7/8/61	Transfer

August 1, 1961

PERSONNEL ROSTER

General Counsel

Title	Name	Grade & Salary	EOD	Remarks
General Counsel	Vacancy			
Associate General Counsel	Van Cleve, Harry R.	GS-15 $13,730 p/a	5/21/61	
Associate General Counsel	Kuhn, Roger S.	GS-15 $13,730 p/a	4/19/61	
Consultant	Delano, William	Consultant $75 p/d	7/28/61	WAE
Consultant	Peters, Charles	Consultant $40 p/d	4/27/61	WAE
Secretary	Hymowitz, Helen	GS-7 $6345 p/a	4/16/61	Transfer
Secretary	Feingold, Pauline	GS-6 $4830 p/a	4/3/61	

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PERSONNEL ROSTER

August 1, 1961

Contracts and Logistics

Title	Name	Grade & Salary		EOD	Remarks
Director	Kelly, William P., Jr.	FER-2	$15,255 p/a	6/4/61	Transfer
Logistics Planning & Transportation Officer	Flickinger, Harold	GS-14	$12,730 p/a	5/21/61	Transfer
Contract Specialist	Pettit, Richard	GS-14	$12,210 p/a	7/9/61	Transfer
*Contract Specialist	Ottinger, Richard L.	GS-13	$10,635 p/a	7/16/61	
Secretary (Steno)	Shofner, Leonor	GS-9	$6435 p/a	4/16/61	Transfer
*Secretary	Foster, Donna	GS-6	$4830 p/a	4/24/61	Transfer
Secretary	Gallagos, Gladys	GS-6	$4995 p/a	Pending	Transfer
Secretary (Steno)	Levine, Shirley	GS-6	$5655 p/a	7/3/61	Transfer
Contract Negotiator	Tahler, Joseph	GS-14	$12,210 p/a	7/10/61	Transfer

*Detailed to FDO/LA

PERSONNEL ROSTER

August 1, 1961

Private Agency Relations

Title	Name	Grade & Salary	EOD	Remarks
Director	Boyce, Gordon	Consultant $75 p/d	3/19/61	On leave
Deputy Director	Gilbert, Alice	Consultant $50 p/d	4/11/61	Now acting director
Consultant	Wallace, John	Consultant No Compensation	7/3/61	
Assistant to the Director	Coleman, George M.	GS-15 $13,730 p/a	4/17/61	Reinstatement
Consultant	Alvord, Reed	Consultant $40 p/d	6/28/61	
Special Representative	McEvoy, Ken J.	GS-15 $13,730 p/a	5/5/61	
Private Agency Relations Officer	Grayson, Cary	GS-15 $13,730 p/a	7/5/61	
Administrative Assistant (Sec'y)	Peterson, Grace	GS-7 $5355 p/a	4/9/61	Transfer
Secretary	Courtney, Mary	GS-7 $5355 p/a	3/12/61	

PERSONNEL ROSTER

August 1, 1961

University Relations

Title	Name	Grade & Salary	EOD	Remarks
Director	Finch, Rogers	Consultant $60 p/d	7/12/61	
Consultant	Simons, John J.	Consultant $40 p/d	5/21/61	
Assistant to Director	Meisel, Albert	GS-13 $10,635 p/a	4/17/61	
Assistant	Marotta, George	GS-14 $12,210 p/a	7/16/61	Transfer
Secretary	Kelly, Louise	GS-8 $6875 p/a	4/4/61	Transfer
Clerk-Typist	Rommelhs, Kathleen	GS-4 $4040 p/a	6/26/61	Summer
Secretary (Clerk-Typist)	Spillan, Patricia L.	GS-3 $3760 p/a	5/14/61	Transfer

PERSONNEL ROSTER

August 1, 1961

Congressional and Public Affairs

Title	Name	Grade & Salary	EOD	Remarks
Director	Moyers, Bill D.	Consultant $65 p/d	3/22/61	
Consultant	Ingram, Lawrence	Consultant $40 p/d	7/11/61	
Assistant Director	Gibson, James E.	GS-15 $13,730 p/a	5/14/61	Transfer
Assistant to Director	Gore, Nancy	GS-7 $5355 p/a	3/13/61	
Administrative Officer	Klar, Roma L.	GS-12 $8955 p/a	7/10/61	Transfer
Administrative Assistant (Steno)	Bassford, Beverly	GS-10 $6995 p/a	7/16/61	Transfer
Secretary (Steno)	Stout, Ethel	GS-9 $6930 p/a	7/16/61	Transfer
Secretary	MacKie, Mary	GS-5 $5005 p/a	3/19/61	Transfer (LWOP)
Secretary	McCamlee, Annalee	GS-5 $4675 p/a	4/10/61	
Clerk-Typist	Romine, Don	GS-3 $4390 p/a	6/25/61	
Clerk-Typist	Getz, Phyllis	GS-3 $3760 p/a	6/20/61	Summer
Clerk-Typist	Samler, Jessica	GS-3 $3760 p/a	6/27/61	Summer
Clerk-Typist	Stewart, Gail	GS-2 $3500 p/a	6/21/61	Summer
Mail & File Clerk	Walden, Martina	GS-2 $3605 p/a	6/26/61	Summer
Assistant (Scheduling)	Joyce, Frieda	GS-9 $7425 p/a	2/23/61	Detail from Operations Coordinating Board (Reimbursable)

PERSONNEL ROSTER

Public Information

August 1, 1961

Title	Name	Grade & Salary	EOD	Remarks
Director	Bayley, Edwin R.	Consultant $60 p/d	3/19/61	
Consultant	Adams, Timothy	Consultant $50 p/d	6/19/61	
Writer	Matthews, Thomas R.	Expert $60 p/d	4/4/61	
Assistant to Director	Doyle, Ann F.	GS-11 $7560 p/a	3/23/61	
Photographer	Scherman, Rowland	GS-7 $5355 p/a	3/13/61	
Secretary	Pitt, Mildred	GS-7 $5850 p/a	3/23/61	
Secretary	Mason, Marcella	GS-5 $4340 p/a	5/8/61	
Clerk-Typist	Williams, Vienna	GS-4 $4670 p/a	7/16/61	Transfer
Clerk-Typist	Preston, Mercer	GS-2 $3500 p/a	6/12/61	Summer
Clerk-Typist	Sweatt, Anne	GS-2 $3500 p/a	6/12/61	Summer

PERSONNEL ROSTER

August 1, 1961

Program Development and Operations

Title	Name	Grade & Salary		EOD	Remarks
Associate Director	Wiggins, Warren	FSR-1	$18,050 p/a	3/7/61	Reimbursable Detail from ICA
Deputy Associate Director	Van Duyn, Robert	FSR-2	$16,675 p/a	7/29/61	Reimbursable Detail from ICA
Staff Assistant	St. Lawrence, Lee	FSR-3	$12,535 p/a	6/4/61	Transfer
Secretary	Alcorn, Virginia	GS-9	$6600 p/a	4/16/61	Transfer
Secretary	Carles, Carole	GS-7	$5355 p/a	3/19/61	Transfer
Secretary	Nolan, Angella	GS-5	$4345 p/a	5/28/61	Transfer

PERSONNEL ROSTER

August 1, 1961

Program Development and Coordination

Title	Name	Grade & Salary		EOD	Remarks
Director	Nelson, Charles	FSR-3	$13,600 p/a	3/1/61	Indefinite Detail from ICA
International Relations Officer	Popenoe, Oliver	GS-15	$13,730 p/a	6/15/61	Transfer
International Relations Officer	Wilson, Helen	Consultant	$55 p/d	5/2/61	
International Relations Officer	Oppenheimer, Ann M.	GS-7	$5355 p/a	4/3/61	
Secretary	Spartales, Olga	GS-6	$4995 p/a	4/2/61	Transfer
Secretary	Terris, Ann	GS-6	$5490 p/a	4/30/61	Transfer
Student Assistant	Bakeman, Roger	GS-3	$3760 p/a	7/5/61	Summer
Student Assistant	Snouffer, William	GS-3	$3760 p/a	7/5/61	Summer

PERSONNEL ROSTER

August 1, 1961

Near East/South Asia Programs

Title	Name	Grade & Salary		EOD	Remarks
Acting Director	Wheeler, Joseph C.	GS-15	$13,730 p/a	4/16/61	Transfer
Consultant	Swan, Charles	Consultant	$40 p/d	4/25/61	
International Relations Officer	Gootenberg, Roy F.	GS-14	$12,210 p/a	4/16/61	Transfer
International Relations Officer	Moody, James F., Jr.	GS-13	$10,635 p/a	4/10/61	
International Relations Officer	Thomas, Frederic	GS-13	$10,635 p/a	4/10/61	
International Relations Officer	Levison, Barbara	GS-12	$8955 p/a	6/11/61	Transfer
International Relations Officer	Sullivan, Patricia	GS-7	$5355 p/a	4/7/61	
PC Representative	Ernst, Roger	FSR-2	$16,700 p/a	6/15/61	Detail from ICA
Secretary	Gates, Lillie B.	GS-7	$5685 p/a	4/2/61	Transfer
Secretary	Duncan, Doris	GS-6	$5325 p/a	7/3/61	Transfer
Clerk-Typist	Davidson, Stephen	GS-2	$3500 p/a	6/26/61	Summer

PERSONNEL ROSTER

August 1, 1961

Latin American Programs

Title	Name	Grade & Salary	EOD	Remarks
Consultant	Mason, Marshall	Consultant $45 p/d	7/17/61	
Acting Director	Singer, Derek	GS-13 $12,210 p/a	6/4/61	
Consultant	Sheldon, Christopher	Consultant $45 p/d	7/27/61	
International Relations Officer	Warner, William	GS-14 $12,210 p/a	4/17/61	
Secretary	Tuttle, Caroline	GS-5 $4510 p/a	4/30/61	Transfer
Secretary	Martin, Haydee	GS-4 $4670 p/a	6/1/61	
Consultant	Capsas, Cleon	Consultant	7/26/61	
Mail & File Clerk	Hines, Ronald	GS-2 $3500 p/a	7/24/61	Summer

PERSONNEL ROSTER

August 1, 1961

African Programs

Title	Name	Grade & Salary	EOD	Remarks
Acting Director	Alexander, John	GS-15 $15,030 p/a	5/14/61	
International Relations Officer	Carter, George E., Jr.	Consultant $45 p/d	4/27/61	
Senior Program Officer	Watt, Donald	GS-15 $13,730 p/a	7/24/61	
Consultant	Brown, Theodore	Consultant $55 p/d	6/16/61	
International Relations Officer	Johnson, Harold	GS-14 $12,210 p/a	7/23/61	
International Relations Officer	Brown, Letitia	GS-9 $6435 p/a	7/3/61	
International Relations Officer	Hintz, William	Consultant $40 p/d	4/20/61	
Consultant	Ferkiss, Victor	Consultant $40 p/d	6/16/61	
Consultant	Young, Charles	Consultant $40 p/d	7/5/61	
Consultant	Monro, John U.	Consultant $60 p/d	6/27/61	
PC Representative	Hellawell, Robert	FSR-2 $14,900 p/a	pending	reassignment
Deputy PC Representative	Ashebrenner, Brent	FSR-5 $10,555 p/a	6/15/61	Detail from ICA
International Relations Officer	Anderson, Beverly	GS-12 $8955 p/a	4/2/61	Transfer
Consultant	Frank, Murray	Consultant $35 p/d	7/26/61	

August 1, 1961

Title	Name	Grade & Salary		EOD	Remarks
International Relations Officer	Thornell, Richard	GS-11	$7560 p/a	4/10/61	Transfer
Administrative Assistant	Boucher, Valerie	GS-8	$5885 p/a	4/17/61	Transfer
Secretary	Thorp, Mary	GS-7	$6345 p/a	3/2/61	Reimbursable Detail from National Security Council
Secretary	Fisher, Estelle	GS-3	$3760 p/a	5/22/61	Transfer
Secretary	Park, Margaret	FBS-13	$4010 p/a	6/8/61	

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PERSONNEL ROSTER

August 1, 1961

Far Eastern Programs

Title	Name	Grade & Salary	EOD	Remarks
Acting Director	Silberman, James	GS-15 $14,705 p/a	4/17/61	Detail from ICA
Consultant	Jonas, Gilbert	Consultant $60 p/d	4/13/61	
International Relations Officer	McClusky, Robert S.	GS-7 $5355 p/a	6/30/61	
Program Operations Officer	Baranson, Stanley	GS-15 $15,030 p/a	7/9/61	Transfer
International Relations Officer	Sales, Pierre	FSR-3 $12,890 p/a	7/10/61	Detail from ICA
International Relations Officer	Beam, Maurice	FSR-5 $9955 p/a	7/17/61	Detail from ICA
Consultant	Textor, Robert B.	Consultant $55 p/d	7/15/61	
International Relations Officer	Revelle, Athos	GS-14 $12,210 p/a	7/29/61	
Secretary	Lewis, Ethel	GS-7 $5520 p/a	4/24/61	Transfer
Secretary	Anderson, Mary	GS-4 $4040 p/a	4/21/61	
PC Representative	Fuchs, Lawrence	FSR-1 $17,250 p/a	7/15/61	
Assoc. PC Representative	Butler, Lewis	FSR-3 $14,665 p/a	7/30/61	
Secretary	Keegan, Mary	FSS-9 $6005 p/a	8/1/61	

PERSONNEL ROSTER

August 1, 1961

UN Programs

Title	Name	Grade & Salary	EOD	Remarks
Special Assistant for UN Programs	Williams, Franklin	Consultant $70 p/d	4/10/61	
Assistant	Sharp, Daniel	Consultant $40 p/d	6/30/61	
Assistant	Grothe, Peter	GS-11 $7560 p/a	4/17/61	
Secretary (Steno)	Chen, Hok Han	GS-5 $5335 p/a	6/23/61	
Secretary	Malayeri, Mari C.	GS-5 $4345 p/a	3/16/61	

PERSONNEL ROSTER

August 1, 1961

Peace Corps Volunteers

Title	Name	Grade & Salary	EOD	Remarks
Associate Director	Dennis, Laurence	Consultant $75 p/d	3/19/61	
Deputy Associate Director	Kauffman, Joseph	Consultant $75 p/d	4/24/61	
Consultant	Krader, Lawrence	Consultant $50 p/d	5/22/61	
Assistant	Kennedy, Padraic	GS-9 $7425 p/a	4/2/61	
Assistant	Bowles, Sally	GS-7 $5355 p/a	3/23/61	
Administrative Assistant (Sec'y)	Fitzpatrick, Mary	GS-10 $7820 p/a	8/1/61	
Consultant	Stein, Morris	Consultant $75 p/d	6/19/61	
Clerk-Typist	McAndrew, Dolly	GS-3 $3760 p/a	6/22/61	Summer

PERSONNEL ROSTER

August 1, 1961

Training

Title	Name	Grade & Salary	EOD	Remarks
Director				
Project Training Officer (Rutgers)	Krans, Harry	Expert $45 p/d	5/7/61	
Consultant	Miner, Joshua	Consultant $40 p/d	6/20/61	
Consultant	Coffin, William S.	Consultant $50 p/d	6/15/61	
Consultant	Snobble, John K. (Capt.)	Consultant $25 p/d	6/27/61	
Consultant	Wetmore, Reagh	Consultant $40 p/d	6/23/61	
Project Training Officer (Texas West.)	Iverson, Robert	Consultant $50 p/d	5/17/61	
Project Training Officer (UCLA)	Bulger, Paul	Consultant $75 p/d	6/21/61	
Secretary (Steno)	Willis, Shirley	GS-6 $5160 p/a	5/7/61	Transfer
Stenographer	Shurlock, India	GS-6 $5655 p/a	6/25/61	
Clerk-Typist	Hollins, Alberta	GS-4 $4565 p/a	7/5/61	Transfer
Consultant	Sancho-Bonet, Raphael	Consultant $50 p/d	7/1/61	
Consultant	Riviera, Jorge	pending	7/1/61	
Consultant	Rodriguez, Enrique	pending	7/15/61	
Consultant	Slawson, Paul	Consultant $25 p/d	6/26/61	
Secretary	Dandridge, Elsa	pending	7/6/61	
Instructor	Jenkins, Loren	GS-5 $4345 p/a	7/27/61	

PERSONNEL ROSTER

August 1, 1961

Recruitment

Title	Name	Grade & Salary	EOD	Remarks
Director	Quimby, Thomas	Consultant $70 p/d	3/19/61	
Consultant	Benedict, Russell	Consultant $40 p/d	7/6/61	
Assistant	Kritini, Alec	GS-14 $12,470 p/a	6/5/61	Transfer
Consultant (Recruiting)	Potvin, Gregg	Consultant $40 p/d	5/15/61	
Consultant (Recruiting)	Bowman, R. A.	Consultant $40 p/d	6/21/61	
Placement Assistant	Ley, James	GS-7 $5355 p/a	7/17/61	
Consultant (Recruiting)	Tucker, Sterling	Consultant $40 p/d	6/21/61	
Consultant (Recruiting)	Ginsburg, Edward	Consultant $40 p/d	6/21/61	
Consultant (West Coast Rep.)	Hildebrand, Leonard	Consultant $45 p/d	6/1/61	
Assistant (Records)	Handwerger, Gretchen	GS-12 $8955 p/a	5/22/61	
Secretary	Hundley, Jean	GS-7 $5355 p/a	4/16/61	Transfer
Secretary (Steno)	Woogmaster, Eleanor	GS-5 $4345 p/a	7/17/61	
Secretary (Steno)	Wolcott, Penelope	GS-5 $4345 p/a	8/1/61	
Recruiting Assistant	Carrington, Cynthia	GS-7 $5355 p/a	6/19/61	
Recruiting Assistant	Carrington, Walter	GS-7 $5355 p/a	6/19/61	

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Title	Name	Grade & Salary		EOD	Remarks
Recruiting Assistant	Eberly, Donald	GS-7	$5355 p/a	5/23/61	
Recruiting Assistant	O'Brien, Ruth	GS-7	$5355 p/a	6/21/61	
Student Assistant	Horowitz, Michael	GS-7	$5355 p/a	5/11/61	LWOP
Student Assistant	Nelson, Richard	GS-5	$4345 p/a	7/17/61	Summer
Clerk (Typing)	Meredith, Frances	GS-5	$4345 p/a	6/15/61	
Clerk-Typist	Johnson, Charles	GS-3	$4075 p/a	7/6/61	
Clerk-Typist	Biglow, Dreamer	GS-2	$4130 p/a	5/25/61	
Clerk-Typist	Gough, Betty	GS-2	$3500 p/a	7/6/61	Summer
Clerk-Typist	Hill, Josephine	GS-3	$4075 p/a	7/10/61	
Clerk-Typist	Whitacre, Lillian	GS-2	$3500 p/a	7/17/61	Summer
Clerk-Typist	Baker, Mary	GS-3	$3760 p/a	6/21/61	Summer
Mail & File Clerk	Butterworth, John	GS-2	$3500 p/a	6/27/61	Summer
Mail & File Clerk	Brown, Richard	GS-2	$3500 p/a	6/15/61	Summer
Mail & File Clerk	Leber, Caroline	GS-2	$3500 p/a	6/12/61	Summer
Mail & File Clerk	Cushman, Mike	GS-2	$3500 p/a	6/16/61	Summer
Mail & File Clerk	Frazier, Sunny	GS-2	$3500 p/a	6/4/61	Summer
Mail & File Clerk	Lee, Louise	GS-2	$3500 p/a	6/4/61	Summer

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Title	Name	Grade & Salary		EOD	Remarks
Mail & File Clerk	Lowenstein, Linda	GS-2	$3500 p/a	7/19/61	Summer
Messenger	Gough, Sam	GS-2	$3500 p/a	6/8/61	
Messenger	Sullivan, Richard	GS-2	$3500 p/a	6/4/61	Summer
Clerk-Typist	Kletzieve, Seymour	GS-3	$3760 p/a	7/11/61	Summer
Clerk-Typist	Craddolph, Geneva	GS-3	$3760 p/a	7/11/61	Summer
Clerk-Typist	Hocutt, Anne	GS-2	$3500 p/a	7/10/61	Summer
Clerk-Typist	Weigel, Betty	GS-2	$3500 p/a	6/20/61	Summer

PERSONNEL ROSTER

Selection

August 1, 1961

Title	Name	Grade & Salary	EOD	Remarks
Director	Hobbs, Nicholas	Consultant $75 p/d	3/22/61	
Consultant	Andrews, Thomas	Consultant $55 p/d	6/21/61	
Consultant	Mischel, Walter	Consultant $55 p/d	6/21/61	
Consultant	Gordon, Suzanne	Consultant $40 p/d	5/15/61	
Research Psychologist	Colman, Joseph	GS-15 $14,055 p/a	5/21/61	Transfer
Administrative Assistant	Kelly, Alyce M.	GS-7 $5355 p/a	6/19/61	
Secretary	Thomas, Dorothy	GS-6 $5555 p/a	4/16/61	Transfer
Secretary	Walsh, Mary	GS-6 $5490 p/a	5/14/61	
Secretary	Nathanson, Edith	GS-5 $4840 p/a	7/5/61	Transfer
Secretary (Steno)	Taylor, Gertha	GS-5 $4840 p/a	6/26/61	Transfer
Student Assistant	Darley, John	GS-7 $5355 p/a	6/7/61	Summer
Student Assistant	Anderson, Charnel	GS-7 $5355 p/a	7/17/61	Summer
Student Assistant	Hartig, Richard	GS-7 $5355 p/a	7/20/61	Summer
Student Assistant	Taliaferro, Richard	GS-7 $5355 p/a	7/17/61	Summer
Student Assistant	Pyles, Charles	GS-7 $5355 p/a	7/16/61	Summer
Student Assistant	Talbert, Jean	GS-5 $4345 p/a	7/20/61	Summer

KANSAS STATE UNIVERSITY
REFERENCE LIBRARY
DEPARTMENT
MANHATTAN, KANSAS

August 1, 1961

Title	Name	Grade & Salary	EOD	Remarks
Student Assistant	Jones, Flentch	GS-5 $4545 p/a	7/10/61	Summer
Student Assistant	Manning, Harold	GS-7 $5355 p/a	6/23/61	Summer
Student Assistant	Maxwell Bahl, John	GS-7 $5355 p/a	7/10/61	Summer
Student Assistant	Mahlund, Paul	GS-7 $5355 p/a	6/7/61	Summer
Student Assistant	Sigurion, Raymond	GS-7 $5355 p/a	7/24/61	Summer
Student Assistant	Lambert, Ellen	GS-7 $5355 p/a	6/7/61	Summer
Student Assistant	Silverman, Ruth	GS-7 $5355 p/a	7/24/61	Summer
Student Assistant	Gaskin, Allen	GS-7 $5355 p/a	6/16/61	Summer
Student Assistant	Gaskin, Judith	GS-7 $5355 p/a	6/16/61	Summer
Student Assistant	Greenland, Thomas	GS-7 $5355 p/a	7/24/61	Summer
Student Assistant	Hall, Gunther	GS-7 $5355 p/a	6/30/61	Summer
Personnel Assistant	Saldung, Judith	GS-5 $4545 p/a	6/26/61	Summer
Student Assistant	Kowatch, James	GS-7 $5355 p/a	6/26/61	Summer
Student Assistant	Sutcoor, Gail	GS-7 $5355 p/a	6/13/61	Summer
Secretary (Typing)	Grunch, Geraldine	GS-4 $4040 p/a	6/13/61	Summer
Clerk-Typist	Cohoon, Patricia	GS-3 $3760 p/a	6/12/61	Summer
Personnel Assistant	Hall, Karen	GS-5 $4545 p/a	7/10/61	Summer
Clerk-Typist	Rochon, Karen	GS-3 $3760 p/a	6/12/61	Summer

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Title	Name	Grade & Salary		EOD	Remarks
Clerk-Typist	Carney, Ann	GS-2	$3500 p/a	6/7/61	Summer
Mail & File Clerk	Scott, Julie	GS-2	$3500 p/a	6/20/61	Summer
Mail & File Clerk	Sanford, David	GS-2	$3500 p/a	6/20/61	Summer
Mail & File Clerk	Jackson, Roger	GS-2	$3500 p/a	6/15/61	Summer
Mail & File Clerk	Lee, William	GS-2	$3500 p/a	6/22/61	Summer

PERSONNEL ROSTER

August 1, 1961

Volunteer Support Services

Title	Name	Grade & Salary		EOD	Remarks
Director	Kendzie, Cass	FSO-3	$14,665 p/a	3/13/61	Reimbursable Detail from State
Chief	Olson, Ruth	GS-14	$12,470 p/a	7/9/61	Transfer
Assistant	Miller, Ruth	GS-13	$11,935 p/a	6/14/61	Detail from State
Assistant	Molster, Addie	GS-12	$8955 p/a	6/19/61	Reimbursable Detail from NIH
Personnel Officer	Prout, Thalma	GS-12	$8955 p/a	6/25/61	Transfer
Secretary	Klaess, Barbara	GS-6	$4995 p/a	4/10/61	
Clerk-Typist	LaMacchia, Linda	GS-3	$3760 p/a	6/19/61	Summer
Clerk-Typist	Ruggins, Peggy	GS-2	$3500 p/a	6/18/61	Summer
Clerk-Typist	Friederich, Dorothea	GS-2	$3500 p/a	6/26/61	Summer
Mail & File Clerk	Armstrong, Tessa	GS-2	$3500 p/a	7/14/61	Summer
Mail & File Clerk	Brock, Lawrence	GS-2	$3500 p/a	7/23/61	
Project Reception Officer	Christy, Lilly	GS-12	$8955 p/a	7/23/61	Transfer
Secretary (Typing)	Finale, Elizabeth	GS-6	$4830 p/a	7/23/61	Transfer
Management Intern	Stankevitz, Lois	GS-9	$6435 p/a	7/12/61	

August 1, 1961

PERSONNEL ROSTER

Medical Program

Title	Name	Grade & Salary	EOD	Remarks
Director	Gehrig, Leo	Medical Director $15,536 p/a	3/27/61	Reimbursable Detail from US Public Health Service
Assistant	Cashman, John	Medical Director $15,536 p/a	7/12/61	Reimbursable Detail from USPHS
Assistant	Johnson, Linden	Medical Director $16,131 p/a	4/27/61	Detail from USPHS
Assistant	Spence, Harry	Senior Surgeon $12,776 p/a	8/1/61	Reimbursable Detail from USPHS
Executive Officer	Simpson, Donald	FSR-2 $17,030 p/a	7/10/61	Detail from State
Medical Officer	Chin, William	FSR-5 $9355 p/a	7/15/61	Reimbursable Detail from USPHS
Secretary	Rice, Mildred	GS-5 $5005 p/a	7/2/61	Transfer
Secretary	Betts, Christine	GS-5 $4345 p/a	4/27/61	Transfer
Records Clerk	Lents, Ruth	GS-3 $3970 p/a	6/11/61	
Secretary (Steno)	Holland, Mary	GS-5 $4570 p/a	4/3/61	Transfer
Clerk-Typist	Kohn, Betty	GS-3 $3760 p/a	6/20/61	
Clerk-Steno	Bagg, Lila	GS-4 $4145 p/a	7/23/61	Transfer
Medical Officer	Eggleston, Robert	FSR-6 $8655 p/a	8/1/61	Reimbursable Detail from USPHS
Medical Officer	King, John	FSR-6 $7935 p/a	8/1/61	Reimbursable Detail from USPHS

PERSONNEL ROSTER

August 1, 1961

Management

Title	Name	Grade & Salary	EOD	Remarks
Associate Director	Corcoran, John	Consultant $70 p/d	6/19/61	
Secretary	Kelly, Alice	GS-9 $6435 p/a	7/23/61	Transfer
Clerk-Typist	Sander, Gail	GS-2 $3500 p/a	6/19/61	Summer

PERSONNEL ROSTER

August 1, 1961

Personnel Division

Title	Name	Grade & Salary		EOD	Remarks
Director	Jacobsen, Dorothy	GS-15	$15,030 p/a	6/11/61	Transfer
Administrative Officer	Greenwell, Muriel	GS-12	$8955 p/a	5/1/61	Reimbursable Detail from State
Personnel Assistant	Monk, Ellen	GS-11	$7830 p/a	6/28/61	
Placement and Classification Specialist	Goellner, Edythe	GS-12	$8955 p/a	7/23/61	Transfer
Personnel Assistant	Clute, Judith	GS-9	$6435 p/a	6/12/61	
Personnel Assistant	Charnow, Miriam	GS-7	$5355 p/a	6/21/61	
Foreign Service Officer	Hallett, Nez	FSO-5		5/8/61	Detail from State
Position Classifier	McGrath, Hubert	GS-13	$12,455 p/a	7/10/61	Detail from CSC
Position Classifier	Jacobsen, Bernice	GS-12	$8955 p/a	7/9/61	
Appointments Officer	Hartman, Marjorie	GS-7	$5355 p/a	5/14/61	Transfer
Personnel Clerk (Typing)	Feeney, Glenna	GS-5	$5335 p/a	6/4/61	Transfer
Secretary	Aaron, Vernie	GS-6	$4995 p/a	4/5/61	Transfer
Secretary (Steno)	Steele, Betty	GS-6	$4830 p/a	7/16/61	Transfer
Management Intern	Connor, Paul	GS-7	$5355 p/a	6/29/61	Summer
Clerk-Typist	McGinnis, Marie	GS-2	$3500 p/a	6/26/61	Summer
Clerk-Typist	Rowen, Judy	GS-2	$3500 p/a	6/22/61	Summer

PERSONNEL ROSTER

Budget & Finance

August 1, 1961

Title	Name	Grade & Salary		EOD	Remarks
Director	Bogardus, Richard	GS-15	$15,030 p/a	4/2/61	Transfer
Secretary	Seville, Cordelia	GS-7	$6015 p/a	6/25/61	Transfer
Secretary	Ames, Katherine	GS-7	$6180 p/a	6/11/61	Transfer
Budget Officer	Barney, Alline	GS-14	$12,470 p/a	4/26/61	Transfer
Assistant Budget Officer	DiMisa, Ruth	GS-9	$7425 p/a	4/10/61	Transfer
Fiscal Accounting Clerk	Link, Ethel	GS-5	$4345 p/a	5/14/61	Transfer
Clerk-Typist	Englehorn, Suzanne	GS-4	$4040 p/a	5/8/61	Transfer

PERSONNEL ROSTER

August 1, 1961

Administrative Services

Title	Name	Grade & Salary		EOD	Remarks
Director	Howell, Odie	GS-15	$13,730 p/a	5/21/61	Transfer
Deputy Director	Vaughan, Joe	GS-14	$12,210 p/a	6/25/61	Transfer
Administrative Assistant	McCarthy, Wavie	GS-9	$7260 p/a	4/2/61	Transfer
Secretary	Stuart, Rose	GS-5	$4510 p/a	5/1/61	Transfer
Clerk-Typist	Gilmer, Kathryn	GS-2	$3500 p/a	7/10/61	Summer
Mail & File Supervisor	Bertotti, Tin	GS-5	$4345 p/a	4/5/61	
Cable Clerk	Burrell, Robert	GS-5	$4510 p/a	6/18/61	
Mail Clerk	Brooks, Margaret	GS-4	$4670 p/a	5/28/61	Transfer
Mail Clerk (File)	Lyerly, Edward	GS-2	$3500 p/a	7/20/61	Summer
Chauffeur	Ford, Clarence	GS-2	$4130 p/a	7/9/61	Transfer
Messenger	Coleman, Thomas	GS-2	$3815 p/a	4/2/61	Transfer
Messenger	Johnson, Clarence	GS-2	$3500 p/a	5/24/61	
Messenger	Gregory, Junius	GS-2	$4130 p/a	5/5/61	
Messenger	Doss, Willard	GS-2	$3500 p/a	5/22/61	
Mail Clerk	Wiles, Violet	GS-2	$3500 p/a	4/3/61	Transfer

TRANSFERS TO PEACE CORPS

Mr. PASSMAN. Would you indicate for the record your present personnel which transferred to your agency from another agency, and indicate their prior position, grade, salary, compared to their present position, grade, and salary?

Mr. SHRIVER. We can supply it.

(The information follows:)

TRANSFERS TO PEACE CORPS
August 1, 1961

Name	Former Title & Grade	Former Salary	Present Title & Grade	Present Salary	Agency
Hinson, Frances	Secretary (Steno) GS-6	$ 5,655	Secretary (Steno) GS-6	$ 5,655	ICA
Carvellas, Georgia	Secretary (Steno) GS-7	6,345	Secretary (Steno) GS-7	6,345	NSC
Murphy, Clennie	Sub-Carrier, PFS-4-3	4,665	File Supervisor, GS-5	4,840	PO
Van Cleve, Harry	General Counsel, GS-15	13,730	Associate General Counsel GS-15	13,730	GSA
Patterson, Bradley	Management Analyst, GS-15	14,380	Executive Secretary, FSR-2	15,255	BUBUD
Hymowitz, Helen	Admin. Assistant, GS-7	6,345	Secretary (Steno) GS-7	6,345	AEC
Ottinger, Richard	Contract Specialist, GS-12	8,955	Contract Specialist, GS-13	10,635	ICA
Shofner, Leonor	Publications Editor, GS-7	6,015	Admin. Assistant (Steno) GS-9	6,435	HFA
Foster, Donna	Secretary (Steno) GS-5	4,510	Secretary (Steno) GS-6	4,830	ICA
Levine, Shirley	Secretary (Steno) GS-5	5,335	Secretary (Steno) GS-6	5,655	Justice
Tabler, Joseph	Contract Specialist, GS-13	10,895	Contract Specialist, GS-14	12,210	ICA
Marotta, George	Foreign Affairs Officer GS-14	12,210	University Relations Officer GS-14	12,210	NSC
Peterson, Grace	Secretary, GS-6	4,995	Admin. Assistant (Steno) GS-7	5,355	AEC
Kelly, Louise	Secretary, GS-8	6,875	Admin. Assistant (Steno) GS-8	6,875	BUBUD

Name	Former Title & Grade	Former Salary	Present Title & Grade	Present Salary	Agency
Spillan, Patricia	Clerk-Typist, GS-3	$ 3,760	Clerk-Typist, GS-3	$ 3,760	AF
Gibson, James	Information Specialist GS-14	12,990	Asst. Director, GS-15 (Information Specialist)	13,730	Agric.
Klar, Roma	Confidential Asst. (Secretary), GS-10	7,490	Admin. Officer, GS-12	8,955	NSC
Bassford, Beverly	Secretarial Asst., GS-9	6,600	Admin. Assistant (Steno) GS-10	6,995	Interior
Josephson, William	Attorney-Advisor (General) GS-13	10,635	Special Asst. to Director GS-13	13,730	ICA
Stout, Ethel	Secretary (Steno) GS-7	6,675	Secretary (Steno) GS-9	6,930	NSC
MacKie, Mary	Clerk-Stenographer, GS-5	5,005	Secretary (Steno) GS-5	5,005	FHA(LWOP)
Williams, Viessa	Military Personnel Clerk (Typing), GS-4	4,670	Clerk (Typing), GS-4	4,670	Army
Alcorn, Virginia	Administrative Asst.,GS-7	6,345	Secretary (Steno) GS-9	6,600	ICA
St.Lawrence, Joseph L.	International Cooperation Officer, FSR-4	11,245	International Relations Officer, FSR-3	12,535	ICA
Carles, Carole	Secretary, GS-6	4,995	Secretary (Steno) GS-7	5,355	BUBUD
Nolan, Angella	Clerk-Steno, GS-5	4,345	Secretary (Steno) GS-5	4,345	ICA
Popenoe, Oliver	Reports Officer, GS-14	12,470	Director, Program Dev. GS-15 (Intl. Relations Officer)	13,730	OCDM
Spartales, Olga	Secretary (Steno) GS-6	4,995	Secretary (Steno) GS-6	4,995	State
Terris, Ann	Secretary (Steno) GS-5	5,170	Secretary, GS-6	5,490	ICA
Kelly, William	Contract Specialist, GS-15	13,730	Director of Contracts, FSR-2	15,255	NASA

Name	Former Title & Grade	Former Salary	Present Title & Grade	Present Salary	Agency
Levison, Barbara	Program Analyst, GS-11	$ 7,820	International Relations Officer, GS-12	$ 8,955	NIH
Gates, Lillie	Clerk-Steno, GS-6	5,490	Secretary (Steno) GS-7	5,685	ICA
Wheeler, Joseph	International Cooperation Officer, GS-14	12,470	International Relations Officer, GS-15	13,730	ICA
Duncan, Doris	Clerk-Steno, GS-5	5,170	Clerk-Steno, GS-6	5,665	ICA
Singer, Derek	Training Officer, FSR-5	9,055	International Relations Officer, GS-13	12,210	ICA
Gootenberg, Roy	Budget Examiner, GS-13	11,415	International Relations Officer, GS-14	12,210	BUBUD
Anderson, Beverly	Administrative Officer GS-11	7,560	International Relations Officer, GS-12	8,955	ICA
Tuttle, Carolyn	Clerk-Steno, GS-4	4,355	Secretary (Steno) GS-5	4,510	USDA
Alexander, John	International Cooperation Officer, GS-14	13,510	Supervisory International Relations Officer, GS-15	15,030	ICA
Boucher, Valerie	Secretary (Steno) GS-7	5,520	Admin. Assistant, GS-8	5,885	ICA
Johnson, Harold	Education Advisor, FSR-4	11,500	International Relations Officer, GS-14	12,210	ICA
Thornell, Richard	International Relations Officer, GS-11	7,560	International Relations Officer, GS-11	7,560	ICA
Fisher, Estelle	Clerk-Steno, GS-3	3,760	Clerk-Steno, GS-3	3,760	ICA

Name	Former Title & Grade	Former Salary	Present Title & Grade	Present Salary	Agency
Baranson, Stanley	Sup. Auditor, FSR-3	$14,665	Program Operations Officer, GS-15	$15,030	ICA
Willis, Shirley	Secretary (Steno) GS-6	5,160	Secretary (Steno) GS-6	5,160	Army
Lewis, Ethel	Clerk-Steno, GS-5	5,335	Secretary (Steno) GS-7	5,520	ICA
Revelle, Athos	International Relations Officer, FSR-4	11,245	International Relations Officer, GS-14	12,210	ICA
Hollins, Alberta	Clerk-Typist, GS-4	4,565	Clerk-Typist, GS-4	4,670	State
Kritini, Alec	Information Spec., GS-14	12,470	Recruitment Officer, GS-14	12,470	HEW
Hundley, Jean	Admin. Assistant, GS-7	5,355	Secretary (Steno) GS-7	5,355	ICA
Thomas, Dorothy	Secretary (Steno) GS-5	5,355	Secretary (Steno) GS-6	5,655	Labor
Nathanson, Edith	Clerk-Steno, GS-4	4,565	Secretary (Steno) GS-5	4,675	CSC
Colmen, Joseph	Supervisory Psychologist GS-15	14,055	Research Psychologist, GS-15	14,055	AF
Taylor, Gurtha	Secretary (Steno) GS-4	4,670	Secretary (Typing) GS-5	4,840	Labor
Olson, Ruth	Personnel Officer, GS-13	12,195	Personnel Officer, GS-14	12,470	Navy
Prout, Thelma	Employee-Management Relations Specialist, GS-12	8,955	Personnel Officer, GS-12	8,955	ICA
Christy, Lillie	Placement & Employee Mgmt. Relations Specialist, GS-11	8,080	Project Reception Officer GS-12	8,955	Army
Flickinger, Harold	Supervisory Transportation Officer, GS-14	12,730	Logistics Planning & Transportation Officer, GS-14	12,730	AF

Name	Former Title & Grade	Former Salary	Present Title & Grade	Present Salary	Agency
Finale, Elizabeth	Personnel Clerk, GS-5	$ 4,510	Secretary (Typing) GS-6	$ 4,830	NIH
Rice, Mildred	Secretary (Steno) GS-5	5,005	Secretary (Steno) GS-5	5,005	NSF
Betts, Christine	Allowance Writer (Steno) GS-5	4,345	Secretary (Steno) GS-5	4,345	Navy
Pettit, Richard	Supervisory Contract Negotiator, GS-13	10,895	Contract Specialist, GS-14	12,210	NASA
Holland, Mary	Clerk-Steno, GS-4	4,250	Secretary (Steno) GS-5	4,510	Commerce
Bugg, Lila	Clerk-Steno, GS-4	4,145	Secretary (Steno) GS-5	4,510	Army
Kelly, Alice	Secretary (Steno) GS-7	6,015	Secretary (Steno) GS-9	6,435	State
Jacobsen, Dorothy	Supervisory Personnel Mgmt. Specialist, GS-14	12,990	Director, Personnel Division GS-15	15,030	Navy
Goellner, Edythe	Supervisory Personnel Mgmt. Specialist, GS-11	7,560	Personnel Mgmt. Specialist GS-12	8,955	DLF
Hartman, Marjorie	Employee Rel. Asst., GS-5	4,345	Personnel Assistant, GS-7	5,355	Navy
Feeney, Glenna	General Clerk, GS-5	5,335	Personnel Clerk, GS-5	5,335	Interior
Bogardus, Richard	Special Asst. to Insp. General & Comptroller, GS-15	15,030	Director, Budget & Finance Div., GS-15	15,030	State
Aaron, Versie	Secretary (Steno) GS-6	4,995	Secretary (Steno) GS-6	4,995	HEW
Steele, Betty	Secretary (Steno) GS-6	4,830	Secretary (Steno) GS-6	4,830	Navy
Saville, Cordelia	Voucher Examining Supervisor, GS-6	5,820	Budget & Fiscal Accounting Clerk, GS-7	6,015	Army

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Name	Former Title & Grade	Former Salary	Present Title & Grade	Present Salary	Agency
Ames, Katherine	Clerk-Steno, FSS-11	$ 5,930	Secretary (Steno) GS-7	$ 6,345	State
Berney, Alline	Budget Officer, GS-14	12,470	Budget Officer, GS-14	12,470	State
DiMisa, Ruth	Secretary (Steno) GS-9	7,425	Budget Analyst, GS-9	7,425	State
Link, Ethel	Fiscal Accounting Clerk GS-4	4,145	Budget & Fiscal Accounting Clerk, GS-5	4,345	ICA
Vaughan, Joe	Management Analyst, GS-13	11,935	Admin. Officer, GS-14	12,210	ICA
Englehorn, Suzanne	Clerk-Typist, GS-3	3,760	Secretary (Typing) GS-4	4,040	ICA
Howell, Odie	Supervisory Admin. Officer GS-14	12,210	Director, Admin. Services GS-15	13,730	State
McCarthy, Wavie	Admin. Assistant, GS-9	7,260	Office Services Mgr., GS-9	7,260	State
Szwast, Rose	Secretary (Steno) GS-5	4,510	Secretary (Steno) GS-5	4,510	Agric.
Brooks, Margaret	Mail & File Clerk, GS-4	4,670	Mail & File Clerk, GS-4	4,670	State
Ford, Clarence	Messenger, GS-2	4,130	Messenger, GS-2	4,130	USIA
Ashabrenner, Brent	Education Admin. Advisor FSR-5	10,555	Acting PC Rep., Nigeria FSR-3	12,535	ICA
Coleman, Thomas	Messenger, GS-2	3,815	Messenger, GS-2	3,815	State
Johnson, Clarence	Messenger, GS-1	3,185	Messenger, GS-2	3,500	ICA

NEED FOR PUBLIC INFORMATION UNIT

Mr. PASSMAN. Why do you need a public information unit and a public affairs community participation unit?

Mr. SHRIVER. The public information unit is devoted to working with the media, such as newspapers, radio, television, et cetera.

Mr. PASSMAN. If you are getting more applications than you can process and more applicants than you are going to be able to use after screening, you have more applicants than you have need for personnel, why would you need, actually, this type of public information unit?

Mr. SHRIVER. Because the requests for information about the Peace Corps come from all over the world and all over our country. The demand is tremendous. Somebody has to be there to handle and to process the requests for information about our program.

For example, in the first month that the Peace Corps was in existence we had a tremendous amount of requests for information from Congress. We had it from newspapers, magazines, radio, television, all over this country and from abroad. Somebody has to be there who knows how to handle those matters. That is what the public information unit is for.

PRIVATE AGENCY RELATIONSHIP AND UNIVERSITY RELATIONSHIP UNITS

Mr. PASSMAN. Why do you need a private agency relationship unit and university relationship unit?

Mr. SHRIVER. We need a private agency relation unit because we hope to work very closely with those agencies here in our own country which have had a successful experience overseas in work similar to the Peace Corps. We hope not to create a big bureaucracy to take over their work, but to help them to improve their own work. For example, we have concluded a contract with CARE for work in Colombia. That job in Colombia was in process by CARE, they were going to train 65 Colombians to do rural development work in Colombia.

They came to us and said, "We would be interested in supplementing those 65 Colombians with Peace Corps volunteers." We said, "Yes." The program now includes 65 Americans and 65 Colombians who will go out together.

Mr. PASSMAN. Sixty-five Americans and 65 of what country?

Mr. SHRIVER. Citizens of Colombia. They work together. This program of a private voluntary agency in this country, CARE, is now twice as large and we hope more effective than it was before.

Mr. PASSMAN. Would not the country of Colombia be one of the recipients of this type of program?

Mr. SHRIVER. In this case they are the recipient through a private voluntary agency.

Mr. PASSMAN. Would you not normally send to their country Peace Corps personnel?

Mr. SHRIVER. Not necessarily. Where we can do it at less cost to the taxpayers by utilizing——

Mr. PASSMAN. Is the country advanced to where they would not need this type of service?

Mr. SHRIVER. They do need it.

Mr. PASSMAN. Why would they not keep their own 50 in that country? Why do they want to send them out?

Mr. SHRIVER. I did not make that clear. Those 50 are staying in that country and our people are working with their people in that country.

NEED FOR PROGRAM DEVELOPMENT UNIT

Mr. PASSMAN. Mr. Director, why do you need a program development and operation unit, and planning and evaluation unit?

Mr. SHRIVER. We need the program development unit to organize our programs around the world on a year-to-year basis, to explore new requests for Peace Corps volunteers. I can cite you examples.

Mr. PASSMAN. Do you have these tables so that the members of the committee may see them.

Mr. SHRIVER. I believe they were submitted some time ago.

Mr. PASSMAN. Not to this committee.

Mr. SHRIVER. They were supposed to have been. They were submitted up to the Hill. I am sorry.

Mr. PASSMAN. It is quite all right. This is really quite an organization to get underway when you do not yet have an authorization.

Mr. SHRIVER. It is a proposed organization.

Mr. PASSMAN. You do not have all that staffed yet?

Mr. SHRIVER. No; but we do have a lot of the people. You asked me, sir, how many permanent employees we had. These are the people we have.

Mr. PASSMAN. This is about the most advanced thing I ever heard of, when you do not even have an authorization.

Mr. SHRIVER. One of the purposes of this period was to come over here not with a lot of theories or ideas without any substance in fact, but to bring you something that you could see the true nature of.

Mr. PASSMAN. That part is all right, but you have a lot of these agencies already staffed. You have an organization in being, and you are recruiting personnel, and many of these people have already taken their jobs, have they not, those on this chart?

Mr. SHRIVER. As I said, we have 121 permanent persons and some of them are in those slots on that chart.

PLANNING AND EVALUATION UNIT

Mr. PASSMAN. You do have, of course, the program development and operation unit, and also a planning and evaluation unit. What do they do?

Mr. SHRIVER. The people in charge of planning have the responsibility of future planning for the Peace Corps rather than just what we do on a year-to-year basis.

Mr. PASSMAN. That is in subsequent years, after the Peace Corps has served its purpose?

Mr. SHRIVER. After the Peace Corps has served its purpose?

Mr. PASSMAN. Yes.

Mr. SHRIVER. This is to try to help plan so that the Peace Corps can carry out its purpose as effectively as possible. In other words, they are trying to work on what we ought to be doing on the basis of the experience we have. They are also trying to evaluate what we are doing. I do not want the people who are responsible——

Mr. PASSMAN. On page 19, Mr. Director, it says:

Develop worldwide and regional policies on Peace Corps operation, develop specific country programs, develop approved programs with host countries, supervise operation of programs, maintain liaison with the United Nations agency, and advise on participants in Peace Corps-type projects in such agencies.

Then, we get on page 21, planning and evaluation:

Has responsibility for evaluation of the program objectives, content, and effectiveness of Peace Corps country programs and discharges this responsibility in conducting regular systematic field evaluation of those programs or by insuring that they are conducted for the Peace Corps by other agencies acting in their behalf.

Mr. SHRIVER. In other words, it is as you have just stated. In the Army you have a inspector general who goes around and sees what the people in the line are doing to make sure that approved plans are effectively executed.

Mr. PASSMAN. Then you really would have three inspector generals: one in ICA, one in the State Department, one in the Peace Corps under this organization set up.

Mr. SHRIVER. I do not know whether they have an inspector general in the State Department.

Mr. PASSMAN. I mean as it would apply to the Peace Corps.

Mr. SHRIVER. No, sir.

Mr. PASSMAN. You would have an inspector general?

Mr. SHRIVER. We would want a man—we have one person doing this work, one person. We would want a man who can give us the benefit of an outside evaluation different from the evaluation of the people who are actually doing the program. We do not want to just get our information from one source, just so we have a second look at a program to determine whether it is actually what we intended it to do.

Mr. PASSMAN. These participants will, in fact, be about the same as our present bilateral technical aid people, other than they remain at the village level, rather than making an occasional trip to the village? Is that accurately stated?

Mr. SHRIVER. No, sir; I think that is part of it, but it is only part of it.

RELATIONSHIP TO BILATERAL TECHNICAL AID PROGRAM

Mr. PASSMAN. I do not know of any field of endeavor that we have not gotten into with the U.S. bilateral technical aid program. They do not live out in the villages. They start projects, and go out occasionally. We are trying to find out whether or not these people are going to do the same type of teaching, and carry on the same type of projects, as under the present bilateral technical aid program. Is it about the same type of work?

Mr. SHRIVER. No, sir; we do not think so. For example, take the Philippine projects. We have people out there who are high level professors of education, let us say, who are trying to develop curriculums or teaching devices or different scheduling for the schools in that country. There are no people out under that program who are in the villages teaching in the Phillipine public schools, which is why the Philippine Government has asked us to send them. What our people will be doing is the actual work of teaching which is not being

done by anybody else. If it were being done, they would not need us.

Mr. PASSMAN. Are they going to teach them anything about farming, raising pigs, and chickens?

Mr. SHRIVER. Not in the Philippines.

Mr. PASSMAN. I am not talking about the Philippines, but I am speaking of worldwide.

Mr. SHRIVER. Yes; in some places they will be teaching them agriculture. In India, I cited a minute ago places where they would be teaching them about farming, but the kind of work they would be doing is not the same as that being done by high level professors of agriculture in agricultural colleges.

Our people go out in the villages, working with the Indians to try to carry out the high-level instruction or advice that the Indians are getting from three or four highly skilled technical aid people.

Mr. PASSMAN. It would be the second phase of this operation, then?

Mr. SHRIVER. It is what you might call the same as hitting a golf ball. You can hit the ball, but if you do not follow through right, it does not go anywhere or it goes crooked.

Mr. PASSMAN. It is an expansion of the present work of the ICA technical aid people?

Mr. SHRIVER. In some cases, yes; but, Mr. Chairman, for example, it is still a confidential matter, but I am sure it will remain confidential here. We are going into a certain country where there is no ICA mission at all, so it is not supplementary to any technical aid.

I am trying to indicate that although we try to supplement ICA——

Mr. PASSMAN. I do not know what they are going to do. If we are going to think in terms of ICA people being at the university level, they are teaching these subjects, but it does not get out to the village level. Those people are taking it out to the village level. Is that a statement of fact?

Mr. SHRIVER. That is a statement of fact in some cases, but that is not all the programs. In the country I mentioned, there are no ICA people. We start there without any high level——

Mr. PASSMAN. That is the exception, though. ICA personnel are practically everywhere.

Mr. SHRIVER. Let us take the example of Tanganyika. I do not know——

Mr. PASSMAN. Is that a preferred subject? That is about the only one we mentioned this morning other than the Philippines.

Mr. SHRIVER. Take Chile, Colombia, Tanganyika, Ghana, Nigeria. Tell me which one you want me to discuss.

Mr. PASSMAN. I was perfectly honest, in that you mentioned that so many times, that and the Philippines. Do you have personnel presently scheduled in any other nations?

Mr. SHRIVER. Yes; in Ghana we do have an ICA mission. I think some of them are trying to help the Ghanaian Minister of Education.

Mr. PASSMAN. Do you have any Ghanaian who could work with our personnel? Do you have any of them presently trained in Ghana?

Mr. SHRIVER. Over there?

Mr. PASSMAN. Yes; natives of the country themselves.

Mr. SHRIVER. Who can work with our people?

Mr. PASSMAN. Yes.

Mr. SHRIVER. Yes; we will be working out in the Ghanian schools, and they will have Ghanian teachers in these schools, and our people will be working in a classroom adjoining one where a Ghanian teacher is teaching.

Mr. PASSMAN. What do they actually do that has not been done in the past under ICA? We have a list that would fill that book over there of things ICA is doing. Has there ever been anything the mind of man has thought of that ICA has not started somewhere? If so, it has not been brought to our attention. Tell us some of the things you are going to do, other than in Malaya, that the ICA people are not going to do.

Mr. SHRIVER. Let us take the case of Ghana or Chile, whichever you prefer. We do have an ICA mission in Ghana. So far as I know, there are no ICA teachers teaching in the schools of Ghana. I am certain, or at least I believe there probably was a professor of education out there, or maybe two or three, who may be working with the Minister of Education of Ghana, trying to help him to develop a better school system, let us say, or to bring new teaching aids or to develop the curriculum in a different way or analyzing one way of teaching Ghanian history versus another way, or science. But there are no actual American teachers under ICA, so far as I know, actually in the public schools of Ghana.

Mr. PASSMAN. What would you do if you found out they did have teachers there? Would you cancel your assigned personnel to that country?

Mr. SHRIVER. We do not even start unless in the country the country team, including ICA's man, agree under the American Ambassador's leadership that the proposal or the request from the foreign country has merit and that it does not duplicate what we are already doing or conflict with what we are already doing.

Mr. PASSMAN. What would you do if you get so far along with this organization and find out that about 95 percent of what you propose to do is already being done, either under the U.S. bilateral or United Nations technical aid or some other aid program? If you find out that about 90 percent of the work you propose is already being done by some other agency, would you abolish or let it phase out?

Mr. SHRIVER. We would not do it.

STATE AND ICA ADMINISTRATIVE SUPPORT

Mr. PASSMAN. On what basis do you anticipate that you will need $2,236,800 for State and ICA administrative support?

Mr. SHRIVER. May I ask Mr. Bogardus to answer that? He is more familiar with it than I. Where is that figure? The 1962 estimate?

Mr. PASSMAN. Yes.

Mr. BOGARDUS. I sat down with representatives of ICA and State, and we prepared an illustrative breakdown of this particular figure, but it is simply illustrative. It depends on how many countries we operate in.

Mr. PASSMAN. This is not firm?

Mr. BOGARDUS. That is correct.

Mr. PASSMAN. Would it be expected that since other agencies are going to be asking you for personnel and advice that it may be on a

kind of reciprocal basis, that you may render service to them that would offset this and you would not need it at all?

Mr. SHRIVER. No, sir.

RENT, COMMUNICATIONS AND UTILITIES

Mr. PASSMAN. Why is your estimate for rent, communications, and utilities budgeted for $750,000?

Mr. BOGARDUS. This again, Mr. Chairman, resulted in our evaluation of what we thought our needs to be. For our rent and office space in Washington alone we estimate that to be around $145,000.

Mr. PASSMAN. How many personnel in Washington?

Mr. BOGARDUS. The 269 is our estimate for fiscal 1962.

Mr. PASSMAN. And the remainder of it——

Mr. BOGARDUS. The remainder of it, Mr. Chairman, is rental of office space, buildings, et cetera, overseas.

Mr. SHRIVER. And communications.

REASON FOR OFFICE SPACE OVERSEAS SEPARATED FROM EMBASSIES

Mr. PASSMAN. You are going to rent buildings and office space overseas? I thought these people were going to be out in the villages. We have already discussed the village rent. I thought they would have one man in the embassy.

Mr. SHRIVER. The man overseas is not going to be in the embassy. Every one of our ambassadors asked us to have this person outside of the embassy because they did not want this program to be confused in the minds of the foreign governments with the economic program, the intelligence program, the military program, or the diplomatic program. This is supposed to be a new venture by this country, and they want it to be just that, so that our person—he will have a house, yes.

Mr. PASSMAN. This thing could get completely out from under control. You propose to set up in these countries a kind of junior embassy, separated from our regular embassy, and these people would need a building, or need space of their own, separate and apart from the U.S. Embassy?

Mr. SHRIVER. This is what our ambassadors want.

Mr. PASSMAN. It is not what they want, it is a question of fact we are trying to establish. They are going to have a separate building?

Mr. SHRIVER. No, sir.

Mr. PASSMAN. Separate office space from the embassy?

Mr. SHRIVER. Yes, sir.

Mr. PASSMAN. This key man will be assigned to this space, will he not, the one we discussed earlier?

Mr. SHRIVER. Yes, sir.

Mr. PASSMAN. And it will be necessary for him to have a staff, will it not?

Mr. SHRIVER. He will have a secretary, probably; yes, sir. We are trying to get volunteers to do that work so we do not even have to hire a secretary. There is some question, however, as to whether Congress will let us do it.

Mr. PASSMAN. Most of them are working in the villages?

Mr. SHRIVER. Yes, but most of them who are just secretaries want to serve their country overseas as a secretary.

Mr. PASSMAN. I could transfer to you a lot of good personnel right quick if you have an attraction here that is not in the Army.

Mr. SHRIVER. There is an attraction here that is not in the Army—no question about it.

Mr. PASSMAN. In how many countries do you propose to set up this headquarters with this top man?

Mr. SHRIVER. It is our intention to have such a person or persons in each country in which we operate. So far we have proposed, I think, eight countries.

Mr. PASSMAN. Out of this $40 million, how many countries do you propose to be operating in at the end of fiscal 1962?

Mr. SHRIVER. In approximately 20 to 25.

Mr. PASSMAN. What is the ultimate goal?

Mr. SHRIVER. We have no ultimate goal. We are trying to build on the basis of experience.

ELIGIBILITY OF COUNTRIES FOR PROGRAM

Mr. PASSMAN. How many countries would be eligible for this type of service offered by the Peace Corps?

Mr. SHRIVER. Those who ask for it.

Mr. PASSMAN. Out of 110 nations, if 80 should ask for it, then we would go to 80? If you kept it to the very minimum, you would multiply that figure by 4 to get the cost, if you should ever reach that goal?

Mr. SHRIVER. We do not go everywhere we are asked, Mr. Congressman. You asked how many would be eligible.

Mr. PASSMAN. We are trying to look into the future. Have you turned down any countries or projects yet?

Mr. SHRIVER. Yes, sir; but I should not talk about the ones we have not taken on.

Mr. PASSMAN. Would you indicate the countries you have turned down, if it is not classified?

Mr. SHRIVER. I think it would be classified.

Mr. PASSMAN. You can delete it from the record. You have that privilege. If you would like to tell us the countries, it is your responsibility, if it is classified, to delete it from the record. However, some members will want to know why it is classified, so please tell us why.

Mr. SHRIVER. We have had 25 or 30 countries already come to us and ask us to send the Peace Corps there. We have said we cannot take all these on, do not want to take them on until we have a chance to talk to Congress. We have a small sample of the total number that asked.

EXTENT OF CURRENT COMMITMENTS

Mr. PASSMAN. When you get the money you are asking for, you could initiate those programs?

Mr. SHRIVER. With Congress approval. Remember, Mr. Chairman, we expect to come back, we want to come back here, and on the basis of what our experience is this year talk to this committee in a future year about what we would do in a future year. If this committee says, "Don't do it," we will not do it.

Mr. PASSMAN. We just conduct the examination and make the recommendation based upon the justification.

Mr. SHRIVER. That is right. If we do not have an adequate justification——

Mr. PASSMAN. There are perhaps a lot of things this committee feels we should do with which Congress does not agree.

Mr. SHRIVER. If we do not have an adequate justification in your judgment, we would not carry on the program.

Mr. PASSMAN. As it stands at this time, it is illustrative, there is no positive project or program anywhere. Is that a statement of fact?

Mr. SHRIVER. No, sir; that is not quite true. We have positive programs that we have presented to this committee in as much detail as we can, the financial details and the actual details, for example, of the program in Ghana or Chile or Colombia.

Mr. PASSMAN. We have not had an opportunity to review any of that, but can you pin down the actual projects by country, by program, by cost?

Mr. SHRIVER. Yes, sir. We have submitted that material here.

Mr. PASSMAN. All right. There is no contract entered into yet on this? This is to come at some subsequent date, after the authorization and the appropriation?

Mr. SHRIVER. No. sir; we have concluded contracts under the authority we were operating with, and with the money we were operating with.

Mr. PASSMAN. Beyond the amount of money that you had in the continuing resolution?

Mr. SHRIVER. No, sir; not beyond that.

Mr. PASSMAN. How far are you committed, to what extent, just briefly?

Mr. SHRIVER. You mean in terms of money?

Mr. PASSMAN. Let us know how far you are committed in terms of money.

Mr. SHRIVER. The total is $2,388,474.07 for fiscal year 1962.

Mr. PASSMAN. That is for specific projects?

Mr. SHRIVER. Yes, sir; for specific contracts.

Mr. PASSMAN. Outside the country?

Mr. SHRIVER. Yes, sir; for training here and for projects overseas.

Mr. PASSMAN. You have not sent any of them abroad yet?

Mr. SHRIVER. No, sir; but they will be going in about a week or 10 days.

Mr. PASSMAN. That figure represents the present program. If you project it out to the end of the $40 million, then it would be illustrative beyond the figure you gave, would it not?

Mr. SHRIVER. Yes, sir; but it is based on our best estimate and best thinking and best experience to date.

Mr. PASSMAN. Is this $2 million the full year cost, or partial?

Mr. SHRIVER. These are the estimates figures, $2,388,000 is the estimated obligation for fiscal 1962 for the contracts we have already undertaken.

CURRENT LIMITATION COST OF PROGRAM

Mr. PASSMAN. If the Congress should say, well, we would like to postpone this a little while on account of the apparent conflict, if it is there, then the $2 million plus that you mention would conclude the projects presently underway?

Mr. BOGARDUS. No, sir; these are just the contract costs. There are certain direct costs such as the $75 a month termination payments, and so forth.

Mr. PASSMAN. Would you project it, because the question will be asked?

Mr. SHRIVER. We will be happy to do so.

Mr. PASSMAN. Would you give us an estimate as to what the cost to completion will be for what has been started?

Mr. BOGARDUS. Yes, sir.

Mr. PASSMAN. Would you care to advance an educated guess?

Mr. SHRIVER. You mean right now?

Mr. PASSMAN. Yes.

Mr. BOGARDUS. No, sir; I could not do that right now.

(The information follows:)

PEACE CORPS

Estimated costs of projects currently underway

Direct project costs	$9,475,067
University and private agency oversea supervisory costs	376,454
Department and oversea administrative and program support expenses	6,200,000
Other (unforeseen costs)	1,500,000
Total	17,551,521

Mr. PASSMAN. You have entered into the contracts. It is a question of addition?

Mr. SHRIVER. Tabulating.

POSITIONS OTHER THAN PERMANENT

Mr. PASSMAN. Why do you need $208,000 for positions other than permanent?

Mr. SHRIVER. For consultants, and so on.

Mr. PASSMAN. I do not know, I am just asking.

Mr. SHRIVER. That would be part of it.

Mr. PASSMAN. It says positions other than permanent, and I have no way of knowing, which is why I am asking the question.

Mr. SHRIVER. Those would be consultants, temporary employees, summer employees. For example, this summer we have been fortunate to get a large number of people who were able to work this summer who are other than permanent.

Mr. PASSMAN. Would it be during their vacation when maybe universities and colleges are closed?

Mr. SHRIVER. That is one of the times we can use them.

Mr. PASSMAN. Is what they contribute during the vacation period a solid investment?

Mr. SHRIVER. It is a tremendous investment and a great saving to the taxpayer.

Mr. PASSMAN. Where do you use them? Is it away from the universities where they may be teaching?

Mr. SHRIVER. No, sir; we use them in the selection process. When we have a large number of file jackets on people, we do not just put them into a machine. We have people come into help us evaluate all this material.

Mr. PASSMAN. This would be primarily for the $208,000, positions other than permanent? There would be a good many who may be taking their summer vacations and seek temporary appointments?

Mr. BOGARDUS. Yes, sir, and part-time employees and consultants.

EMPLOYMENT OF CONSULTANTS

Mr. PASSMAN. What kind of consultants? Let us discuss that briefly. What is the maximum you pay consultants?

Mr. SHRIVER. $75 a day is the top, and they are paid as little as $25 a day.

Mr. PASSMAN. How many have you had at $75 a day?

Mr. SHRIVER. We have employed a number.

Mr. PASSMAN. Let us get the number.

Mr. SHRIVER. I might say while he is getting the number that one of the reasons we have used consultants is that, as you have indicated, we did not want to go too far, but we needed the best advice we could get in getting ourselves organized, so that a large number of people have been brought in, we use them as consultants rather than putting them on the permanent payroll, because we did not want a permanent payroll larger than absolutely essential. We have had a large number of consultants who came down for 3 or 4 months and worked with us.

Mr. PASSMAN. Will the $75-a-day consultants also be some who might be on vacation?

Mr. SHRIVER. There may be one or two but not a large number.

Mr. PASSMAN. Let us see how many of these $75-a-day consultants you have.

Mr. SHRIVER. Seven as of August 1.

Mr. PASSMAN. Where did you recruit the consultants? From what firms did you bring them? Could you give us a list of them?

Mr. CORCORAN. Yes, sir.

Mr. PASSMAN. Who are they, the seven $75-a-day consultants? Do you have that information here?

Mr. CORCORAN. I do not have it here, sir.

Mr. PASSMAN. Do they get any benefits other than the $75 a day? Do you pay any of their expenses?

Mr. CORCORAN. They get the standard Government allowance of $12, while away from their homes or regular places of business.

Mr. PASSMAN. Do you know if any are employed from local consultant firms?

Mr. CORCORAN. No, I do not.

Mr. PASSMAN. Could you get that information for us so that after lunch we can discuss it briefly?

Mr. CORCORAN. Yes.

Mr. PASSMAN. How many do you have between $50 and $75?

Mr. CORCORAN. Twenty-seven.

Mr. PASSMAN. What sums do they get?

Mr. CORCORAN. Six at $50; six at $55; four at $60; one at $65; and four at $70.

Mr. PASSMAN. Do you have any lower than that?

Mr. CORCORAN. Yes, sir.

Mr. SHRIVER. Three at $25; one at $35; seventeen at $40; and six at $45.

Mr. PASSMAN. Will you state where you recruited them, from what firms?

Mr. CORCORAN. These are mostly individuals, not from firms.

Mr. PASSMAN. And what they were doing before they came in, and what services they rendered while they were in? Please get that information for us.

Gentlemen, unless there is objection, we shall take a brief break.

Mr. SHRIVER. Thank you very much.

Mr. PASSMAN. We shall resume at 2 o'clock.

AFTERNOON SESSION

Mr. PASSMAN. The subcommittee will come to order.

DISCUSSION OF ACTIVITIES OF CHARLES KAMEN

Mr. Director, I am not completely satisfied with the answers with respect to the Miami incident involving one Charles Kamen. The film being shown in Miami at the time the incident occurred, "Operation Abolition," is a film of the Communist-inspired demonstration in San Francisco, is it not?

Mr. SHRIVER. I have never seen the film, Mr. Congressman.

Mr. PASSMAN. Is it the same film?

Mr. SHRIVER. I am told that the film that was shown there had the title "Operation Abolition."

Mr. PASSMAN. Is "Operation Abolition" the film of the Communist-inspired demonstration in San Francisco of last year?

Mr. SHRIVER. As I understood, it was a film prepared under the auspices of the House Committee on Un-American Activities.

Mr. PASSMAN. That is exactly the film I am referring to, the committee of which the Honorable Francis Walter is the chairman. Is it the same film?

Mr. SHRIVER. I think so but I have not seen it and I was not there.

Mr. PASSMAN. It seems to me that this is a serious indictment against this young man, and I am wondering why you have not found out more about it.

I think that I should indicate more for the record than I did this morning. This article is from the Miami News of July 21, 1961, headed "Rotary Protests—Peace Corps Supports Rebel." It reads, in part, as follows:

Charles Kamen, 21, awarded a Peace Corps assignment in the Philippines, received official support from Corps headquarters in Washington today after some local opposition to his appointment.

Several Rotary officials here questioned Kamen's loyality, based upon his appearance at a December 29 luncheon-meeting where he attempted to gain the floor to protest the controversial anti-Communist film "Operation Abolition." He was forcibly ejected from the meeting.

It goes on:

Edwin Bayley, Peace Corps official in Washington, told the Miami News that Kamen "is certainly worth putting into training" despite the Rotary incident.

Then:

"This one incident and Mr. Kamen's other political affiliations (Committee for a Sane Nuclear Policy and Emergency Public Integration Committee) are certainly not significant enough to outweigh his fine references and leadership record," said Bayley.

It continues:

Kamen, of 2166 Southwest 21st Street, demonstrated at the December Rotary meeting during his holiday from Brandeis University, where he served as president of the student body.

Robert Smith, Rotary executive secretary, today charged that "based upon Mr. Kamen's actions and statements, it would appear that his leanings are toward another form of government than our own."

His demonstration at the luncheon was very similar to the San Francisco demonstrations the film discussed.

Retorted Kamen: "There's no point in condemning the Rotary because they condemned me. My record is before the Peace Corps, and they, not the Rotary Club, wlil make the final decision."

Yesterday, Rotary President John Harrison urged the 200 members present to write to Washington individually protesting Kamen's appointment to the Corps.

Have you received letters of protest from the members of the Rotary Club?

Mr. SHRIVER. We have had a few letters but we certainly have not had 200 letters.

Mr. PASSMAN. How many have you received?

Mr. SHRIVER. Six, I am told.

Mr. PASSMAN. This was July 21. Did all six who wrote indicate that they protested the appointment?

Mr. SHRIVER. I cannot remember.

Mr. PASSMAN. You say you received six letters. Did the six indicate that they disapproved of Kamen's appointment?

Mr. SHRIVER. To the best of my knowledge they asked questions about why he was selected for training and we answered each with a rather lengthy explanation.

As I stated this morning, each of our people get a full field check by the FBI before they are sent overseas.

Mr. PASSMAN. I know, but the FBI may not get their report in for 6 months. We are considering something that may come up in the immediate future. Can you tell us whether you can presently identify the incident as one that did happen in the way the news article said it did happen, or it is a matter that has not been cleared up to your satisfaction?

Mr. SHRIVER. There is a certain amount of conflicting testimony. There have been articles in the Miami papers since that state conflicting facts. We have people down there interviewing a number of persons to get the facts.

Mr. PASSMAN. Will you not have to get the facts from the people who attended the Rotary luncheon? The FBI will not be able to follow you overseas.

Mr. SHRIVER. No one goes overseas until the FBI's check is completed, Mr. Congressman.

Mr. PASSMAN. When can the committee know more about your findings on this individual?

Mr. SHRIVER. As soon as the report is completed.

Mr. PASSMAN. We hold you in very high regard, Mr. Shriver, but, as for myself, I want more than the general statement that "we heard this or that, but we don't know this or that." There is one way to find out, and it could be done in 1 hour, whether this young man objected to the showing of the film and whether he was ejected for so objecting. I think we are within our rights, as we have the responsibility of recommending the money for the Peace Corps, to know something about whether this person is guilty of what the Rotary Club accused him, and that is objecting to the showing of the film of the Communist-inspired demonstration in San Francisco.

Mr. SHRIVER. I want to make it very clear we are not overlooking it.

Mr. PASSMAN. But you are not able to say today whether or not the accusation is a valid one.

Mr. SHRIVER. This morning I cited an article from a Miami newspaper of a few days ago which contradicted many of the statements there.

Mr. PASSMAN. All you would have to do would be to call the president of the Rotary Club. I know you are a very busy man, but so are the members of this committee. The committee is very much concerned about the qualifications of this young man.

Mr. SHRIVER. That is what we are doing, trying to get the full information.

Mr. PASSMAN. But presently you cannot tell the committee anything other than that you have heard about it?

Mr. SHRIVER. If you want me to bring in the FBI report as far as it has gone, I will be glad to ask Mr. Hoover for it. It has not been completed.

Mr. ANDREWS. Mr. Chairman, will you yield?

Mr. PASSMAN. Yes.

Mr. ANDREWS. Could we find out definitely if he is a "beatnik?" I do not know what a beatnik is except I understand they do not bathe or shave. Do you have any regulations in the Peace Corps, such as the Navy has, about shaving every day? Do you have any regulations about the appearance of your members?

Mr. SHRIVER. We do not have any regulations saying they have to shave every day. I served in Navy submarines 3½ years and did not hear of such a regulation.

Mr. ANDREWS. I forgot about that when I said "Navy" but some people like beards, but personally I do not like them. I saw this man's picture and he was referred to as a "beatnik." I do not know if this would disqualify him from being a member of the Peace Corps, but I think if we are going to send people out to represent this country we ought to put our best foot forward. If we take people who have no regard for their personal appearance in my opinion they will detract from the attractiveness of your organization.

Mr. SHRIVER. There is no question that such people will not be sent overseas.

Mr. ANDREWS. I am glad to hear that. I would not let them stay in the Peace Corps in this country either.

Mr. PASSMAN. But no determination has yet been made with respect to this individual. If there had been we would not have to be asking these questions.

Mr. TABER. Did the Director say the FBI report had already arrived?

Mr. SHRIVER. No. We checked with the FBI Friday of last week, asking how they were getting along, and they said they were making an exhaustive report and would make it to us as soon as possible. Nobody goes overseas until we have a full FBI report. If it takes 6 months for the report to be made, they do not go overseas until we have it.

Mr. PASSMAN. When did you request a report, Mr. Shriver?

Mr. SHRIVER. I think probably at the time his name was first announced.

Mr. PASSMAN. When was that?

Mr. SHRIVER. The 21st of July, I believe.

Mr. PASSMAN. This is August 21. That was a month ago.

Mr. SHRIVER. We asked them on Friday of last week to give us a report as quickly as they possibly could. They are making the study.

Mr. PASSMAN. It should not take the FBI 30 days to find out whether or not this man created a scene and was ejected from a Rotary meeting for objecting to the showing of the film "Operation Abolition." He either objected to the showing of the film or he did not, and he either was ejected from the meeting or he was not.

PERSONNEL IN PROGRAM AND COSTS

As of this date how many people do you have in training to be sent abroad?

Mr. SHRIVER. I think the number is 451.

Mr. PASSMAN. Does that include those who have just graduated?

Mr. SHRIVER. Yes, sir.

Mr. PASSMAN. What will be the cost of maintaining the 451 technicians abroad for 2 years?

Mr. SHRIVER. We estimate the cost of a Peace Corps volunteer at $9,000 per annum, so if you take 451 and multiply it by $9,000 you come out with the figure. I can perhaps compute that for you.

The figure is $8,118,000 for the 451 in training today.

Mr. PASSMAN. Those in training and those who graduated recently? Is that the total?

Mr. SHRIVER. Yes.

Mr. PASSMAN. All the personnel now in training and graduated in the program would total 451?

Mr. SHRIVER. Yes. I want you to know, however, other people will be going in training in the immediate weeks ahead.

Mr. PASSMAN. Provided Congress authorizes it?

Mr. SHRIVER. Yes, sir.

Mr. PASSMAN. What would be the cost of the supporting personnel?

Mr. SHRIVER. I do not have that figure.

Mr. PASSMAN. Would you like to estimate it? For the 451 the cost is $8 million. What would it cost for supporting personnel?

Mr. SHRIVER. The $9,000 includes all the cost of executive personnel, maintenance, and so forth. That would probably be as close to the

actual figure as we can give you at this moment. If you want us to compute a more accurate figure we will try to do so.

Mr. PASSMAN. I think you would like for us to have that information. You are training 451 as of now, and the cost for these, I think you said, would be $8,118,000?

Mr. SHRIVER. That is 451 times $9,000.

Mr. PASSMAN. What other expenses would you have related to this?

Mr. SHRIVER. I do not think we would have a great number of expenses in addition to that because in computing the $9,000 per man we have tried to put all the costs of the Washington operation as well as the oversea operation. If you want a figure that is more accurate than that we will try to compute it.

Mr. PASSMAN. Does that include rent and everything?

Mr. SHRIVER. Yes.

Mr. PASSMAN. If the President determines this would be it for a trial run, or the Congress determines this would be it, it could be concluded for $8,118,000; that would be the total expenses related to putting the 451 volunteers in the field for 2 years? Would that be the limit of the expense connected with taking them out and returning them?

Mr. SHRIVER. It would be approximately that. Maybe it would be a little more. Our figures are based on the best estimates we are able to compute. Some people say we cannot do it for $9,000 a man.

Mr. PASSMAN. But, overall, would you say that $10 million in all probability would see them through the 2 years?

Mr. SHRIVER. No; because the figure of $9,000 per man was based upon a Peace Corps volunteer staff of 3,000 volunteers. The cost per man would be higher for 451 volunteers.

Mr. PASSMAN. How many do you expect to have in training, in addition to these, during fiscal 1962?

Mr. SHRIVER. Our projection is for 2,500 people. By the end of this calendar year we probably will have 1,000 people.

This chart can be supplied to the committee.

Mr. PASSMAN. Yes; but we need to deal with something other than charts.

On the basis of the 2,500 total, if the average cost should be $10,000 per person—and you do have some who think it would be higher than the present estimate of $9,000—then the cost would be $50 million, would it not?

Mr. SHRIVER. If there were 2,500 it would be $25 million.

Mr. PASSMAN. That is for 1 year, is it not?

Mr. SHRIVER. That is all we are asking for, per annum.

Mr. PASSMAN. But do you not have a 2-year contract with them?

Mr. SHRIVER. We ask them to enlist for 2 years but, as you know, Congressman, any time Congress wants to stop the program they can stop it—tomorrow afternoon.

Mr. PASSMAN. You have contracts with universities and with these people. I do not see how you could stop them.

Mr. SHRIVER. That is a small part.

Mr. PASSMAN. Your present estimate per individual is how much?

Mr. SHRIVER. Our present estimate per individual with everything computed in it is $9,000. It could be $10,000 or $8,500.

Mr. PASSMAN. You need only $22,500,000, on the basis of $9,000 per individual, to see your program through? Is that correct?

Mr. SHRIVER. Not quite, because a part of the people we are trying to work with would be under the auspices of universities and private voluntary organizations like CARE and they like this funding for 2 years.

Mr. PASSMAN. This would take you beyond 1 year?

Mr. SHRIVER. If we get permission from the Congress to do it. The cost of working with the private voluntary organizations and universities in almost every case calls for funding for 2 years.

This list will show you——

Mr. PASSMAN. We are trying to get away from this material, because one section contradicts the other.

Your most optimistic goal for 1962 would be 2,500 trainees?

Mr. SHRIVER. No, sir. It is 2,700 in training or overseas in 1962, and that is no contradiction, I do not think, Mr. Chairman.

Mr. PASSMAN. I am talking about other parts of the justifications, such as that the countries have to request the services.

Mr. SHRIVER. That is correct; they have to request them.

Mr. PASSMAN. What is the total maximum personnel you expect to have in training and overseas for calendar 1961?

Mr. SHRIVER. 1,000 in calendar year 1961 and 2,700 by June 30, 1962.

Mr. PASSMAN. And the present estimate is $9,000 per trainee to maintain them overseas and all other related costs. That would be $24,300,000 to finance your most optimistic figure at this time. If the cost should be $10,000 per volunteer your requirement per year would be $27 million to maintain this most optimistic figure, would it not?

Mr. SHRIVER. Not exactly.

Mr. PASSMAN. Will you help us pin it down?

Mr. SHRIVER. We have indicated a substantial part would be under university auspices and private voluntary organization auspices. That means we would have 2,000 of the total in direct administration, which would cost $11.4 million; universities and private agencies, $26.1 million; training costs for 1962 going into 1963 would be $2.5 million. That is all laid out.

Mr. PASSMAN. But you are only asking for 1 year's authorization?

Mr. SHRIVER. That is right, but if we are going to train people in the next summer we have to make a contract for that training in this fiscal year.

Mr. PASSMAN. Do you have a right to cancel the contract and pay them only for the time they have been in training? A 1-year authorization would not mean a thing in the world if you are given the right, legally, to go out and commit the Government for 2 years.

What would be the position if the Congress authorized it for 1 year, and at the end of 1 year that is it? What predicament would you find yourselves in with the universities?

Mr. BOGARDUS. The cost would go up because you would have to pay the transportation cost to bring them back after 1 year rather than 2 years. Also, other contractual costs would be higher in proportion, for 1 year than for 2 years.

Mr. PASSMAN. So, in reality we are not dealing with a 1-year appropriation here?

Mr. SHRIVER. Yes; we are.

Mr. PASSMAN. If we deal with 1 year the cost will go up substantially beyond what you have stated prior to this point?

Mr. SHRIVER. That is right.

Mr. PASSMAN. How much would it go up?

Mr. BOGARDUS. We would have to take the individual costs and figure them.

Mr. PASSMAN. How much would that be?

Mr. BOGARDUS. I have no idea, Mr. Chairman.

Mr. PASSMAN. You are asking for a 1-year appropriation, but at the same time you are committing Congress and the country in future years.

NUMBER AND COMPUTATION COST OF CONTRACTS

What is the total number of projects contracted for as of now?

Mr. SHRIVER. You mean with universities?

Mr. PASSMAN. The number of contracts into which you have entered?

Mr. SHRIVER. Eleven.

Mr. PASSMAN. What is the present cost of bringing those 11 to completion?

Mr. SHRIVER. $9,475,000.

Mr. PASSMAN. What part of that represents fiscal 1962?

Mr. SHRIVER. I would say all but about $1 million.

Mr. PASSMAN. What is the cost to completely fund all presently existing contracts to completion?

Mr. BOGARDUS. We were talking about projects, Mr. Chairman, and not contracts.

Mr. SHRIVER. These are actual projects.

Mr. PASSMAN. Let us get the contracts in total. I think that is important here.

Mr. SHRIVER. Contract obligations in 1961 are $621,832.

Mr. PASSMAN. That is 1961?

Mr. SHRIVER. Yes.

Mr. PASSMAN. What is the amount for 1962?

Mr. SHRIVER. In 1962 they are estimated at $2,388,474.07.

Mr. BOGARDUS. That is the cost of completing the contracts we have already entered into.

Mr. PASSMAN. What is the ultimate cost of all contracts and projects presently in effect? Did you project the cost out to $9,475,000?

Mr. SHRIVER. That is the direct cost of all the country programs. There are contracts that are not country programs. For example, we have an educational testing contract that is $53,000 (PC–(W)–5). That is not in the $9,475,000 because it is not a country program.

Mr. PASSMAN. How many contracts like that do you have?

Mr. SHRIVER. Six.

Mr. PASSMAN. And the cost?

Mr. TABER. Have these contracts been entered into?

Mr. SHRIVER. Yes. They were for testing the volunteers to see if they were qualified to serve.

Mr. PASSMAN. Now, the cost?

Mr. BOGARDUS. $163,185 for those six contracts.

Mr. PASSMAN. Can you tell us with whom they are and the type of contract?

Mr. BOGARDUS. The American Institute for Research is contract No. 1.

Mr. PASSMAN. Where are they located?

Mr. SHRIVER. Right here, I think.

Mr. PASSMAN. In Washington?

Mr. SHRIVER. Yes.

Mr. PASSMAN. Are they the ones who trained the technicians for Iran?

Mr. BOGARDUS. We furnished the committee this list of all contracts. The total cost of that contract is $29,893.

Mr. PASSMAN. What service did they render for that $29,893?

Mr. KELLY. My name is William P. Kelly. I am Director of Contracts and Logistics.

PC–(W)–1 is the American Institute for Research contract for the development of training material for use in our program.

Mr. PASSMAN. Books?

Mr. KELLY. Yes.

Mr. PASSMAN. How much is that?

Mr. KELLY. $29,893.

It is for the development of a series of case studies to be used in training.

Mr. PASSMAN. What is contract No. 2?

Mr. KELLY. It was also with the American Institute for Research for the development of a personal inventory and biographical questionnaire.

Mr. PASSMAN. How much did that cost?

Mr. KELLY. $5,410.

Mr. PASSMAN. Is that the questionnaire you mailed out?

Mr. KELLY. No, this is a questionnaire to be used in relation to the physical and psychological examinations.

Mr. PASSMAN. As long as the Government has been in business, and with all the forms it has, you could not find one that would fit the case?

Mr. SHRIVER. No. This is a new project. The Government has never been in the business of testing people to serve overseas in these hardship conditions.

Mr. PASSMAN. Contract No. 3?

Mr. KELLY. That was a contract with the Educational Testing Service at Princeton. They were the people who developed and scored our Peace Corps entrance examination.

Mr. PASSMAN. What is the amount of that contract?

Mr. KELLY. $74,382.

Mr. PASSMAN. And you have used them as examiners or do they just score?

Mr. KELLY. They develop the test and are scoring the tests for us. I might point out we have not spent that much yet. They charge $2.50 per scoring.

Mr. SHRIVER. They are the same institute that gives the entrance examinations for West Point and the Naval Academy and the Air Force Academy. They are supposed to be the best testing service in the country.

Mr. PASSMAN. There are so many of these things. I think they run up to $710,119?

Mr. SHRIVER. $163,185.

Mr. PASSMAN. You have one with Harvard for $138,560; and one with Penn State, for the Philippines, for $454,000.

Mr. SHRIVER. Those are training programs.

BREAKDOWN OF OBLIGATIONS

Mr. PASSMAN. Perhaps this tabulation should go in the record. (The document referred to follows:)

Peace Corps

	Preliminary obligations, June 30, 1961 [1]			Estimated obligations, July 31, 1961 [2]		
	Administrative	Program	Total	Administrative	Program	Total
Personal services	$221,841.00	$78,669.00	$300,510.00	$96,203.20	[3] $106,905.92	$203,109.12
Travel	148,419.00	41,577.00	189,996.00	46,451.91	67,765.00	114,216.91
Transportation of things		4,125.00	4,125.00		790.00	790.00
Communications, rents, and utilities	23,908.00	7,040.00	30,948.00	40.00	1,228.12	1,268.12
Printing and reproduction	5,641.00	61,701.00	67,342.00	957.00	16,790.45	17,747.45
Other contractual services	98,166.00	696,558.00	[4] 794,724.00	2,901.90	620,136.21	[5] 623,038.11
Supplies and materials	10,270.00	51,005.00	61,275.00	781.12	22,962.00	23,743.12
Equipment	124,659.00	54,225.00	178,884.00	7,270.54	6,676.00	13,946.54
Total obligations	632,904.00	994,900.00	1,627,804.00	154,605.67	843,253.70	997,859.37
Reservations				26,525.00	265,690.00	[6] 292,215.00
Total	632,904.00	994,900.00	1,627,804.00	181,130.67	1,108,943.70	1,290,074.37

[1] Actual figures are not yet available. These do not become available until ICA, which maintains the official Peace Corps financial records, has completed the certification required by sec. 1311 of the Supplemental Appropriation Act of 1955, which it is required to do no later than Sept. 30.

[2] Obligations and reservations against fiscal year 1962 funds as recorded in Peace Corps memorandum records.

[3] Includes termination allowances, $46,875.

[4] Includes the following:

ICA administrative support		$63,883
ICA program support		20,404
CARE contract, Colombia PC-(W)-4		178,628
American Institute for Research contracts:		
PC-(W)-1	$29,893	
PC-(W)-2	5,410	
		35,303
Educational Testing Service contracts:		
PC-(W)-3 and 3-A	$74,382	
PC-(W)-5	53,500	
		127,882
Notre Dame contract: Chile PC-(W)-6		80,514
Heifer Project, Inc., West Indies: PC-(W)-7		18,432
Texas Western, Tanganyika: PC-(W)-8		102,301
University of Maryland report: PC-(W)-9		8,572
University of California, Ghana: PC-(W)-10		70,200
Medical examinations		4,000
Total		710,119

[5] Includes:

Contract with Harvard (Nigeria) PC-(W)-16	138,560
Contract with Penn State (Philippines) PC-(W)-13	454,511
Total	593,071

[6] Includes:

Contract with Ohio State (India) PC-(W)-23	73,000
Contract pending (Malaya)	134,000
Travel for PC volunteers	38,690
Obligational authority, field	26,525
Total	272,215

Mr. PASSMAN. You have the ICA administrative support $63,883; ICA program support $20,404; CARE contract $178,628; American Institute for Research, I think you have two contracts, totaling $35,303; two Educational Testing Service contracts totaling $127,882; Notre Dame contract $80,514; Heifer Project, Inc., for the West Indies $18,432; Texas Western contract for Tanganyika, $102,301.

Also, the University of Maryland $8,572; University of California for Ghana $70,200; medical examinations $4,000; contract with Harvard $138,560; contract with Penn State $454,511; and a contract

with Ohio State for $73,000; and a contract pending for Malaya $134,000.

Then, you have travel for Peace Corps volunteers $38,690; and obligational authority for the field $26,525.

How much money do you need in fiscal 1962 to completely fund all contracts, projects and personnel presently in existence, or on the payroll, in the event the President should determine this is to go for 1 year and be completely stopped, or if the Congress should decide that?

Mr. SHRIVER. They have computed that, sir.

I would like to say the President has been familiar with this all along and he has been urging us to go along. This is not being done without his approval and the approval and guidance of the Secretary of State.

Mr. PASSMAN. The President is not dealing with the details, though; is he?

Mr. SHRIVER. He has been very much interested and so has the Secretary of State.

AMOUNT OF PROGRAMS TO BE FUNDED BEYOND 1962

Mr. PASSMAN. Could you give us the amount of the programs that will be funded beyond fiscal 1962?

Mr. SHRIVER. It would be around $21 or $22 million, the total for funding of all the people in the university contracts and proposed to be in the universities and proposed to be under private voluntary agencies.

Mr. PASSMAN. That would be funding beyond the period of the appropriation and the authorization?

Mr. SHRIVER. Not beyond the authorization because we ask in the authorization for permission to do this, so this would be authorized.

Mr. PASSMAN. It is authorized for 1 year, and you ask for permission to enter into these forward funding contracts. What would be your position if you did not get a renewal of the authorization after 1 year? Would you have to compromise these contracts?

Mr. SHRIVER. I would assume so, but I would assume if this kind of procedure was authorized they would understand at the beginning that this is the intention. If Congress did not want to give that authorization, they would not give it.

Mr. PASSMAN. Then, in effect, the 1-year authorization will not mean anything?

Mr. SHRIVER. The idea is to utilize the private agencies so we do not build up the Federal bureaucracy. We are trying to build on the fine private organizations that presently exist in the United States and to help them. They cannot maintain anything on a 1-year basis.

Mr. PASSMAN. This is an open-end authorization, then?

Mr. SHRIVER. No, it is not. Our contract is very specific. It is for a specific period and before a contract is entered into all the facts are available. It is also subject to the future action of the Congress.

Mr. PASSMAN. If the Congress authorizes the program for 1 year only we appropriate funds for 1 year only. But, in the 1-year authorization, you are requesting the right to enter into forward funding to the extent of $22 million. If the Congress did not renew that au-

thorization beyond the 1 year, what would be our position on the commitments for forward funding?

Mr. SHRIVER. I would assume the Congress would live up to those contracts.

Mr. PASSMAN. I am sure they would. Then what would the cost be?

Mr. SHRIVER. The total cost would be $40 million of which a part is this forward funding provision.

Mr. PASSMAN. What part did you say; $22 million?

Mr. SHRIVER. $22 or $23 million.

Mr. PASSMAN. We are certainly committed beyond any one year, if you get the authorization. About one-half of your project is lapping over into another fiscal year.

Mr. MONTOYA. Mr. Chairman, would you yield at this point?

Mr. PASSMAN. Just as soon as we get this in the record, that about $23 million is for forward funding.

Mr. SHRIVER. That includes, Mr. Chairman, the part that is in this fiscal year. That is the total of the contracts for forward funding, about one-half of which is for this year.

Mr. PASSMAN. But the total cost, we established earlier, will be approximately $23 million?

Mr. SHRIVER. We project $40 million and that includes the whole thing. If Congress wants to stop it after that they will not have to appropriate another nickel.

Mr. PASSMAN. But you would have money for 2 years?

Mr. SHRIVER. Yes, sir.

Mr. PASSMAN. So, we are financing it for 2 years?

Mr. SHRIVER. You are financing a portion of it but it is clear on the record what part is forward funding and what part is not.

Mr. PASSMAN. I am trying to separate the two. Actually we are in a 2-year program, and not in a 1-year program.

Mr. MONTOYA. Will the gentleman yield?

Mr. PASSMAN. Yes.

TERMINATION CLAUSE IN CONTRACTS

Mr. MONTOYA. Mr. Shriver, in view of the 1-year authorization and the proposed 1-year appropriation, would it not be wiser for your agency to include a provision in every contract for termination in the event funds are not available beyond that 1-year authorization?

Mr. SHRIVER. Sir, we have that, and what we are asking the $40 million for, which covers the whole cost, is not just 1 year but forward funding contracts for which we are asking permission to engage in. Nothing beyond this Congress has to appropriate.

Mr. MONTOYA. Assuming that performance under contracts extends to more than just the 1-year period during the fiscal year, then could you not make provision in your contracts that in the event of failure on the part of Congress to renew the authorization, or to make any more appropriations, you would be entitled to terminate the contract and to make a proportionate reduction depending on the nonperformance up to that time?

Mr. SHRIVER. That is in the contract, as we said. What we are asking for here in our appropriation covers the 2-year period where that is applicable; namely, where we are dealing with a university like the University of Pennsylvania or any other State university, or with private voluntary agencies.

Mr. MONTOYA. You have a provision in your contracts to cut them off?

Mr. SHRIVER. Yes, sir.

Mr. MONTOYA. That is all.

Mr. SHRIVER. If we said we would not enter into anything but a 1-year contract, many universities would be unwilling to engage in this because it would take so much effort to start the program that if they could only run for 1 year they would be disinclined to run it at all. Most of the universities have asked for this forward funding feature which, I understand, is customary in dealing with agencies like universities and with private voluntary agencies. That is why we have these contracts.

If we enter into one with another State university, it would be on the same basis. We are not asking for any money beyond that.

Mr. MONTOYA. They would all be subject to the will of Congress?

Mr. SHRIVER. Of course.

Mr. MONTOYA. In terminating that program?

Mr. SHRIVER. At all times.

Mr. PASSMAN. It was established earlier that there would doubtless be a heavy penalty assessed against the Government for canceling the contracts. What you are actually doing is asking for money for a 2-year program, and not for a 1-year program. You are going to be able, in all probability, to finance your 1-year program out of about 50 percent of the money you are asking for, and the other 50 percent or more would be to pay for the second year?

Mr. SHRIVER. Actually, I do not think we could do that Congressman. If we were not able to conduct negotiations on the forward funding basis with many of these universities and private voluntary agencies, there would be no program with them at all.

Mr. PASSMAN. Did you ask them?

Mr. SHRIVER. Yes, sir.

CONTRACT TRAINING COSTS

Mr. PASSMAN. You should be able to tell us what the penalty would be in canceling a contract that has run 1 year against a 2-year term.

What would the penalty be?

Mr. BOGARDUS. Mr. Chairman, you have to take each contract and look at every element of cost.

Mr. PASSMAN. Give us one contract; pick out your own university.

Mr. SHRIVER. Let us take a project like the one going on down in Chile, as an example. I think the cost is $5,410.

Mr. PASSMAN. Let us go back to the records. You are the contract officer, Mr. Kelly?

Mr. KELLY. I am the contract officer.

Mr. PASSMAN. Pick out some university at random and get an average.

Mr. KELLY. I was going to take CARE.

Mr. PASSMAN. Let us take Chile, as Mr. Shriver suggested.

Mr. KELLY. OK. That is approximately $5,759 per volunteer.

Mr. PASSMAN. That is what you are paying the university?

Mr. KELLY. That is right.

Mr. PASSMAN. How long do they train them?

Mr. KELLY. Eight weeks in this country.

Mr. PASSMAN. Before you send them out they are trained and ready to take over their assignments?

Mr. KELLY. There will be a further orientation period in Chile.

Mr. PASSMAN. Will the $6,000 cover that?

Mr. KELLY. That is right.

Mr. PASSMAN. How long does the training period continue after they reach Chile?

Mr. KELLY. The training period in Chile is going to involve an indoctrination where they are going to do on-the-job training.

Mr. PASSMAN. Under the supervision of the same college?

Mr. KELLY. That is right.

Mr. PASSMAN. How long?

Mr. KELLY. Sir, I cannot say.

Mr. PASSMAN. We ought to know what we are getting for our money.

Mr. SHRIVER. It is 10 weeks in Chile. It is also in cooperation with the Chilean organization which gives us the benefit of help by Chilean experts who are skilled and experienced in this type of work.

Mr. PASSMAN. Are they going to get anything for their services?

Mr. SHRIVER. The estimated annual direct cost per volunteer in the Chilean program is $7,183.

Mr. PASSMAN. That is to pay the cost per student?

Mr. SHRIVER. That is right; for the whole thing.

Mr. PASSMAN. For one full year?

Mr. SHRIVER. That is right.

Mr. PASSMAN. What we want to know is what do the universities get out of this?

Mr. KELLY. The universities really——

Mr. PASSMAN. Do you have a contract with them?

Mr. KELLY. It is hard to say the university gets anything.

Mr. PASSMAN. How much did you pay to——

Mr. KELLY. To Notre Dame?

Mr. PASSMAN. What did you pay to Notre Dame for this service?

Mr. KELLY. The cost of training.

Mr. PASSMAN. How much?

Mr. KELLY. I will have to look at the budget. The teaching staff is estimated at $15,000.

Mr. PASSMAN. I am interested in the cost per student.

What are you paying Notre Dame per student?

Mr. KELLY. We are estimating that at Notre Dame——

Mr. PASSMAN. Do you have a contract with them?

Mr. KELLY. Yes, sir.

Mr. PASSMAN. What amount does your contract stipulate? Take your time. There is no hurry, and I am not trying to rush you.

Mr. KELLY. The estimated cost of the contract is $580,422 for 2 years.

Mr. PASSMAN. How much per student? You had to arrive at the student cost to get the total.

Mr. KELLY. I am not sure I understand the question.

Mr. PASSMAN. You are paying Notre Dame so much per trainee, are you not?

Mr. KELLY. No, sir. This is a cost reimbursement contract and this is an estimate, $580,000.

Mr. PASSMAN. Do you have a contract with them?

Mr. KELLY. Yes, sir.

Mr. PASSMAN. How many trainees will you have at Notre Dame?

Mr. KELLY. I think we have 54 at Notre Dame.

Mr. PASSMAN. Fifty-one.

Mr. KELLY. I am sorry; 51.

Mr. PASSMAN. How much would that be per student?

Mr. KELLY. It comes out, per participant, at approximately $5,759 per year.

Mr. PASSMAN. That is what we asked the question about; $5,700 per year, and how long are they in training at Notre Dame?

Mr. KELLY. Eight weeks.

Mr. PASSMAN. How long are they under the supervision of Notre Dame out in the field?

Mr. KELLY. They will be under the supervision of Notre Dame for 20 months in the field; 22½ really, including their Chilean indoctrination.

Mr. PASSMAN. From the time they go in until the time they come out?

Mr. KELLY. Yes, sir.

Mr. PASSMAN. This is in addition to the other costs?

Mr. ALEXANDER. I understood the Director to say that they would be under the direction of university officials in Chile for 10 weeks.

What is the difference between that 10 weeks and the period of 22 months?

Mr. KELLY. Twenty-two months.

Mr. ALEXANDER. What is the distinction?

Mr. KELLY. The Director was referring to the 10-week orientation program that would take place in Chile. The total program in Chile is 22½ months in the field.

Mr. ALEXANDER. They stay in training 22 months?

Mr. KELLY. The total program is 2 years from the time they go into training until the time the total program is completed.

Mr. PASSMAN. Your contract is going to be about $11,000 for 2 years, and not the earlier figure? You are going to pay Notre Dame $11,000 per volunteer for the 2 years?

Mr. KELLY. That is approximately right; yes, sir.

Mr. SHRIVER. The figure we gave you before of $7,183 per year per volunteer as an estimated total direct cost means that it would be double that or $14,360, approximately, for 2 years.

Mr. PASSMAN. Approximately $11,000 per trainee would be the amount to go to Notre Dame for the 24 months?

Mr. KELLY. Yes, sir.

Mr. PASSMAN. What amount are you paying the university out in Chile per student?

Mr. KELLY. I have not broken it out that way.

Mr. PASSMAN. Please break it down, because the question will be asked. It is for you to make this record.

Mr. SHRIVER. When you say "paying the university in Chile," do you mean paying the University of Notre Dame in Chile for that Institute of Rural Education, all of the costs Notre Dame gets in that? The whole thing?

Mr. PASSMAN. The total.

Mr. SHRIVER. That is the total.

Mr. PASSMAN. You are not paying anything else?

Mr. SHRIVER. That is right.

Mr. PASSMAN. That would not be what you would term something in the nature of a financial windfall, for the university?

Mr. KELLY. You want to realize——

Mr. PASSMAN. How many——

Mr. ROONEY. We do not have the answer to that last question, Mr. Chairman.

Mr. PASSMAN. How many people in training, 42?

Mr. ROONEY. We did not have the answer to that question, Mr. Chairman.

Mr. PASSMAN. Yes; I have the answer.

Mr. ROONEY. About the windfall?

Mr. SHRIVER. It is not a windfall.

Mr. PASSMAN. Each person can make up his own mind about that.

You do not think this might be considered in the nature of a financial windfall?

Mr. KELLY. No, sir.

Mr. PASSMAN. Half a million dollars every 2 years is quite a little bit under one contract.

Mr. SHRIVER. The cost of sending people overseas is a lot less than in any other program. In terms of its being a windfall, it is the cheapest thing we have been able to do.

Mr. PASSMAN. I notice that the universities are interested in getting these contracts. We have had some experience with certain university contracts.

What would happen if half of these people should decide they did not want to stay in Chile? Would you be obligated to pay the full cost?

Mr. SHRIVER. It is a cost-reimbursement contract.

Mr. KELLY. We only pay those costs that are incurred and of which we approve. The contract is subject to audit.

I might point out that most of the costs in the Notre Dame contract involve the volunteer, his training, supervision, his subsistence allowance in the country, and the cost of transportation. These were not things that Notre Dame decided, these were things we dictated.

Mr. PASSMAN. But you have a contract with them?

Mr. KELLY. Yes, sir.

Mr. PASSMAN. They are training a certain number of your volunteers?

Mr. KELLY. Yes, sir.

Mr. PASSMAN. What if that contract should drop down to half? Do you pay them——

Mr. SHRIVER. The costs would have to be recomputed.

Mr. PASSMAN. Why could you not have a contract to train for 1 year, rather than 2 years? If they are entering into a contract, and then you let drop half, why would they not settle for a full class 1 year, and then——

Mr. SHRIVER. Because they did not want to get into a project in Chile at all if they could not look forward to 2 years of operation.

Mr. PASSMAN. If you had 2 years at 25 and then 1 year at 50, would not the total be the same?

Mr. KELLY. I think one of the things that dictated the 2-year situation is the fact we have asked volunteers to enlist for 2 years.

Mr. PASSMAN. That is different.

Mr. SHRIVER. Plus the fact that the universities, Mr. Chairman, are loath to get into operations which are new and difficult to administer and conduct, unless they can look forward to a period of operation through to valid success.

PROJECTION OF TRAINING CONTRACTS INTO 1963

Mr. PASSMAN. On what basis do you anticipate having an average of 1,263 volunteers in training during fiscal 1963?

Mr. SHRIVER. Fiscal 1963?

Mr. PASSMAN. Yes, sir.

Mr. SHRIVER. The training costs cover the summer of 1962, fiscal year 1962–63.

When we have to make a contract, let us say, in March or April with the college or university to do the training in the subsequent fiscal year, we cannot wait until the first of July to negotiate a contract for the training which may start in June and go on to July and August and maybe even part of September.

Mr. PASSMAN. You do not even know whether you will get an authorization beyond 1962? Are you not taking quite a bit for granted?

Mr. SHRIVER. We have not made such a contract, Mr. Chairman. We do not make it unless we get permission.

Mr. PASSMAN. You have entered into 2-year contracts for a number of these colleges. If you contract for 2 years before you get an authorization, I wonder what you would get into after you got the authorization?

Mr. SHRIVER. We cannot get into anything other than that because that is what we are here to get permission to do.

Mr. PASSMAN. I suppose there is some precedent for this loose system of getting into these things.

Mr. SHRIVER. No, sir; we have a very strict system set up under the new program.

Many people have said, presenting more factual material than is generally available, that they are set up on the basis of operations under an Executive order which followed congressional legislation and with the approval and on a basis of research studies made.

Mr. PASSMAN. How many June graduates are in training now for oversea service, Mr. Director?

Mr. SHRIVER. I do not know.

How many June graduates?

Mr. PASSMAN. Yes, sir.

Mr. SHRIVER. I do not know how many June graduates.

Mr. PASSMAN. How many do you have in training who will graduate next June?

Mr. SHRIVER. I do not know.

Mr. PASSMAN. I am talking about June of 1962. At the end of this fiscal year, you are asking for funds which close on June 30, 1962, and the question is: How many June graduates in training are now overseas, that you put in in June, and pay for which will continue in 1962?

Mr. SHRIVER. You mean how many people graduated this past June?

Mr. PASSMAN. How many that you placed in June, in training, will be funded out of 1962 funds?

Mr. SHRIVER. I am sorry. I do not understand.

ADJUSTMENT ALLOWANCE

Mr. PASSMAN. Mr. Shriver, do you anticipate paying an adjustment allowance of $225 during a training period?

Mr. SHRIVER. That is 3 months times $75?

Mr. PASSMAN. $225.

Mr. SHRIVER. Yes. We give $75 a month to the volunteers for each month of successful service and if they are in training for 3 months, they get 3 times $75 or $225.

Mr. PASSMAN. Is that amount likewise accruing to their credit here to be paid them when they finally finish their tour?

Mr. SHRIVER. Yes; that is the idea.

TRAINING OF COUNTERPARTS IN HOST COUNTRIES

Mr. PASSMAN. Why are you budgeting $125 for training of counterparts in the host country?

Mr. SHRIVER. For example, it is possible that in a particular country we might find it feasible and desirable to bring in counterparts in that country in the training program. For example, we are going to have a training program of a month in the Philippines. It may be possible that we would like to bring some Filipinos to that training center to help in the training of our people, counterpart teachers. This would help prepare our people more effectively for work in the Philippines.

We have budgeted a certain amount of money for that purpose, but whether it will meet that amount, it is not possible to determine now, but I expect that that is the amount we will need.

Mr. PASSMAN. I note, on page 2, that ICA already has a participant training program in education in the Philippines.

Mr. SHRIVER. What they have is a training program of teachers, Mr. Chairman. They train teachers out there, which is very desirable, and because, insofar as they can get teachers to fill the necessary jobs, we do not have to send teachers of our own; but until they get those teachers trained. there is a gap, or a lack of teachers, in this particular area that the Philippine Government needs. Their training program is different from what we are talking about here.

Mr. PASSMAN. What will you do that they are not doing?

Mr. SHRIVER. It is totally different. They are training Philippine teachers. We are not training Philippine teachers. We are going out to each in Philippine schools, specifically English and general science, in which they have a shortage of teachers to do this in the Philippine Republic. They have asked us to come and do that because they do not have qualified teachers.

When the ICA program, let us say, is 100 percent successful, we do not have to supply teachers under our program.

Mr. PASSMAN. Why did not ICA recruit them?

Mr. SHRIVER. You asked a similar question this morning. Why were people volunteering to serve in the Peace Corps under hardship conditions, but would not take jobs to do the same thing? I cannot answer that question except, as I said before, I think that there are some Americans left who are willing to volunteer to do something.

Mr. PASSMAN. Does ICA provide houses in the villages, with utilities and everything that goes along with that?

Mr. SHRIVER. They supply much better houses.

Mr. PASSMAN. That is for the instructors back in the cities; but what about out on the village level?

Mr. SHRIVER. They do not have any teachers at the village level, and they do not have any program of this type. They do not carry on such a program as we propose. We propose this program in response to requests from that Government.

BASIS FOR TRANSFER OF TRAINEES TO OTHER AGENCIES

Mr. PASSMAN. If these different agencies we have discussed train personnel, when that agency takes personnel over, does it take them over on the same contract under which they are operating in the Peace Corps? You mentioned earlier some project out in one country, where you had mechanics. If you train mechanics, and then transfer them over to ICA, will they transfer on the same basis they were working for you?

Mr. SHRIVER. If they were with the Peace Corps, they would have to live according to Peace Corps standards.

Mr. PASSMAN. Some agencies are now asking you for personnel?

Mr. SHRIVER. That is right.

Mr. PASSMAN. When you deliver personnel of the Peace Corps to ICA, or to any other governmental agency, do they go over on the same pay, on the same basis?

Mr. SHRIVER. No, sir; they will not. It will be on our pay and our basis, not on the salary basis——

Mr. PASSMAN. When you have four of them living in this house in a village, would you have two of them receiving ICA pay and two of them receiving Peace Corps pay?

Mr. SHRIVER. No, sir; that is not what will happen.

In Thailand, USIA wanted to have eight binational language training centers, English language centers. They have been able to start two of them and they cannot get six of them going at all. They asked us if we could supply the teachers to get the additional six going. Our teachers would be able to do that but they would not be alongside the other people getting paid——

Mr. PASSMAN. How about the same country? What if they find out they are getting $75 a month and somebody over in ICA is getting $675 for doing the same work?

Mr. SHRIVER. Everybody that joins the Peace Corps does it with his eyes open. They know that there are Americans getting, not $75 a month, but $10,000 and $25,000 a year.

Mr. PASSMAN. Doing the same work?

Mr. SHRIVER. Not exactly the same work because we do not duplicate the work of other agencies. They know that there are other Americans getting a lot of money but that does not deter them from joining, even though they do not get much money.

POLITICAL REASONS FOR STATIONING A PEACE CORPS MISSION ABROAD

Mr. PASSMAN. Page 66 indicates that in some cases it may be necessary for political reasons to station a Peace Corps mission abroad. Would you comment on that item?

Mr. SHRIVER. The reason I hesitate, Mr. Chairman, is that I am trying to find it.

Mr. PASSMAN. It is on page 66.

Mr. SHRIVER. Well, the Secretary of State, for example, might ask us to go into a particular country to respond to a request from that country. He might think that it is desirable for us to respond to a request from country A rather than country B, because for political reasons it is more desirable for the United States to respond to country A.

I am not saying that he necessarily would, but obviously, since we operate under his general direction, if there was an alternative between two countries, he might recommend we go to one rather than the other.

Mr. PASSMAN. That is clear enough.

TERMINATION ALLOWANCES

What is this item of $46,875 for termination allowances in July obligations?

Mr. SHRIVER. Where is that you are reading from?

Mr. BOGARDUS. That is $46,875 we have set aside to cover the termination allowances of these Peace Corps volunteers who are in training. This is the amount set aside for the month of July.

Mr. PASSMAN. They get a bonus when they come out?

Mr. SHRIVER. No, sir; we give them $75 a month and that is a standard per-month payment that they get. This is the sum of money set aside to defray the costs of those payments for these volunteers. In other words, we have people in the Tanganyikan program, 44 people for 1 month, and if you multiply that by $75 per person, you get $3,300.

In Nigeria, you have 45 people for 3 months and that times $75, comes to $6,750. If you add that up, that is the sum.

Mr. PASSMAN. How many persons have taken Peace Corps entrance tests?

Mr. SHRIVER. 7,269.

Mr. PASSMAN. How many passed?

Mr. SHRIVER. We do not have a passing or a failing grade. We try to get the best people in the whole group for the particular project we are asked to fill. Some people who might be very highly skilled in a particular area may not have very high marks in something requested from overseas, and, therefore, they were not taken in.

Mr. PASSMAN. You have no failures?

Mr. SHRIVER. If I could say so, we may have 7,000, 8,000, or maybe 10,000 Americans who would like to serve in this Peace Corps, but who we will not be able to accept because we put an arbitrary limit on ourselves of 2,700. Just as there is a tremendous demand for overseas, we would not send anything like that, and we are getting only about one-quarter of the supply, or one-quarter of the demand.

Mr. PASSMAN. As such, you do not have any failures?

Mr. SHRIVER. Yes, we have actually dropped people out of programs. We do not have any "passes." We do not have failures. What we do is to select the people who are qualified for specific jobs that are requested.

RESERVATION AND ADMINISTRATION PROGRAM

Mr. PASSMAN. I notice here, under the Reservation and Administration program, $292,215.

What type of reservations are you making?

Mr. BOGARDUS. These are listed on the second page, Mr. Chairman. You will notice there is a footnote "F" down at the bottom. On the first two items, contracts had not yet been negotiated, so we merely reserved the funds until that time.

Mr. PASSMAN. Why would you be reserving the money then? Is that to get it behind a screen?

Mr. SHRIVER. Get what behind any screen?

Mr. PASSMAN. The reservations. You are reserving $292,215 for which you have no contract or obligation.

Mr. SHRIVER. So that you know exactly what, there is nothing behind any screen. This is out in front of the screen.

Mr. PASSMAN. You would not say it is out in front of the screen when you say "reservations"?

Mr. SHRIVER. Then we will tell you what it is for.

Mr. PASSMAN. What is it for?

Mr. SHRIVER. It is a contract with the Ohio State University to send people to India.

Mr. PASSMAN. Is it a signed contract?

Mr. BOGARDUS. This has been signed since this was prepared.

Mr. PASSMAN. At the time you prepared this, it was a reservation, and you had no contract?

Mr. BOGARDUS. That is right.

Mr. PASSMAN. But you turned it over to obligation status?

Mr. BOGARDUS. It is not an obligation until the contract is actually signed.

Mr. SHRIVER. There is no obligation. What we are trying to do is to indicate what is going on.

Mr. PASSMAN. This question will be asked later and we might as well ask you.

REPRESENTATION ALLOWANCE

You have a representation allowance of $8,500. What does that involve?

Mr. SHRIVER. I do not know where it is in the book you are referring to, but the representation allowance is for the purpose of official entertainment or work necessary when people are coming through. For example, if a congressional committee comes through and they ask to see something or there is some cost involved for dinner for the foreign dignitaries and for them, our person would have some money somewhere to draw on. That is what that would be for.

Mr. PASSMAN. Oversea personnel?

Mr. BOGARDUS. Only.

Mr. PASSMAN. Used only in one country?

Mr. BOGARDUS. We will allot it out to several countries the way the State Department does, on the basis of need.

EQUIPMENT FOR VOLUNTEERS TO GHANA

Mr. PASSMAN. Let us discuss Ghana briefly.

I am sure that all of these people who are going are patriotic, but it does not seem that it is patriotism which attracts them to this program.

I notice that for Ghana you have household equipment, $10,000, and then you have $200 per Peace Corps volunteer for standard household equipment. Then you come down here and you have vehicles (one vehicle for each Peace Corps volunteer, estimated $3,000 each).

What is the purpose of that?

Mr. SHRIVER. Our plans are to supply one vehicle for each four Peace Corps volunteers in Ghana. In the rural areas of Ghana, no other mode of transportation is practicable.

Mr. PASSMAN. Do their counterparts in these countries have vehicles at their disposal?

Mr. SHRIVER. Yes, sir; we have bicycles in the Philippines, horses at San Lucia. We are accommodating to what seems to be the desire——

Mr. PASSMAN. The desire of the participants?

Mr. SHRIVER. The desire of the cooperating country. These things have been computed in consultation with the foreign government when they say there is something essential to the program, and we are trying to gear it up to what is necessary.

Let me say that anybody who wants to go out and find they can catch malaria the way our Ambassadors and others do on occasion, these people have a dangerous time of it.

Mr. PASSMAN. They are going to be innoculated for many of the diseases?

Mr. SHRIVER. Yes, sir; they are, but the Public Health Service tells us that the conditions under which they will be living will be exceedingly rigorous.

Mr. PASSMAN. In some parts?

Mr. SHRIVER. In every part they go to, they will be very rigorous.

Mr. PASSMAN. I have been in the Philippines, and I got back without contracting a disease. I spent considerable time there.

Mr. SHRIVER. I have been fortunate that way, too.

CONSULTANTS TRAVEL AND PER DIEM IN EAST PAKISTAN

Mr. PASSMAN. In East Pakistan, you have consultants travel and per diem, $4,000; what does that represent?

Mr. SHRIVER. That would be the use of nationals or the Pakistani Government to service our training programs and for consultations in the development of things during the 2-year period they are out there.

We are trying to make this as much of a project as we can and we ought to have that without the——

Mr. PASSMAN. If they can come over here and train our people, why do they not train their own people?

Mr. SHRIVER. They are not coming to help, but train theirs.

Let me give you an example. We are sending people to Tanganyika and it was felt desirable by the Director of the Geology Department of Tanganyika to see the kind of geologists we are working with

and to give him some idea of the exact geological strata we would be working with in Tanganyika. This visit here was exceptionally helpful and we are trying to get people from the host country to participate in this program because this is a program which will help and this is a way in which our volunteers can come closest to working with people in the host country. That is one of the primary objectives.

LOGISTIC SUPPORT IN EAST PAKISTAN

Mr. PASSMAN. I notice, on page 2, for East Pakistan, under "Logistic support," that you have housing costs for building, renting, or improving accommodations at each of the five points of operation, the amount $13,000; and then clothing, 31 Peace Corps volunteers at $200, in the amount of $6,200; project equipment and materials, household furnishings and expendable goods, $8,835; professional equipment, 31 Peace Corps volunteers at $300, $9,300; is that accurately listed?

Mr. SHRIVER. That is $200 for clothing for 2 years per person in Pakistan.

Mr. PASSMAN. You have $21,800 for housing and household furniture?

Mr. SHRIVER. That is for 31 people for 2 years.

Mr. PASSMAN. Thirty-one people?

Mr. SHRIVER. Excuse me.

Mr. PASSMAN. It is on page 2.

Mr. SHRIVER. This is 31 people living under conditions in which it is very difficult to predict exactly what kind of accommodations will be available and would not be.

Mr. PASSMAN. Let us take four of them in a village. You are going to rent a house for them and furnish linens, pots, pans, and insecticides, and everything else.

Mr. SHRIVER. But they cannot cook on a stove if they do not have a pot to boil the water in.

This is less expensive in terms of cost per volunteer than a private in the Army.

Mr. PASSMAN. But a private in the Army does not have a house in some village where four can live without supervision.

Mr. SHRIVER. They have supervision.

Mr. PASSMAN. Very little.

Mr. SHRIVER. They are under the supervision of the local people and supervision of the Peace Corps representative out there. This is not a military organization.

Mr. PASSMAN. I know it is not, and it looks like quite an attractive deal for the volunteers.

Mr. SHRIVER. Most of them find they go 2 years overseas and live in a remote part of the country under difficult living conditions.

Mr. PASSMAN. I imagine some of them will get into town every Saturday night, if they want to.

Mr. SHRIVER. We have people making $7,000, $8,000, and $9,000 a year, giving up jobs like that.

Mr. PASSMAN. They are going to get something in the nature of a 2-year vacation at the taxpayers' expense.

LOGISTICS SUPPORT IN THE PHILIPPINES

You have under Philippines—logistic support, 75 PCV, 4-man team houses, times $1,000 per annum, times 2, $150,000; 20 PCVL family houses, times $1,500 per annum, times 2, $60,000; utilities, screening, sanitary facilities for 95 houses at $200 per house, $19,000; furnishings for 75 PCV team houses, at $1,000, plus 20 PCVL houses at $1,500, including linens, dishes, glassware, and so forth, $105,000; clothing for 320 at $100 per person per annum for 2 years, $64,000; ocean freight and handling of imported commodities, $10,000; storage and handling of military excess commodities and equipment, $5,000.

Mr. SHRIVER. We have bicycles at $35 each.

Mr. PASSMAN. I suppose I missed the bicycles.

Mr. SHRIVER. These people are teaching and they may need some books for teaching.

Mr. PASSMAN. Under this sports gear kit item of $200 per kit, would that be shotguns?

Mr. SHRIVER. No; we think it can be very helpful and so do the Philippine officials if, after school hours, our people were available to get those people interested in local activities like the YMCA or the Boys Club work. We are trying to develop that type of thing at the local level, at the village level.

Mr. PASSMAN. Here is another contract, covering the rent of houses for volunteers in ———, in the amount of $57,750; repairs to rented houses at $100 per year for 25 houses, $5,000; household equipment and furnishings for 30 units at $600 each, $18,000; ocean freight, ————, $2,500.

Then, under project equipment and materials, you have 20 bicycles at $50 each, in the amount of $1,000.

I am not arguing, but I thought maybe they were going to "rough it" out there, but now it is an altogether different story.

If I were that age, I think I would have more fun than I had ever had.

Mr. SHRIVER. They are going to live the way their counterparts live in that country. We never intended anybody should sleep on a mat in the jungle.

Mr. PASSMAN. In some respects, it will be a luxury compared to the way some of the people live.

Mr. SHRIVER. Not compared with their counterparts. They will live the way the Filipino schoolteachers live and they do not live under a banyan tree on a mat.

Mr. PASSMAN. I know that in Latin America, for instance, a lot of the Indians, if you gave them a mattress would use it for fuel.

Mr. SHRIVER. That is one of the reasons we have special problems.

COSTS FOR CHILE

Mr. PASSMAN. Let us look at another project, for example, Chile.

You have an item of maintenance cost of 11 vehicles for $27,500; tape recorders and teaching aids, $1,000.

Then, under "Supervision and administration," you have a project coordinator at $26,000 and an assistant at $20,000.

Mr. SHRIVER. That is a 2-year figure.
Mr. PASSMAN. Two years?
Mr. SHRIVER. Yes, sir.

TRANSPORTATION COSTS FOR ST. LUCIA

The next one covers a horse at $1 a day.
Mr. PASSMAN. Which one?
Mr. SHRIVER. St. Lucia. I think that is the next one.
Somebody down there told us the transportation most suitable was a horse so we have covered that at $1 per day.
Mr. PASSMAN. I notice that they have jeeps.
Mr. SHRIVER. Our people?
Mr. PASSMAN. Jeep maintenance at $500 per year, so it looks like they are going to have some jeeps along with the horses.
Mr. SHRIVER. That would be 2 jeeps for 12 people on a pretty good sized island.
Mr. PASSMAN. For what purposes will the horses be used?
Mr. SHRIVER. What they use the horses for, we are not certain but it would be to get into places you cannot get into by automobile.
Mr. PASSMAN. I do that every year when I go hunting.

GEOLOGIST CONSULTANT FOR TANGANYIKA

Under Tanganyika, what is this GOT geologist-consultant at $2,800? What is he going to do?
Mr. SHRIVER. Mr. Chutley, the head of the department in Tanganyika; we are anxious to have that government through its own officials participate in the training program, and to give us their advice about how it would work. Mr. Chutley came and his participation was exceptionally helpful to us and as a result of the advice, the quality of the people was so high, he would like to have six more.
Mr. PASSMAN. Did we pay his expenses over?
Mr. SHRIVER. Yes; on invitational order.
Mr. PASSMAN. I believe that in the same country you have six land rovers to be purchased at $21,000.
Mr. SHRIVER. That is a projected purchase. We have not purchased them yet.
Mr. PASSMAN. What will they do with them?
Mr. SHRIVER. These people will be working in remote areas of Tanganyika, some of them as much as 400 miles from the capital.
They will be out designing a system of feeder roads.
They will go out with a dozen or more Tanganyikans for the purpose of surveying and doing geological work and civil engineering.
Mr. PASSMAN. When you finally map out the roads, as to where they should be, will they also try to establish an estimate of the cost?
Mr. SHRIVER. That is not our job. They have a Public Works Department in Tanganyika which I am sure will be working on that.
Mr. PASSMAN. I know that ICA had some personnel teaching these people how they could borrow money from the Government.
Would that be one of the courses you are going to teach them, how to build roads, and to plan roads? Then it would only follow that if they do not have the money, they would want to know about where

to get the money. In ICA, they tell us it is part of their course, how they can get money through these various Government agencies.

Would that course also be taught these people?

Mr. SHRIVER. No, sir.

INCOUNTRY TRAVEL IN WEST PAKISTAN

Mr. PASSMAN. Let us take a look at another item, over in West Pakistan.

It says "incountry travel, $13,200."

Is that for the participants?

Mr. WIGGINS. Yes; that would be for volunteers.

Mr. PASSMAN. How did you arrive at that estimate of $13,200?

Mr. KELLY. Was the question directed to me?

Mr. SHRIVER. It is on page 2, West Pakistan.

Mr. KELLY. It was estimated on the basis of $400 per individual. What we are going to do in West Pakistan during the course of the 2 years over there is to conduct two or three seminars where we are going to bring them back from the location where they are working and have them exchange experiences, upgrade the state of their own personal art in teaching, and help give them a general orientation as to future plans each time they meet.

This is just an estimate based on third-class travel from the locations where they are going to be sent.

Mr. SHRIVER. It is an inservice training period; in other words, instead of letting people go on, as you say, undisciplined or unsupervised.

Mr. PASSMAN. While the four are assigned to a village or to a house, there will be no supervisor. They will be on their own, will they not?

Mr. SHRIVER. The principal of the school, for example, in the Philippines, is their technical supervisor.

Mr. PASSMAN. There would be no American supervisor over the four?

Mr. SHRIVER. The Peace Corps representative we talked about is over them. He is not living there watching them, but he is over them.

Mr. PASSMAN. You have an overseer for the entire country?

Mr. SHRIVER. He goes around and sees how they are getting along.

Mr. PASSMAN. The men are of good reputation and of high integrity, and it naturally follows that they will be pretty much on their own to do a creditable job?

Mr. SHRIVER. We hope they will perform creditably, but we want to be sure of it.

Mr. PASSMAN. You have one supervisor to a country. He could not get around very often.

Mr. SHRIVER. He ought to be able to get by once every 6 or 8 weeks, something like that, and stay for a few days at each place and see how people are getting along.

HOUSING IN PAKISTAN

Mr. PASSMAN. In Pakistan again, where we thought they actually were going to live out on farms, the cost of supplying housing for 33 persons for 21 months is $9,900.

Mr. SHRIVER. $300 for 21 months.

Mr. PASSMAN. Furnishings for 21 persons, $154,950. I should think you ought to get pretty good accommodations for that.

Mr. SHRIVER. $150 per person.

Mr. PASSMAN. I am talking about $300 per person. You are dealing with a different economy there.

Mr. SHRIVER. That is the cost of supplying the house per annum for a person.

Mr. PASSMAN. They shall not actually live in the homes with the people of those countries?

Mr. SHRIVER. They will live in the same kind of house those people live in, yes.

Mr. PASSMAN. I am not quarreling, but I remember that earlier someone said they would live in the houses with the West Pakistani.

Mr. SHRIVER. In the training period in East Pakistan, I said they would live at the beginning of their period with Pakistani families, that is correct.

Mr. PASSMAN. Would that be until they find housing for them?

Mr. SHRIVER. For that particular part of the orientation program.

Mr. PASSMAN. How long will they live in the house with them?

Mr. SHRIVER. Three weeks. This is the beginning of the orientation program.

VEHICLE MAINTENANCE AND OPERATION IN PAKISTAN

Mr. PASSMAN. You have here vehicle maintenance and operation in Pakistan, $3,000. Where is the vehicle part of it? I see the vehicle maintenance, but I do not find the request for the vehicles.

Mr. SHRIVER. It happens there we got the vehicles for nothing.

Mr. PASSMAN. How many vehicles, and the value of the vehicles, because that would be part of the program. In how many countries have you a similar condition, whereby some other agency either gives you the vehicles or furnishes them at no charge?

Mr. SHRIVER. In some countries the host government is supplying them.

Mr. PASSMAN. But it is not the host government here?

Mr. SHRIVER. I do not know about this specific one.

Mr. KELLY. I think I know, Mr. Chairman. The vehicles will come from the Philippines. They are vehicles surplus to the Army. The Army will ship them to the Pakistan program.

Mr. PASSMAN. How many?

Mr. KELLY. I do not know specifically, sir. I would have to get that information for you.

Mr. PASSMAN. If they ship them from the Philippines to Pakistan, it follows that they also would have vehicles furnished to them in the Philippines, will they not?

Mr. SHRIVER. No, sir.

Mr. PASSMAN. You have a similar condition there, have you not, Mr. Director?

Mr. SHRIVER. No, sir. We are supplying the Philippine project bicycles at $50 a bicycle, because the conditions there are dissimilar and the kind of work they are doing is dissimilar.

EXCESS EQUIPMENT AVAILABLE

Mr. PASSMAN. Do you know of any other countries where they are shipping motor vehicles without charge to the program?

Mr. KELLY. Yes, sir.

Mr. SHRIVER. Wherever we can get them without charge, we hope we can do so.

Mr. PASSMAN. We are trying to find out, though, because they are worth something. That would be a part of the cost of the program. Are they making other excess equipment available at no charge to this program?

Mr. KELLY. We have, I think, sir, 10 surplus vehicles made available by the Air Force. These are jeep vehicles. They are going to the Latin American program.

Mr. PASSMAN. How about tents, or cots? Are you getting any other excess equipment?

Mr. KELLY. The Army has made available mosquito netting, cots, mattresses, and mattress covers. they have earmarked where they are and told us we could have them.

Mr. PASSMAN. How about cooking utensils?

Mr. KELLY. We are doing a survey right now, sir, on cooking utensils. I do not have that information.

Mr. PASSMAN. It may be you could save considerable money by requisitioning the excess equipment and supplies from the Army.

Mr. KELLY. We have been looking into this very thoroughly. We hope to do as much scrounging as we possibly can.

Mr. PASSMAN. There could be a substantial savings in that field?

Mr. KELLY. Yes, sir.

Mr. PASSMAN. You have it budgeted at this time?

Mr. SHRIVER. We are trying to do the best we can.

Mr. PASSMAN. How much do you think you might be able to save through that process?

Mr. KELLY. I hesitate to give you an off-the-cuff answer.

Mr. PASSMAN. $5 million?

Mr. KELLY. I do not think that much.

Mr. PASSMAN. How much?

Mr. KELLY. I really do not know, sir.

Mr. PASSMAN. It could be substantial?

Mr. KELLY. I think we could save some money; yes, sir.

Mr. PASSMAN. I do not want to press you for a figure, but all those things we do take into account.

Mr. KELLY. I think we have a reputation for being very fine scroungers, sir.

Mr. PASSMAN. Are you using as reference the Department of Defense? They are perhaps the most extravagant people on the face of the earth.

SUPERVISION AND ADMINISTRATION IN PAKISTAN

Mr. PASSMAN. You have here supervision and administration, 2 years, Pakistan, $83,500.

Mr. SHRIVER. For 2 years, that is for a project director who is out there, and it includes supplies, equipment, communications, overhead, and so on. The project is to be run by the Colorado State University.

LAUNDRY AND POCKET MONEY FOR INDIA PROJECT

Mr. PASSMAN. The further you go, the better it looks. Under the India project, laundry and pocket money, $18 per week.

Mr. WIGGINS. These are expenses in the United States during training.

Mr. PASSMAN. That is for the Indians you bring here?

Mr. WIGGINS. No, sir.

Mr. TABER. $18 per week for laundry?

Mr. PASSMAN. Laundry and pocket money.

Mr. SHRIVER. This is the same as the figure we were talking about earlier that they get while they are here in training in this country. In each case in a foreign country——

Mr. PASSMAN. They get their room, board, clothes, laundry, and pocket money while they are in training. Is that right?

Mr. WIGGINS. That is right.

Mr. PASSMAN. For what else do they need money?

Mr. WIGGINS. They do not need money during training.

Mr. PASSMAN. You give them their clothes, rent, food, laundry, and then $18 pocket money.

Mr. WIGGINS. They can live on this very well during their training.

Mr. SHRIVER. They should not spend money to work for the Government.

Mr. PASSMAN. Is there any provision to keep them from taking their own money with them when they go abroad?

Mr. SHRIVER. They all agree they will not take their own money, nor will they receive money from home. If they happen to be wealthy, they will not get contributions from home.

Mr. PASSMAN. What if their parents sent them some cake, as in the Service?

Mr. SHRIVER. It would take a long time for the cake to get where these people are.

Mr. PASSMAN. I am serious about that. You do not prohibit the relatives back home from sending them toilet articles or food or candy bars or such things as that, do you?

Mr. SHRIVER. We encourage them not to. We cannot prevent people from doing it. These are free American citizens who can do what they want, but we encourage them not to.

Mr. PASSMAN. Is there a prohibition against entertainment while they are out? Are they privileged to date the local girls?

Mr. SHRIVER. It would depend upon the person and the country and its customs. In Pakistan, the kind of dating that goes on in this country is not permitted over there by the social customs. Our people would not indulge in it any more than the local people.

(Off the record.)

Mr. SHRIVER. When you have an opportunity, I hope you will go out and see these volunteers.

Mr. PASSMAN. I am not quarreling, Mr. Shriver, but I do not buy it that these people are going to places where they would not even accept an invitation to have a Coca-Cola.

Mr. SHRIVER. I did not mean to imply that they should not if they get an invitation.

Mr. PASSMAN. There is no prohibition against these people mingling with the local people, eating with them, dancing with them, and making a little fun along; is there?

Mr. SHRIVER. I thought you meant were they going to do a lot of entertaining. No; when they are invited to go, for example, to the home of a Philippine person, we hope they go. We hope they will be invited. That is part of it.

INCOUNTRY TRAVEL IN COLOMBIA

Mr. PASSMAN. You have another item of incountry travel. That is Colombia. They are really going to travel down there—$15,400. It is a small country, and the project involves 64 persons.

Mr. WIGGINS. This would be similar type travel as described last time, sir.

Mr. SHRIVER. Let us say they are 100 miles out and we want to bring them in for inservice training programs or something like that. We agree we will bring them in. We do not say we have to bring them in. We may not bring them in. We think this might be helpful, and we put money in the budget for it. That does not mean we necessarily have to spend it.

HARVARD PHASE OF NIGERIA TRAINING PROGRAM

Mr. PASSMAN. I wish we could put all this in the record. I notice, on page 2 of the Nigeria presentation, it says, "The costs listed below are for the Harvard phase of the Nigeria training program." The training costs are $97,450. We see then, "Oversea training, Harvard phase, $177,000."

Mr. SHRIVER. The explanation for that, Mr. Chairman, is that Harvard University felt that these people could be best trained as secondary school teachers in Nigeria, and would profit from a 4-month training course at the University of Ibadan in Nigeria. The Nigerian Government approved it, not only approved it but welcomed it. The foreign minister was here and he encouraged it very much.

Mr. PASSMAN. We are still dealing entirely with 1962, are we not?

Mr. SHRIVER. Yes, sir.

Mr. PASSMAN. All this is without an appropriation, without an authorization. You are already entering into these contracts?

Mr. SHRIVER. No, sir; we have not entered into a contract with the University of Ibadan.

Mr. PASSMAN. They have been brought here.

Mr. SHRIVER. The Foreign Minister of Nigeria was here on an official visit to this country, at the invitation of this Government, and while he was here he talked to us.

Mr. PASSMAN. These are proposed contracts with Harvard University, or do you already have a contract?

Mr. SHRIVER. With Harvard we are actually in training up there just as we are at Notre Dame. We have a contract for training at Harvard.

Mr. PASSMAN. You are dealing with the 1962 program?

Mr. SHRIVER. That is under the continuing resolution.

Mr. PASSMAN. You are speaking about the President's contingency fund. That is where you get your money.

BUILDING AND HOUSING IN NIGERIA

I notice also under the statement for Nigeria the cost of building and supplying housing for 145 persons at $720 per person, $104,400; the cost of furnishings for 175 persons at $100 per person, $17,500. What disposition do we make of the buildings when the 2 years are up?

Mr. SHRIVER. As long as we can utilize the buildings, they are our buildings. Obviously, if the building is there, we cannot pick it up and carry it away.

Mr. PASSMAN. Do you have any contract with the nation to take the building over on any kind of reimbursement basis? In this instance, you actually have to construct the building.

Mr. SHRIVER. This is what we estimate will be necessary either to build or supply housing. If we can get accommodations in Nigeria without building them, obviously we want them. In some places you can, but in large parts of Nigeria there just are not any. In those places we would have to construct some sort of local-type structure in which to live.

Mr. PASSMAN. I want to apologize for being a pennypincher. Some people think of this as being a very small program, but I can see where it could lead into very expensive projects.

Mr. SHRIVER. I am glad you are, sir, because I am a pennypincher, too. There have not been many pennies spent on this.

Mr. PASSMAN. You have an ambitious program here, Mr. Shriver. I hope it accomplishes its planned objectives.

Mr. SHRIVER. Thank you. I hope so, too.

EMPLOYMENT OF CONSULTANTS

Mr. PASSMAN. We asked you earlier today about providing a list of consultants. Let us discuss that briefly.

I see listed a consultant from the First Congregational Church.

Mr. SHRIVER. He is a west coast consultant on training out there.

He is a Congregationalist minister on the west coast, who is very much interested in the Peace Corps.

Mr. PASSMAN. Going over this list, it would appear that this would be about in the same categories as the technical aid program, other than, as we discussed earlier, this is an expansion of it.

Mr. SHRIVER. These people are of that kind, that is right. These are not volunteers.

Mr. PASSMAN. These people are the same type of consultants that you usually employ in the bilateral technical aid program, are they not?

Mr. SHRIVER. In some respects, perhaps. Actually these people——

Mr. PASSMAN. Livestock adviser, International Voluntary Services; a trade union; American Society of African Culture; director of protocol, Puerto Rico.

Mr. SHRIVER. The director of protocol was acutally the vice minister of foreign affairs of the Commonwealth of Puerto Rico.

Mr. PASSMAN. Without objection, we shall insert this list in the record. That is the way you want it, is it not?

Mr. CORCORAN. Surely.

Mr. PASSMAN. I see that you have an assistant district attorney. Is he a U.S. district attorney?

Mr. CORCORAN. Actually, he was an assistant attorney general for the State of California, Franklin Williams.

Mr. PASSMAN. I believe you said earlier that you employed most of these consultants during their vacation period.

Mr. SHRIVER. Some of them but not all of them, Mr. Chairman. Some of these people were brought down to help us at the beginning, and stayed on for 3 or 4 months. In many cases we would like to have employed them on a permanent basis. We would like to employ some of these people right now on a permanent basis, but we have felt it unwise to employ any more people on a permanent basis than was absolutely essential.

Mr. PASSMAN. Vacation was over for many of them, and they had to go back to their regular work?

Mr. SHRIVER. Some of them, but some of them were not like that. Some were down here working and making a tremendous contribution. They have been down here 4 months, and we would hope, if Congress approves the creation of this agency——

Mr. PASSMAN. I see one, Morris Stein, University of Chicago, whose salary there is $20,500 per annum. You ought to have been able to keep him at $75 a day.

Mr. SHRIVER. He is one of those you just referred to. He is a Ph. D., a professor of psychology on the faculty of that university. He is considered to be one of the experts in this country on the testing of people and their selection.

Mr. CORCORAN. I think in some cases we picked up the 9 or 10 months' salary for teaching, but they earned more during the year.

(The list referred to follows:)

Peace Corps consultants

Name	Previous employment	Previous salary	PC rate, per diem	Remarks
Slawson, Paul	Graduate student	$2,250	$25	
	Officer in U.S. Navy	8,400		
Snobble, John K	Teacher, Colorado Rocky Mountain School, Carbondale, Colo.	6,000	25	
Rivera, Jorge	Forester, Department of Agriculture, Puerto Rico.	4,680	25	
Maryanov, Gerald	University of Iowa	8,800	35	To be converted to FSR.
Simons, John	Foundation for Youth and Student Affairs.	10,000	40	
Wetmore, Reagh	Instructor, Phillips Academy	10,600	40	
Ingram, Lawrence	Congressional aid	6,800	40	
Gordon, Suzanne	Girls' Service League	10,800	40	WAE.
Lewis, Wilbert	University of Wisconsin	9,900	40	
Tucker, Sterling	Executive director, Washington Urban League.	10,000	40	WAE.
Capsas, Cleon	University of New Mexico, teaching assistant.	2,520	40	
	Officer, U.S. Navy	6,420		
Peters, Charles	Virginia House of Delegates	1,500	40	WAE.
	Associate, Peters, Merricks, Leslie & Mohler.	5,100		
Potvin, Gregg	Attorney, Potvin & Schow	12,000	40	WAE.
	Idaho State Representative	[1] 25		
Swan, Charles	Associate professor, Albion College, Albion, Mich.	10,000	40	WAE.
Bowman, Richard	Volunteer livestock adviser, IVS duty in Laos.	960	40	
Sharp, Daniel	Deputy attorney general, California. Additional income from writings, speeches, and reserve unit.	[2] 8,928	40	
Miner, Joshua	Physics instructor, Phillips Academy.	10,400	40	
Young, Charles	Assistant professor, University of California.	13,000	40	WAE.
Ferkiss, Victor	Associate professor, St. Mary's College.	11,240	40	WAE.
Benedict, Russell	Editor, "Campaign Report"	7,200	40	WAE; appointment expires Sept. 5, 1961.
Ginsburg, Edward	Lawyer, Boston, Mass	11,500	40	WAE.
Kranz, Harry	Deputy director, Foreign Trade Union.	11,825	45	
Sheldon, Christopher	President, Ocean Academy	17,500	45	
Carter, George	American Society of African Culture.	11,250	45	WAE.
Hildebrandt, Leonard	First Congregational Church	12,350	45	WAE.
Nason, Marshall	University of New Mexico	14,000	45	
Zasloff, Joseph	University of Pittsburgh	11,283	45	Appointment terminates Sept. 9, 1961.
Gilbert, Alice	Gordon, Reindel & Ohl	14,000	50	
Adams, Timothy	San Francisco Examiner	9,948	50	
Krader, Lawrence	American University	13,060	50	WAE.
Sancho-Bonet, Rafael	Director of protocol, Puerto Rico	11,100	50	
Iverson, Robert	Penn State University	15,000	50	WAE.
Coffin, William	Chaplain, Yale University	9,000	50	
Andrews, Thomas	University of Maryland	13,920	55	WAE.
Wilson, Helen	Deputy Chief, Department of Operations, ICEM.	14,200	55	WAE to be converted to GS-15, Sept. 17, 1961.
Brown, Theodore	AFL-CIO	12,200	55	WAE.
Textor, Robert	Research associate, Yale University	5,000	55	
	ICA Consultant	[1] 50		
Ferguson, Glenn	McKinsey & Co	12,000	55	
Mischel, Walter	Associate professor, Harvard University.	16,400	55	WAE.
Jonas, Gilbert	Harold L. Oram, Inc	15,500	60	
Haddad, William	Reporter, New York Post, plus substantial earnings from free-lance writings.	9,470	60	
Bayley, Edwin	Executive secretary to Governor of Wisconsin.	16,000	60	
Mathews, Thomas	Reporter, San Francisco Chronicle	18,400	60	

Footnote at end of table.

Peace Corps consultants—Continued

Name	Previous employment	Previous salary	PC rate, per diem	Remarks
Moyers, Bill	Executive assistant to Vice President.	$16,800	$65	
Finch, Rogers	Rensselaer Poly Tech	20,000	70	WAE.
Quimby, Thomas	Assistant to Senator McNamara	17,700	70	
Boyce, Gordon	Experiment in International Living	18,289	70	WAE.
Corcoran, John	Associate Director, Public Administrative Service.	19,300	70	
Dennis, Lawrence	Vice president, Penn State	19,000	75	
Delano, William	Attorney, Winthorp, Stimson, Putnam & Roberts.	15,000–17,500	75	WAE.
Stein, Morris	President, Morris I. Stein & Associates.	20,500	75	WAE.
Bulger, Paul	President, State University of New York.	19,605	75	WAE.
Hobbs, Nicholas	Chairman, Division of Human Development, Peabody College.	20,000	75	
Kauffman, Joseph	Executive vice president, Jewish Theological Seminary.	23,000	75	
Erdman, Marshall	President, Marshall Erdman & Associates.		WOC	

[1] Per day.
[2] Plus additional income.

Mr. PASSMAN. Thank you very much, Mr. Shriver.

Mr. Gary?

Mr. GARY. Mr. Shriver, you gave us a diagram showing the organization of the Peace Corps. What Department is your organization under?

Mr. SHRIVER. It is a separate agency within the Department of State under the Secretary of State.

REASON SEPARATING PEACE CORPS FROM ICA

Mr. GARY. Is it in relatively the same position as the ICA?

Mr. SHRIVER. In a sense, yes; but under the new AID Agency legislation, if I understand it correctly, the new AID Agency would be run by a man who would rank approximately like an Under Secretary of State. As I understand it, it would be a separate agency within the State Department. I may be wrong in that, because I have not participated in the planning of it, nor have I——

Mr. GARY. Since its objectives are similar to the ICA, why is it not under the ICA?

Mr. SHRIVER. There are a variety of reasons why it is not under the ICA, Mr. Gary. One of the most important reasons is that our people overseas have indicated that they felt it should be separate because it is an effort on the part of our Government to send people overseas to work under conditions totally different from the ICA people, who would have a mission totally different overseas from the ICA people; who would be there, not as career people the way ICA people are, but as volunteers; who would work a specified period of enlistment and return to this country. It was felt that in order to achieve the maximum benefits from this program, it should be separate overseas and here. Oversea people like the Prime Minister of India, the Prime Minister of Burma, the Prime Minister of Nigeria, and so on, asked that this be established in a way that would not

confuse it with our general activities overseas such as our diplomatic activities or economic activities or our military aid program. This was known as a Peace Corps. They did not want it to be identified in the minds of the host country with military objectives or strictly economic objectives or intelligence objectives. The Communists, you know, have attacked the Peace Corps and they have claimed it is a nest of spies and nothing more than a part of the Central Intelligence Agency.

For these reasons, it was felt it would be helpful for it to be separate overseas.

Here at home, it was felt, for similar reasons, that it should be separate. In addition to that, it was felt that if we were to enlist the kind of people we want, very dedicated, idealistic if you will, volunteers, we would have to have an organization which appealed to them. It is just like developing an esprit de corps for any other new venture, especially one like this which is voluntary. You must have some sort of separate identity to attract people into it.

After all, we were speaking earlier today that it is strange or paradoxical that people will volunteer to serve overseas as teachers for the Peace Corps at very little or no salary, and at the same time with USIA funds it is difficult to get teachers and to pay them a salary. The reason, I think, is that there is a certain attraction in being a volunteer, in working under these conditions for one's country, which does not apply if you are just taking a job.

Most of the people who are in the Peace Corps, or a large number of them at any rate, are giving up their jobs in this country to join the Peace Corps. If they were just looking for a job, they could come down and sign up with the ICA or USIA, but they do not care to do that. They are willing to do this because it is a service, just like some people, even more dedicated, who join the missionaries. This is not quite so exacting as that, but it partakes of that nature, and for that reason you get a different type of person. To get that kind of person, it was felt that it would be not only desirable but necessary to have it operate separately in the manner we propose.

Mr. GARY. My question, of course, had nothing whatever to do with personalities. Very frankly, I have been rather doubtful about this Peace Corps because it has appeared to me that the aims and purposes were somewhat nebulous. I have been very much encouraged, however, since listening to your presentation, because you have given me the impression that you have your feet on the ground and that you are going to try to make it a practical and purposeful program.

COORDINATION OF PROGRAM WITH OTHER AGENCIES

However, I am obsessed with the idea that our various activities of Government should be coordinated. It seems to me that in recent years, we first got into the habit of forming committees. Every time something went wrong in the Government we would say, "Let's create a committee to take care of it." Those committees were not successful in solving the problems. Now it appears when we are trying to solve some difficulty we say, "Let us create an agency to do it." Therefore, we are organizing within the Government innumerable committees, agencies, departments, and divisions. I am convinced that there has been entirely too little coordination of the activities of these separate

units of Government. The agencies have not worked together, and it has resulted, in my judgment, in inefficiency, extravagance, and waste.

For example, I am imbued with the idea that the chief reason we are behind in our missile and space program in this country is the fact that we have had four separate programs instead of one. We have had the Army, the Navy, the Air Force, and the civilian organization, each with a separate program. Instead of everybody working together, they have been concentrating their efforts on their respective programs and it appears to me that they are competing against each other rather than trying to devise a joint program that would compete with Russia.

When the first Russian sputnik went up, it was not an army sputnik or a navy sputnik—it was a Russian sputnik. But every single missile that we have fired and every satellite that we have put up has been an Army or Navy or Air Force or civilian accomplishment.

I do not believe we will ever successfully compete with Russia until we combine our efforts. I do not know whether it can be done now or not. It may be we have reached a point in the development of the program that to try to combine the programs into one would cause a loss of time.

For that reason, I would like to see any new agency started on the proper foot. That is particularly true of this agency.

I would like to know what steps are being taken to coordinate this program and the activities of the Peace Corps with the ICA, the State Department, and the other existing agencies of the Government.

Mr. SHRIVER. From the very beginning we have tried to be conscious of the problem you have mentioned, and therefore we have done our best to coordinate our activities, both overseas and here, with those agencies you just talked about. Overseas, now and in the future, we would work under the Ambassador as a member of the country team, so it would be impossible for us to undertake any project or activity in a foreign country which duplicated or conflicted with any other aspect of the American program in that country. Our representative would be a part of the country team. We could not undertake a project in any country without the approval of the Ambassador. We would coordinate out there with the ICA people, et cetera, on the staff of the Ambassador.

Here in Washington we have followed the same type of coordination. Any project or proposal we are thinking of getting into is cleared with the desk officer for the specific country involved, both in the ICA and in State, and even with the USIA. Before we can undertake any project, we clear it up through the area officers in all those agencies, and finally, of course, it must be approved by the Secretary of State.

Over in the Senate, we were very much pleased with an amendment which was made to the bill in the Senate. If I may just read you a few sentences from it, I think it is germane to this point. It says:

> The President shall prescribe appropriate procedures to assure the coordination of Peace Corps activities with other activities of the U.S. Government in each country under the leadership of the chief of the U.S. diplomatic mission.

That is the first statement. That is what we have been doing, but this is actually proposed as a part of the basic statute, and it is fine with us.

Under the direction of the President, the Secretary of State shall be responsible for the continuous supervision and general direction of the programs authorized by this act, to the end that such programs are effectively integrated both at home and abroad, and the foreign policy of the United States is best served thereby.

This is a proposed addition, and we approve of it and agree to it 100 percent.

Finally:

Except with the approval of the Secretary of State, the Peace Corps shall not be assigned to perform services which could readily be performed by other available agencies of the U.S. Government in the country concerned.

This again we approve of. This is the way we have been operating. We do believe, as you do, that the coordination is essential. Certainly there is no point in having any duplication.

Last of all, there is certainly no point in having any conflict. We have made operating arrangements to prevent that, and these are statutory provisions which make it mandatory on us to coordinate.

Mr. GARY. Regardless of the law, the attainment of that objective is up to you, and it will be largely dependent upon you because the coordination of these activities has to be done through the directing head. I am glad to know that you are thoroughly in accord with that thinking, because I consider it very important to the success of the program. I am delighted to know that you plan to proceed along those lines.

You were appointed by the President, were you not?

Mr. SHRIVER. Yes, sir.

Mr. GARY. In the case of vacancy, who would fill the vacancy under the new law?

Mr. SHRIVER. The Deputy Director would operate the agency until the appointment was made.

Mr. GARY. Who would have the appointing power? Would it still be in the President, or in the Secretary of State?

Mr. SHRIVER. The President.

Mr. GARY. Then in a way, it is not under the Secretary of State. It is set up as an agency in the State Department, but as long as the appointment of the Director comes from the President, he would be directly responsible to the President, would he not?

Mr. SHRIVER. That was not my understanding, Congressman. I thought that when the President appointed people like the Under Secretary of State or the Assistant Secretary of State—those are Presidential appointments—they were responsible to the Secretary of State, not to the President. When he appoints an Under Secretary of Commerce or another officer like that, that is a Presidential appointment but the Under Secretary of Commerce must report to the Secretary of Commerce, just as the Assistant Secretary of State must report to the Secretary of State.

Mr. GARY. Of course, it is a question of the law. This law would provide that the appointment would be made by the President, but that the Director would report to the Secretary of State. Is that the situation?

Mr. SHRIVER. That is correct.

Mr. GARY. I merely wanted to know the exact setup.

Mr. SHRIVER. That is exactly the setup. It has been proposed that the Director of this operation have the status of an Assistant Secretary of State. Those are all Presidential appointments, but they are responsible, once appointed, to the Secretary of State. Our law, if I may read the actual language, says:

The President may appoint, by and with the advice and consent of the Senate, a Director of the Peace Corps whose compensation shall be fixed by the President at a rate not in excess of $20,000 per annum—

which is the rate paid to the Assistant Secretary—

and a Deputy Director of the Peace Corps whose compensation shall be fixed by the President at a rate not in excess of $19,500.

The next sentence says this:

The President may exercise any function vested in him by this act through such agency or officer of the U.S. Government as he shall direct.

So if the President wanted to take the operation of the agency away from me or a successor of mine, he could do so. The power is given to him.

Mr. GARY. That is all I have, Mr. Chairman.

USE OF MARRIED VOLUNTEERS

Mr. PASSMAN. All of the trainees or volunteers are not single?

Mr. SHRIVER. No, sir, not all of them.

Mr. PASSMAN. You will accept married couples?

Mr. SHRIVER. Yes, sir, provided they do not have little children.

Mr. PASSMAN. If you should decide it is in the interest of the program, they would be assigned to the same country and the same village?

Mr. SHRIVER. They would be assigned to the same place. They would each have to qualify as a Peace Corps person.

Mr. PASSMAN. I think that is excellent. I think possibly you could get a lot of personnel who would be happier people, as married couples, rather than individuals, for certain spots, anyway.

Mr. Rooney?

NUMBER AND COST OF OVERSEA VOLUNTEERS

Mr. ROONEY. Mr. Shriver, since I have had to spend a good part of today over at a meeting of the Deficiencies Subcommittee, and since I therefore have not heard all of your testimony, I hope that the few questions I now ask will not be repetitious. Undoubtedly some of them may be.

For this $40 million, you envision how many people overseas and for how long?

Mr. SHRIVER. 2,700 Peace Corps volunteers overseas.

Mr. ROONEY. Over a period of?

Mr. SHRIVER. Two years. They enlist for a period of 2 years.

Mr. ROONEY. You figure that at a per capita cost of how much?

Mr. SHRIVER. $9,000.

Mr. ROONEY. Are you familiar with the comparison between that and the cost to the Government under the foreign aid program for the transfer of a student for educational purposes here to the United States? Have you made such comparisons?

Mr. SHRIVER. I have had some comparisons like that given to me and for a number of other agencies and operations.

Mr. ROONEY. And some of them run up as high as how much?

Mr. SHRIVER. It depends sometimes on the program, the length of stay, and the level of the person. I have heard figures quoted all the way from $6,000 a year up to much higher figures for ICA technicians.

Mr. ROONEY. We listened to testimony last week in the Deficiencies Subcommittee with regard to the so-called East-West Cultural Center, where to bring some of them from Asia to Honolulu would cost the American taxpayer $13,500 a year.

It seems to me it would be impossible to set up a program such as you present here on the basis of but a 1-year setup. It just could not be done, could it?

Mr. SHRIVER. I think it would be exceedingly difficult, Congressman, and I think if we had——

Mr. ROONEY. You would have to go beyond 1 year to get any value out of spending this $9,000 and sending these people overseas. Is that so?

Mr. SHRIVER. Yes, sir. That is why we asked them to enlist for 2 years. We feel since the taxpayers are going to the expense of training them, and so on, we ought to get more back for our money than could be obtained in 1 year.

Mr. ROONEY. I listened to the colloquy with regard to the various countries, and as we proceeded through the list I gained the impression that some of us might think that your people are going to "live high on the hog" in places like Tanganyika, Nigeria, and so forth. How do you compare the costs set up in your budget for their personal accommodations; that is, their shelter, their food, and their clothing, with the cost of an Army private overseas?

Mr. SHRIVER. It is much less in terms of comfort, convenience, luxury, and dollars.

Mr. ROONEY. I am only speaking now of dollars.

Mr. SHRIVER. We have not tried to make comparisons directly ourselves, because I felt that might be self-serving. Allow me to say that nobody living under Peace Corps conditions in Nigeria or Tanganyika or Ghana will live high on any hog.

Mr. ROONEY. I would not expect so.

Mr. SHRIVER. The only place in those countries that you can live high at all is in the capitals of those countries, and even there you do not live too high. Most of our people, 90 percent of them, will not be living in capitals. I mean Dar es Salaam, or Lagos, or Accra. Some will be living there, but most of them will be living out in the relatively smaller provincial towns. I think it pretty difficult to live very luxuriously out there. At least, I have never seen any town where people were living luxuriously.

So they will be living what we sometimes call a Spartan existence. We believe that they are going to have to be physically and intellectually equipped to withstand the rigors of that life. As a matter of fact, many people around the world claim that Americans are too soft to endure the kind of life that we propose our Peace Corps people should live.

Mr. ROONEY. I understand something was said here today about a Peace Corps candidate and an incident in connection with a service club in Miami.

Mr. SHRIVER. Yes, sir.

Mr. ROONEY. He has not yet been taken into the Peace Corps, has he?

Mr. SHRIVER. No, sir. He is in the training program, which is a part of our selection process.

Mr. ROONEY. You yet have to make a decision as to whether or not you will accept him, is that correct?

Mr. SHRIVER. Yes, sir.

Mr. ROONEY. In making this decision, you will be guided by people who will participate with you in arriving at the proper decision?

Mr. SHRIVER. Yes, sir; and everything in his record is put into the jacket and is available.

Mr. ROONEY. Including the incident in Miami?

Mr. SHRIVER. Yes, sir; and letters of criticism will be in there and, in addition, a full FBI field check is required before anybody can go overseas. It has to be a satisfactory one, of course.

Mr. ROONEY. That is all.

Mr. PASSMAN. Thank you very much. I did mention earlier today the same incident. We have an interest in knowing what the FBI has given you, as of this time, if you are privileged to reveal this information. This is an executive session, and if advisable to keep the matter confidential at this point, we will accept it on that basis. This indictment is too strong to brush off lightly.

Mr. Natcher.

NUMBER OF PROJECTS ENVISIONED

Mr. NATCHER. Mr. Shriver, as you well know, in presenting this request to the full committee and to the House, certain questions will be asked concerning the operation of the Peace Corps. One of the questions, for instance, will pertain to the number of projects.

Will there be sufficient projects throughout the world to take care of the number of volunteers you will have in this program?

Mr. SHRIVER. Yes, sir. As a matter of fact, there are many more than we can possibly fill with the number of volunteers we propose. The demand from overseas is for five or six times the number of of people we propose to put into the program, and the supply of people here is five of six times the number we suggest as being conservative as a starting number.

Mr. NATCHER. Can you give the committee some idea as to the number of projects requested up to this time?

Mr. SHRIVER. There have been about 20 to 25 countries that have approached us and asked for Peace Corps volunteer services in their country.

ABILITY TO FURNISH NURSES, DOCTORS, AND SO FORTH

Mr. NATCHER. Another question that will be asked pertains to the type of volunteers and their particular training. I presume, Mr. Shriver, that a number of countries will require the services of doctors, nurses, veterinary surgeons, and other people qualified along these lines. Will you be able to furnish volunteers with the qualifications that I have just mentioned?

Mr. SHRIVER. We will be able to furnish some. We have had approximately 250 nurses, for example, volunteer to serve in the Peace

Corps. We have not undertaken any specific health project in a country yet, although I think that it is something we should do. Therefore, these 250 nurses have not been called into training by the Peace Corps.

I personally think it would be a shame if because of limitations on the program we were unable to meet the demand overseas for such people or the offer of services given by these nurses. India, for example, wants a large number of nurses. We have other people who are laboratory technicians, who are wanted in certain hospitals in the countries; but again we have not undertaken any of these programs because what we have done so far is to start about eight programs so that when we came to this committee, we would have enough facts on which people could make a decision about the kind of programs that we are intending to run.

The easy thing perhaps might have been to come over with no programs, no projects, just a lot of pious talk and no facts; but instead of that we have tried to come over with enough different projects so the committee members and the Members of Congress as a whole would have substantial facts on which to base their judgment.

Mr. NATCHER. I know that you will have an adequate number of minor technicians, but I was just wondering as to whether or not you would be able to place in this program people with the professional requirements that will be needed for the project set up.

Mr. SHRIVER. Yes, sir; we will. Otherwise we do not agree to the project. We have to do two things at least. We have to know the project is wanted by the host country and we have to know that we have the people who can carry the project out. We make that determination before we agree to try to fill the request.

AVAILABILITY OF QUALIFIED TEACHERS

Mr. NATCHER. Here, in this country, we have a shortage of teachers in the secondary schools. I am just wondering if you will be able to place in this program schoolteachers qualified to teach in the secondary school setup in other countries.

Mr. SHRIVER. Yes, we will. We have already got a group of 45 in training at Harvard who are qualified to teach in secondary schools and who are going over to teach in secondary schools of Nigeria. It was very interesting for me to talk to officials in the National Education Association, people from the Office of Education, to find out that probably as much as 25 to 40 percent of all graduates of American colleges of teacher training who get a certificate or diploma qualifying them to teach in our public schools actually never go into teaching. When they graduate, they get a job they find more desirable, other than teaching.

Because of this a number of people who are concerned about the number of teachers in our schools are interested in the possibility that through the Peace Corps we will attract people into teaching and keep them in teaching, and when they come back to this country, they will pursue a career in education rather than going into some other kind of work. In this way we hope to augment the number of teachers in the long run in our country.

Mr. NATCHER. There is also a shortage of teachers in elementary schools. How would this apply to the Peace Corps? Would you be

able to furnish teachers qualified to teach in the elementary school setup abroad?

Mr. SHRIVER. Yes, sir. In Nigeria, for example, there are 1,500 teachers in the elementary schools of Nigeria who themselves have never graduated from elementary school. Consequently, when we have a person who has graduated from high school or college, we are a long step ahead of where a large number of their teachers are, so that we can make a contribution to their elementary school all out of proportion to the contribution we could make here to elementary school education.

Mr. NATCHER. Mr. Shriver, as you know, here in this country we have some difficulty in agriculture and especially from the standpoint of overproduction. According to the figures submitted to our committee from time to time, we find that the family farmer produces just a little over 10 percent of the total amount produced.

In agricultural projects in the Peace Corps how will you obtain people qualified to teach and to carry out projects pertaining to family-sized farms and agriculture? Will you be able to face that problem, Mr. Shriver?

Mr. SHRIVER. We hope that we can help. We do not mean we can face it singlehanded, but we can, for example, encourage people who are brought up on farms here, who may be graduates of agricultural colleges, to go to a training center in this country at one of our land-grant colleges such as Ohio State or Iowa State and in the training period there prepare them for the type of agricultural work they would do in India or British West Indies or South America.

In fact, that is exactly what we are doing at both those institutions, both Ohio State and Iowa State. We are working in those institutions with people who have had experience overseas in specific countries to which Peace Corps volunteers are going. So we hope we will be able to make a contribution to the problem you mentioned.

Mr. NATCHER. Mr. Shriver, I want to thank you and the members of your staff for the fine presentation you have made to this committee and to say to you quite frankly that I, for one, believe that if the Peace Corps is properly managed, it will produce great benefits to our country. Thank you.

Mr. SHRIVER. Thank you, Mr. Congressman, very much.

AUTHORIZATION AND APPROPRIATION BASES

Mr. PASSMAN. I think maybe we should state for the record at this point that every member of this committee recognizes that to train an individual to serve overseas, whether it is in the military or in the Peace Corps, you would get the maximum if he serves 2 years or longer. Some of my examination had to do with the fact that we are operating on a 1-year authorization and a 1-year appropriation request, whereas, in reality we are operating on a 2-year funding basis.

I should think that even though the authorization is for 1 year, we have committed ourselves for 2 years. I was thinking there was some degree of inconsistency with respect to what we are actually doing and what the authorization calls for. That was my sole purpose in questioning earlier about what we referred to specifically as

the 1-year program, whereas, in reality from a financial standpoint, it is a 2-year program.

Mr. BOGARDUS. May I comment on that, Mr. Chairman?

Mr. PASSMAN. Yes. I am not arguing that there is not some necessity for it.

Mr. BOGARDUS. That is what I was wanting to address myself to.

This particular policy is not new in government.

Mr. PASSMAN. I know that.

Mr. BOGARDUS. Under the mutual security program, they have had comparable legislation for many years. This derives over a period beginning with ECA, MSA, TCA, FOA, ICA. They found out it was simply impracticable to contract for 1 year. As a result, Congress authorized contracting for not to exceed 3 years, subject to any future action of the Congress, in section 307(a) of the Mutual Security Act of 1954, as amended, while fund authorizations remained on an annual basis.

Mr. PASSMAN. I know that, but we did in fact provide that in the bill.

Mr. BOGARDUS. Yes.

Mr. PASSMAN. It may not be in practical force, but it was understood that we were to start projects that may run 4 or 5 years in the future. I have thought we were thinking about something here as an experiment. We do not know whether this is going to go or not.

Mr. SHRIVER. On that point, we asked for an appropriation of $40 million, which is why we are here today, and that money covers all the expense the Congress would ever have to appropriate to carry forward the program as set forth in these papers. So that if Congress authorized and appropriated that money, they would never have any further commitment or any need for further appropriations to carry forward the program presented.

Mr. PASSMAN. We are not actually thinking about a 1-year program, but we are thinking about a program, when we enter into a contract, that we will conclude that contract even if it should require 2½ years, and you are asking to fund the program on that basis.

I wanted to be sure that those who read the record would not gain the impression that this thing could be stopped after 1 year. You may stop authorizing, but we would be committed to live up to contracts that we have entered into.

Mr. Taber?

STATUS OF PEACE CORPS VOLUNTEERS

Mr. TABER. Are these people who have enlisted in this organization of yours governmental employees?

Mr. SHRIVER. They are governmental employees, Congressman Taber, solely for the purposes and to the extent set forth in the statute. They are not full-scale Government employees. They do not have retirement rights.

Mr. TABER. Where is the statute? That is the Senate bill which has not been passed by the House?

Mr. SHRIVER. We have a House version that is the identical bill.

Mr. TABER. It has not been considered in the House. This bill has not been considered in the Senate either.

Mr. SHRIVER. That bill has been favorably reported by the Senate Committee on Foreign Relations and is on the floor now.

Mr. TABER. So there really is not any statute covering this program.

Mr. SHRIVER. The phraseology on the point you ask about is on page 4, saying that except as provided in this act, volunteers shall not be deemed to be officers or employees or otherwise in the service or employment or holding office in the United Staes for any purpose. This is H.R. 7500, the same as S. 2000.

Mr. TABER. The first thing that will happen will be that these people will be stirred up into making a demand for retirement benefits, or to be subject to the provisions of the Employees Compensation Act. What have you to say about that?

Mr. SHRIVER. They will be out of luck because they are not going to get them.

Mr. TABER. The Senate report on page 5 says under section 5(e) that volunteers are deemed Government employees for the purpose of the Federal Employees Compensation Act.

Mr. SHRIVER. That is while they are in the Peace Corps, Mr. Taber. That is what I was saying earlier, that for the purposes set forth in the act they are employees, but as soon as they are out of the Peace Corps, they are no longer employees, nor are they employees for any other purposes except those set forth in the act.

Mr. TABER. A volunteer who becomes permanently or totally disabled will thus receive a maximum amount of $296 a month, and a disabled volunteer leader $420 a month.

Mr. SHRIVER. That is correct. That is for a person who is totally disabled while in the Peace Corps. That is one of the specific things that is set forth in the act.

Mr. TABER. And additional amounts would be payable to dependents. Also for the purposes of the act any injury or illness suffered by a volunteer in his service, unless such injury or illness results from his willful misconduct, his intention to bring about the injury or death of himself or another, or unless his intoxication is the proximate cause of the injury or death. Is there provision for pension for these people?

Mr. SHRIVER. No, sir. There is a provision that if they come back and join the Federal service and perform and given a job, let us say, in the State Department or are employed in the Federal Government in some other agency, the period of service in the Peace Corps can be counted by them against Federal retirement; but this is only in case they come back and become employees of the U.S. Government like any other employee of the Government.

PERMANENT EMPLOYEES

Mr. TABER. How many persons have you employed in your office who are not listed as regular employees of the Government?

Mr. SHRIVER. We have 121 permanent employees here in Washington, Mr. Congressman.

Mr. TABER. Any outside?

Mr. SHRIVER. No, sir, that is our total force except as indicated earlier, we have had some consultants and temporary employees and summer employees. The permanent force is 121 people.

Mr. TABER. How many do you expect to be in the force in 1962 and 1963 fiscal years?

Mr. SHRIVER. We are operating under a proposal, we propose to have 269 employees in Washington and a maximum of 100 employees overseas for a total force of 369. That would be a group responsible for the handling of the program going up to 2,700 people overseas or in training and an additional group in training the following summer. So we would have a ratio of about 1 person in administration to every 10 people in the field.

Mr. TABER. You have no enlistees overseas at the present time?

Mr. SHRIVER. No, sir; we have 451 in training here, some of whom will be going overseas within the next 3 weeks.

Mr. TABER. You are figuring to have how many? Do you train all of them 2 months?

Mr. SHRIVER. We train some of them 2, some 3 months, some 4 months. It depends on the specific job they have to do overseas and the length of the training period here required for that.

Mr. TABER. Are most of these people male or female?

Mr. SHRIVER. About 30 percent are female, 70 percent male.

ACTIVITIES IN WHICH VOLUNTEERS WILL PARTICIPATE

Mr. TABER. Could you give us a list of some of the activities that you expect them to participate in?

Mr. SHRIVER. Yes, sir; I can. A substantial number will be going overseas as teachers in secondary schools, some as teachers in universities, a large number as teachers aids in elementary schools. Most of them will be teaching English, some of them will be teaching science and mathematics, and so on. That is a large part of it.

There will be other people going overseas who will be agricultural workers working in the fields alongside the people of the foreign country. Others will be going over as health workers. We have had a large demand for health workers. We have not sent them over yet, but there is a huge demand for them overseas. Finally, we are trying to send over people who are skilled craftsmen. The reason a large number of them are teaching English overseas is because English, fortunately, has become the one most popular language in the world, and people all over the world want to learn English. In the Philippines they are particularly anxious to have people teach English because English is the national language in the Philippines, but a knowledge of English and facility in English in the Philippines have gone down.

Mr. PASSMAN. Mr. Rhodes?

Mr. RHODES. By the end of the next fiscal year you will have some 2,700 people trained?

Mr. SHRIVER. That is our projection or proposal for fiscal year 1962.

REPLACEMENT TRAINING

Mr. RHODES. Some of those people will be leaving the service during the following fiscal year, is that correct?

Mr. SHRIVER. Very few of them will be leaving that rapidly because the ones starting now will last into the subsequent fiscal year.

Mr. RHODES. The point is you will continue training? You have a replacement training problem. What will you do about this? You

will have some attrition, and if the program is authorized, it will undoubtedly continue beyond 2 years.

Mr. SHRIVER. Yes, we think that will be one of the better features of this program, that we will not have a problem, but we will have a terrific opportunity. Harvard has undertaken the Nigerian teacher project. Harvard gets them in the project only after studying it thoroughly. Harvard will be interested in its successful management into the future. They will be interested in getting good people into the program. In the future as people leave the program an institution like Harvard or Penn State or Ohio State or whatever other ones are involved will be themselves interested in attracting to their own program highly qualified graduates.

EVALUATION OF THE PEACE CORPS PROGRAM

Mr. RHODES. Is it the intention of the administration to continue the program over an indefinite period of time? I mean even though it might be authorized for 1 year, it certainly would be the intention that it would go on almost——

Mr. SHRIVER. Ad infinitum?

Mr. RHODES. To infinity.

Mr. SHRIVER. No, sir, that is not my intention so far as you mean the administration of the Peace Corps? Our intention is to conduct this thing, this program, according to the proposal set forth in the legislation and in our legislative presentation material and come back to Congress and report on what we have done and find out on the basis of experience whether what we are doing is helpful and successful. If it is not, we will curtail the program or cut it out altogether. I have no desire, and neither has anybody else in the Peace Corps—most of us do not need this job—to perpetuate something that is unsuccessful.

Mr. RHODES. In other words, you will take a realistic evaluation of the situation in 1 year, and if you feel it is accomplishing a desirable result, you will ask the Congress to continue it, and otherwise you will be the first one to say, "Let's knock it off and forget the whole thing"?

Mr. SHRIVER. That is correct.

Mr. RHODES. Do you think you can do that in 1 year?

Mr. SHRIVER. I was going to say, as Congressman Rooney said a minute ago, I think it is very difficult to have an ironclad result, you might say, that everybody would agree to. However, in some cases I think you could tell. We do not have to have one teaching project or a health project, we have a variety of projects. Some may well prove out in 1 year to have been undesirable.

Take this road surveying project in Tanganyika. I would think by this time next year we would have a pretty good idea how successful or how unsuccessful that project is.

Mr. RHODES. That would be either proving or disproving certain types of projects, not proving or disproving the value of the Peace Corps as an institution.

Mr. SHRIVER. I think it might. In other words, the people who are going out to Tanganyika are a fine group of men. So far as we have been able to determine, we believe they are well trained. They are being well received, I believe, in that country. At least, that is

the anticipation. We have done what we can to make sure that they had the proper kind of support and training. I would say that if groups like those groups cannot do the job we hope they can do, it would cast serious doubts on other programs.

Mr. PASSMAN. Under the present plan to go into 20 countries with this program, you are not going into the 20 countries with as much personnel as maybe could be utilized in the country at some subsequent date, if it works out well? Is that right?

Mr. SHRIVER. No, sir. The Peace Corps of the United States plus the Peace Corps of any other foreign country, or maybe three or four could never do all the jobs that have to be done in all the countries.

Mr. PASSMAN. It is a pertinent question, as to whether you are just taking in certain specialists to start with, and you could expand in each of these countries from the original program in subsequent years, if you should so desire.

Mr. SHRIVER. And if Congress approved, yes.

Mr. PASSMAN. It is understood that Congress would be supposed to approve. A lot of things they do not approve directly, but we shall not argue that point.

Assuming congressional approval, by the same token, if you should go into only half the countries, so far as the Peace Corps went, it would be just as successful in 10 countries as it would be in 20 countries, would it not?

Mr. SHRIVER.. That is right.

Mr. PASSMAN. If the Congress should elect to let you start a program, instead of going into 20 countries, in 10 countries, to first establish what the Peace Corps could do, then at a subsequent date permit you to expand it, would it be as successful in the 10 as it would be in 20 countries?

Mr. SHRIVER. The number of countries is no—there is no touchstone about the number of countries. We could say we could go to 50 countries, and the demand is certainly there. The Russians are in more than that now.

Mr. PASSMAN. I believe Under Secretary Bowles said, in effect, that we should stop thinking about where the Russians are going, and what they are doing, and we should teach them what we are doing, and let them make a free choice.

Mr. SHRIVER. They should have a free choice.

RUSSIAN ACTIVITIES

Mr. RHODES. Do the Russians have a Peace Corps?

Mr. SHRIVER. No, but they have people going in as workers into foreign countries, as you know, I am sure, better than I do, Congressman. They have a large number of people in many of the underdeveloped countries and in some of the so-called neutral countries, countries hanging in the balance. They are being infiltrated highly not only by the Russians, but by Chinese Communists, Czechoslovakians, Bulgarians, Poles.

Mr. RHODES. Are those people employed by the Soviet Government or are they members of a more formalized group such as the Peace Corps?

Mr. SHRIVER. I think they are employed by the Soviet Government. I do not think they have a group like the Peace Corps except insofar

as I think many people believe that all Soviet technicians overseas are covertly if not overtly in a group, namely, they are subject to the discipline of the Communist Party and represent an authoritarian regime and do what they are told, more like an army, even though without the title.

Mr. RHODES. I think most of them are trained by the MVD also. I would like to go off the record, if I may.

Mr. PASSMAN. Off the record.

(Discussion off the record.)

TRAINING TO COMBAT COMMUNIST INFLUENCE

Mr. RHODES. The members of the Peace Corps will be exposed to Communist agitation and Communist propaganda. Will they be given any training to combat this type of Communist activity?

Mr. SHRIVER. Yes, that is the purpose for training them, so that they know what is going on and what is being done by subversive elements in foreign countries so that they may be prepared to deal with it properly.

Mr. RHODES. So they are informed as to the type of Communist activity which takes place in the country in which they will be living for the next 2 years?

Mr. SHRIVER. Yes, sir; and with the Communist-type of conspiratorial activity in general, as well as in the specific country.

DESCRIPTION OF THE TRAINING PROGRAM

Mr. RHODES. Would you like to discuss the training program in general? I do not think we have actually had a clear picture of what you really do in training these people.

Mr. SHRIVER. Yes, sir; I would be glad to. The training programs vary a little from country to country. But in general what we do is this. We select the people who seem to be qualified to do a particular job in a particular country. We bring them as a group to a training site in this country, the training site is chosen because of the capacity of the faculty at that institution, the interest of the institution, the training courses it already has there with respect to the foreign country to which they are going.

For example, we chose Texas Western, in El Paso, to train people to go to Tanganyika. We chose it because of their fine civil engineering course there, because of their school of mines and the fine geologic course, also their surveying course. Those are the three skills needed in Tanganyika.

Also the temperature in El Paso at this time of year is similar to that to be found in Tanganyika. Also, rock formations in Texas there are similar to those in Tanganyika. There was a field training camp where they could do field surveying and thereby become better prepared for work over there. They also had a man come into the faculty this summer qualified to teach Swahili, the language in Tanganyika.

We selected that place as a training center. Our people go there for 2 months. In that training course they get a large part of the training devoted to what we have just been talking about—American history, government, civics, et cetera. Second, they get language training. Third, they get additional training in the skill they will

have to exercise overseas, let us say, surveying. Fourth, they get a course in health.

This course is set up specifically to acquaint them with what they can do and cannot do in terms of health in the country they are going to, what the dangers are to their health, what kind of food they can eat, when they can drink water and under what conditions, whether it has to be boiled; that type of thing. They get additional physical fitness programs under the direction of an athletic coach so that they are physically prepared.

This group subsequently gets additional training in the Puerto Rican oversea training site we have where they will get additional preparation for living in the tropics.

Mr. ROONEY. Will the distinguished gentleman yield at that point?

Mr. RHODES. Yes.

SERVICE-CONNECTED DISABILITY RIGHTS OF VOLUNTEERS

Mr. ROONEY. What provision is being made with regard to one of these volunteers going to Tanganyika and contracting a morbid disease? What rights would he have thereafter against the U.S. Government?

Mr. SHRIVER. In our statute, Congressman Rooney, we make provision for service-connected disabilities. Congressman Taber was reading it just a minute ago.

Mr. ROONEY. I was out of the room voting on the floor.

Mr. SHRIVER. Any injury or illness sustained not due to negligence or intoxication or something like that is deemed to be service-connected disability, just as if they were in the Army, let us say, or the Navy.

Mr. RHODES. However, it is under the Federal Employees Compensation Act. It has nothing to do with the law applying to service people.

Mr. SHRIVER. I am sorry, that was an inaccurate generalization.

Mr. ROONEY. It is the same as the law applying to a merchant seaman?

IN FIELD AND FOLLOWUP TRAINING

Mr. SHRIVER. Yes. When they finish the training program in Puerto Rico, they go to Tanganyika. In Tanganyika the Government has established at its own expense a 7-week training program up near Mount Kilimanjaro where they will continue the teaching of the language of Swahili, where they will continue training in civil engineering, and so on, because they feel there are certain things they can give them out there better than anybody could be taught here.

So that when they get into the field, they will have had approximately 5 months of intensive training in the skill they are going to fulfill, in the language, the customs and traditions of Tanganyika, the culture of that country, and at that point——

Mr. RHODES. Is there a followthrough on this from Texas Western or when they leave there is Texas Western through?

Mr. SHRIVER. They are through with Texas Western because Texas Western was the training contractor. In the case of the colleges and universities of Indiana, which Notre Dame is heading up, they continue to follow through because they are not only the training site but

are also the oversea administrator of the program which will take place in Chile.

Mr. RHODES. Who is the oversea administrator for the Tanganyika program?

Mr. SHRIVER. We are a direct government-to-government, operation, whereas Chile is a university operation and the one in Colombia is a private voluntary agency operation where we use CARE.

QUALIFICATIONS FOR THE PEACE CORPS

Mr. RHODES. As I understand it, the qualifications of Peace Corps persons are rather flexible. You actually recruit by the job, do you not?

Mr. SHRIVER. Primarily. In the beginning people in this country did not know exactly what the job would be that was needed overseas, so they volunteered, I think, pretty courageously into a vacuum. They did not know whether they would go to Africa or Asia or what the job would be. When we get a job agreed to with a country, we know exactly what those jobs are going to be, and we go back into the pool we have and find out the people who are there and the best ones for these specific jobs.

Mr. RHODES. You call them up as you have need for their particular skills?

Mr. SHRIVER. That is right.

Mr. RHODES. Do you not train any replacements? I think probably you are going to lose some people—persons who cannot adapt themselves or for some reason, desire to leave the service?

Mr. SHRIVER. During the training period we put into training more people than we intend to graduate for the reason you just cited and also to keep the competition going. Then when they are furnished with the training course, we send overseas only that number that have actually been requested by the foreign country. It is true that once they are over there, we would probably have some seepage or leakage, you might say, and ultimately we may lose a couple in each country or maybe more than that.

RECRUITMENT OF LEADERS

Mr. RHODESS. How do you recruit your leaders?

Mr. SHRIVER. By similar process, except that we make an unusual effort to attract people who have lived in the country, who know the language, and have experience themselves living in rural conditions. For example, we have a fellow who speaks fluent Malayan, who has lived in the villages and worked in the villages of Malaya for a number of years, who wants to come to us to go out as a person who is actually working at the village level.

Mr. RHODES. You do not necessarily try to get people from the Government, then, for leader jobs?

Mr. SHRIVER. From our Government?

Mr. RHODES. Yes.

Mr. SHRIVER. No, sir. We try to get the best people we can wherever they might be.

IDENTIFICATION FOR THE PEACE CORPS

Mr. RHODES. I note in your presentation that no uniforms are to be worn. Will not the Peace Corps member have any type of designation or symbol or some sort of means of identification to wear?

Mr. SHRIVER. It has been proposed that there be a pin similar to that of the American Legion or the Veterans of Foreign Wars, or something like that, that that be approved. We have had a number of designs submitted for approval. I think we probably will have some small insignia, but it will not be required of a person to wear it. In some countries it would be advantageous and in some countries not.

MEDICAL CARE FOR THE VOLUNTEER

Mr. RHODES. What about the medical care of the volunteer? I also note in the presentation that he is required to have certain physical examinations and his immunizations will be kept up. What physical means do you have for doing this in rather remote sections of the world?

Mr. SHRIVER. From the beginning we have been concerned about this problem and have been working closely with the Public Health Service. We have had a number of doctors volunteer to do this work for us. The Public Health Service has been contacting principally younger doctors around the country to find whether they would be interested.

As of today, we have gotten, I think, three or four or five, I do not know exactly how many, who have indicated they want to do this work and who want to go over to work, for example, in a hospital in a country where the Peace Corps volunteers are working. They would work as Peace Corps volunteer doctors in the local hospitals in addition to the work they do for the benefit of the native people there, they would have this supervisory job and be required to provide the immunizations, et cetera, and be available in case of some accident.

COMMUNICATION FACILITIES

Mr. RHODES. Will your missions abroad have communications facilities to contact the Peace Corps headquarters here in Washington or have you made any arrangements along those lines?

Mr. SHRIVER. We would work using the cable facilities of the U.S. State Department.

Mr. RHODES. Are they adequate for your purposes?

Mr. SHRIVER. Yes, sir. We do not have a great volume of cable material such as maybe other organizations do. As a matter of fact, we want to keep it down to a minimum. We try to keep it down.

Mr. RHODES. The State Department has told you they have adequate facilities to service their work and yours, too?

Mr. SHRIVER. Yes, sir.

Mr. RHODES. I noted the presentation book—which, by the way, is a very well done piece of work.

Mr. SHRIVER. Thank you.

LIMITATION ON MATERIAL FURNISHED

Mr. RHODES. I note that you do not undertake projects where the materiel to be furnished is over a thousand dollars per volunteer.

Mr. SHRIVER. Yes, sir.

Mr. RHODES. Is that strictly instructional material you are talking about or is it also construction material?

Mr. SHRIVER. Not construction material, but it is material they need to carry on, the tools of the trade. For example, take the surveyors going to Tanganyika. If the Tanganyika Government does not have the surveying equipment such as a transit, et cetera, we will supply it. Our teachers are going to the Philippines. They may need some teaching materials in addition to those already there. We will supply them.

This rule of a thousand dollars per volunteer is solely a rule of thumb and is an administrative decision of our own. It could be reduced to $500 or raised to $1,500. We can only determine that on the basis of experience, as to what it should actually be.

So far we have not, so far as I know, come up with any case where we had to supply anything more than that. This will always be equipment tied directly to the job the man has to do.

Mr. RHODES. Do you try to get the host government to furnish as much of this as possible?

Mr. SHRIVER. Yes, sir; in many cases they have volunteered, without our asking, to do so.

Mr. RHODES. What about the hours of work per volunteer?

Mr. SHRIVER. Twenty-four hours per day.

What I mean is, when they sign up, they sign up to be employees all the time. They do not have some time when they are in the Peace Corps and some time when they are not.

Mr. RHODES. Off the record.

(Off the record.)

TAX CONSIDERATION FOR PEACE CORPS MEMBERS

Mr. RHODES. Is the salary of the Peace Corps member taxable?

Mr. SHRIVER. We have made arrangements with the Treasury and the Internal Revenue Service whereby it will be taxable, but not as a lump sum payment. If they are over there for 2 years, they will get $900 per year, and if it is taxed separate years, they will have to pay a moderate tax. If they have to pay on it all, the tax will be appreciable. We have asked the Treasury Department to make a determination if this can be 2 separate years instead of 1 year.

Mr. TABER. You will have to go beyond that. They will have to pay income tax on the value of the quarters provided, their meal allotments, and that sort of thing.

Mr. SHRIVER. We have had a number of discussions with the Treasury and the Internal Revenue Bureau and the Chairman of the Ways and Means Committee of the House looking for a clarification of that so they will bear their fair share, but so they will not be penalized for their services in the Corps.

RACIAL CONSIDERATION IN DETERMINING POSTS

Mr. RHODES. Do you make any attempt to send a volunteer to parts of the world in which his race is predominant? In other words, as an example, do you try to send Negro volunteers to Africa?

Mr. SHRIVER. Yes, in the sense we are trying to get as many highly qualified people as we can.

On our questionnaire, there is no statement as to what their race is, or religion, so when we select it is impossible for us to know whether we are getting a Negro with these qualifications, a white man or a Chinese. In most of our programs today it is rather interesting there have been as many as 10 or 15 Negroes, Japanese-Americans, Puerto Ricans, a fairly good cross section. We are trying to appeal to minority groups to come into the Peace Corps because we think in many countries they can be better ambassadors for our country than others.

OPERATION OF SELECTION BOARD

Mr. RHODES. Who is on your selection board?

Mr. SHRIVER. The way it works, it is a changing group who are brought together by Nicholas Hobbs. He is an extraordinarily gifted man and has great contacts in the field of psychology and selection and testing and so on. This summer he was able to get a lot of people to work with us as consultants and they would process all the names through the IBM computers at the ICA building, and they would get out say 300 file jackets, and we are looking for 100 trainees, and they would take the 300 file jackets and they would pass them all around and study everything in them, and the people who are studying them are all skilled at this. Finally, they weed them out and get it down to 200, or 150, and then they make their final selection and then those go to training.

Mr. RHODES. Do you have any veto over their selections?

Mr. SHRIVER. The ultimate selection rests with the Director. Before anyone goes overseas, the Director has to approve them so I have the last say on them. I have not participated in this processing.

Mr. CONTE. This fellow we discussed from Miami, Fla., had he gone through this process?

Mr. SHRIVER. Yes. His record on paper was excellent and he did well on the examination. He had recommendations from excellent supporters, men of good standing in Miami.

Mr. RHODES. You still have to pass on this?

Mr. SHRIVER. Oh, yes. He is in the training program, and not only will I pass on him, but at the end of the training program a group of our employees and Penn State will go over this. We have not even planned to send overseas all the people in the training program. They know that when they go in.

Mr. RHODES. If they are not sent overseas, are their services terminated?

Mr. SHRIVER. It depends. If a man is not qualified to go to the particular country, but he is qualified to go to a different country, we encourage him to go to the other country so the effort put in on him is not lost. We have worked it out with some people who were in training for one particular country, when for one reason or the other the record showed they were not qualified or suitable for that particular

country, we have been able to rearrange them so they go to a different place, and in that way we have not lost the benefit of the training given to them. This is not true in all cases.

MEMBERS OF THE SELECTION BOARD

Mr. RHODES. Who are the other members of the selection board other than Mr. Hobbs?

Mr. SHRIVER. As I say, the selection board changes. We have people in his own office at our shop who worked on it. Most are people from academic life, teachers and professors and psychologists.

Mr. RHODES. Mr. Hobbs brings the panels together?

Mr. SHRIVER. Yes. The host country to which they are going has something to say about the people who come there. Just like we here would not want people from Nigeria to come into our country without any prior scrutiny by us, the Nigerian Government does not want Americans coming into Nigeria without any prior scrutiny by them. So they have helped and participated in the selection process of who is going to Nigeria.

Mr. RHODES. Where is the young fellow from Miami supposed to go?

Mr. SHRIVER. To the Philippine Islands. He is up at Penn State.

Mr. ROONEY. Are there presently in the training program any rejected competitors in the Foreign Service entrance exams?

Mr. SHRIVER. Not that I know of. I do not think we have any people who have been rejected in other competitions. I cannot vouch for that 100 percent. We have 12,000 or more people who have volunteered and I have not looked at all their records by any means.

BASIS FOR APPROPRIATION ESTIMATE

Mr. RHODES. As far as the money is concerned, I gather your justifications are illustrative and the $40 million is mainly your best estimate as to what you will need in this next fiscal year?

Mr. SHRIVER. That is correct. I would like to explain how we arrived at that. We started on the basis the building block for this structure was the volunteer. We elaborated in our presentation on exactly how we have computed the cost, and we have given this to scores of people in the missionary business, the ICA and State, and we have given it to people overseas, to find out whether they have any improvements they can recommend. Frankly, we have not gotten any suggestions that would indicate these figures are too much out of line. That is what we figure the cost of a volunteer is.

In respect to a cost in a foreign country, in Ghana our people in the Embassy, plus the Government officials, have computed what they think is going to be the cost of getting housing for four people in a village. Nobody has ever done this before. It is only an estimate, but it is the best estimate available at this time. It is illustrative, but it is not a wild guess. It is as well an educated guess as we can make.

WORK OF THE CORPSMEN WITH THE PEOPLE OF THE COUNTRIES

Mr. RHODES. Were you serious when you mentioned a while ago we would have people actually working in the fields with the people in the countries?

Mr. SHRIVER. Yes, sir. This group going to Tanganyika——

Mr. RHODES. I am talking about agricultural workers in the field harvesting crops and hoeing and that sort of thing.

Mr. SHRIVER. Yes; that is quite possible.

Mr. RHODES. Are they short of manpower?

Mr. SHRIVER. Take a group going down here into Colombia. They are called a village development worker. Their job is to go out into a village, along with Colombians, and try to energize that village into doing something for itself.

One of their objectives would be to see that these revolutionary movements that started at the grassroots would be a revolution to improve the standard of living. It could be a better school building, agricultural methods, home economics, housing. You have to start with something the people want and build from that.

In addition, it might mean the introduction of better farming techniques in the area around the village, so one of our people might find himself our working trying to demonstrate a better form of agriculture.

Mr. RHODES. It would be a form of demonstration. He would not be going out there primarily to do manual labor.

EXTENT OF INDEPENDENCE OF CORPS ACTIVITIES FROM ICA

If you have an individual corpsman who has been working for, or with, a member of the ICA, for instance, would the ICA pick up any part of the tab for the care of the corpsman?

Mr. SHRIVER. No, sir.

Let me give you a specific case. In the Punjab in India, Ohio State has a contract with ICA. I think they have about three or four high level professors of agriculture in Punjab. They have asked us to send a group of approximately 24 Peace Corps volunteers out there who would be skilled in animal husbandry, small crop cultivation, and so on. These people we send out there would probably live in the dormitories with Indian students of agriculture, and they would go out and do extension work in the village blocs. They would do it with Indian students. The professors out there live in rather nice quarters. They have a pretty high salary by comparison to our people, and they are not with the ordinary Indian going out on the farm, except occasionally. Their principal job out there is to teach agriculture, not to do agriculture, whereas our fellows are out there to carry out the program and carry out the instruction at the village level and make sure it becomes a permanent part of the local agricultural practices.

Mr. RHODES. If I understand you correctly, what you are saying is, there is no reimbursement, or no accounting made, because the volunteers would actually be doing something that otherwise would not be done by the other agency?

Mr. SHRIVER. There is no question about that. We supplement, but do not duplicate.

ADMINISTRATIVE EXPENSES

Mr. TABER. Do you mean the administrative expenses—and I am looking at page 23—would run $8,769,000, or would that be your overall expenditures?

Mr. SHRIVER. That would be our overall administrative and program support expenses assuming——

Mr. TABER. Would it include the pay and emoluments of the enlistees?

Mr. SHRIVER. No, sir. This is the overall program support.

Mr. TABER. The administrative support?

Mr. SHRIVER. The administrative and program costs of the program. This is part of the $40 million request.

Mr. TABER. Is there any breakdown of the $40 million?

Mr. SHRIVER. Yes.

Mr. TABER. Where is it?

Mr. SHRIVER. Page 26 in that same book you are looking at, Congressman.

Mr. TABER. That does not give much of a breakdown for $40 million.

Mr. SHRIVER. That is just a private agency.

On page 26, that is the total, and on the next page it is broken down, and then on the next page. So if you put pages 26, 27, and 28 together, and then you look at the chart on page 29, you can see how the total cost is arrived at.

AGES OF VOLUNTEERS

Mr. TABER. What would be the ages of these people who would get into this Peace Corps?

Mr. SHRIVER. The average age of the people selected so far is 24, and a median age of 27. So we are getting people under 24 and a number of people over 24. We have one couple up at Penn State, the husband is 56 and the wife is 53. They are members of the faculty of Oberlin College in Ohio and then volunteered to go to the Philippine Islands as teachers.

We have another who has volunteered to go to the West Indies at 53. They are the three oldest that I know of that have been selected. We have no upper age limit. The only age limitation is the physical stamina of the people who volunteer.

In most places, the physical requirements are going to be pretty difficult for older people to meet. The minimum age is 18. I do not think we have selected anybody 18. I think we have one person 19. Most of them are around 24, 25, 26, and 27—along there. Most of them at this stage of the game are college graduates, but not all. We have some men who have done exceedingly well in our exams whose highest formal education was high school. We are looking forward to getting a number of skilled craftsmen in the Peace Corps who likewise are not college graduates. Many countries need people who can do mechanical jobs—plumbers, automobile mechanics, and so on.

Mr. TABER. I do not think I have any more questions.

USE OF COUNTERPART FUNDS

Mr. ALEXANDER. Mr. Director, do you expect to use counterpart funds in any of these underdeveloped countries?

Mr. SHRIVER. Yes. We are seeking permission from Congress to use counterpart funds and that is in our law. We cannot use the funds without congressional approval.

Mr. ALEXANDER. How much of the $40 million can be used in counterpart funds, if congressional authorization is given?

Mr. SHRIVER. That is a very good question, and I am apologetic to say I do not know the answer. In the Indian program, a substantial

portion of that could be used up in counterpart funds if we get permission.

Mr. ALEXANDER. Could you work up a statement for the record as to exactly how much can be used?

Mr. SHRIVER. In order to get the figures, we will have to have approval of the Bureau of the Budget to assign counterpart funds in India to us. What you want to know is what it would be if permission was given to us.

Mr. ALEXANDER. What you could use if it is made available to you.

Mr. SHRIVER. Yes.

Mr. PASSMAN. And that would be part of the $40 million? You would have to furnish counterpart?

Mr. SHRIVER. We would have to.

Mr. ROONEY. He wants to know how much he can restrict you to, which is quite proper.

Mr. SHRIVER. Any way we can save money by using those funds, we will want to do it.

Mr. PASSMAN. If the Treasury owns local currency in India in excess of the Government's needs, then it will be available for you to purchase to the extent you can use those currencies?

Mr. BOGARDUS. That is really automatic. Overseas where we use local currency, the embassy will be buying it for us, and where there are U.S.-owned local currencies available, they will be bought.

Mr. PASSMAN. Mr. Alexander is a purse watcher.

Mr. SHRIVER. We have a provision in here asking for permission.

(The following information was supplied for the record:)

USE OF FOREIGN CURRENCIES BY THE PEACE CORPS

The Peace Corps is aware of the committee's interest in this subject and has given considerable thought to it. A number of legislative proposals were discussed within the executive branch. The provision finally proposed by the executive branch is section 17 of the Peace Corps bill (H.R. 7500) which provides that "whenever possible, expenditures incurred in carrying out functions under this act shall be paid for in such currency of the country or area where the expense is incurred as may be available to the United States." Should the committee wish to consider some other provision, the Peace Corps would, of course, be glad to cooperate fully with the committee.

Questions on this subject and Peace Corps' answers follow:

1. What are the Peace Corps plans for using foreign currency?

In accordance with proposed section 17, the Peace Corps policy is that wherever possible expenditures payable in foreign currencies will be paid in such currencies as are available to the United States. In the case of U.S.-owned currencies, funds appropriated for the Peace Corps and required for expenditures payable in foreign currencies will be allotted to Peace Corps representatives abroad, U.S. disbursing officers, and other appropriate officials. These funds will then be used in accordance with the Treasury's regulations, either to purchase needed amounts of foreign currency from the Treasury or other sources in accordance with normal procedures.

Also covered in the section 17 "such currency of the country or area where the expense is incurred as may be available to the United States" are foreign currencies not owned by the United States. While counterpart and other similar foreign currency funds are not owned by the United States, they would in general legally be available for use for the purposes of the Peace Corps. The Peace Corps intends to explore the possibility of utilizing such funds in its operations. It must be recognized, however that counterpart and other funds generated under the foreign aid programs are often earmarked for particular assistance purposes or programs. In order to obtain such currencies for use by the Peace Corps the consent of ICA, its proposed successor agency, the Agency for International Development (AID), or other U.S. agencies concerned, as well as that of the foreign government, probably would have first to be obtained. It is not possible,

therefore, to say to what extent such currencies might be available to the Peace Corps.

2. To what extent would foreign currencies be available without purchase from Treasury or appropriation for the purposes of the Peace Corps?

Non-U.S.-owned foreign currencies (counterpart and similar funds) are generally available without the use of appropriated dollars. But, as indicated in the preceding paragraph, the extent to which such foreign currencies would in fact be available to the Peace Corps is uncertain.

Under the provisions of section 1415 of the Supplemental Appropriation Act, 1953, U.S.-owned foreign currencies would generally be available to the Peace Corps only through purchase from the Treasury with appropriated dollars or appropriation by the Congress. U.S.-owned foreign currencies generated under section 402 of the Mutual Security Act of 1954 and a few other similar provisions would legally be available for the purposes of the Peace Corps without appropriation or purchase from the Treasury with appropriated dollars. But like counterpart and other similar non-U.S.-owned foreign currencies available to the United States, section 402 currencies are usually generated under the foreign aid program to serve specific foreign aid purposes. In order to obtain such currencies the Peace Corps would have to successfully compete with other proposed uses for such currencies and probably have to obtain the consent of ICA or the AID and the foreign government concerned.

U.S.-owned foreign currencies generated as a result of sales of surplus agricultural commodities under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480) and available for use under section 104(e) to promote balanced economic development, section 104(g) for loans to promote economic development, and section 104(f) for the payment of U.S. obligations abroad could also legally be used for the purposes of the Peace Corps without appropriation or purchase from the Treasury. While section 1415 of the Supplemental Appropriation Act, 1953, applies to all foreign currencies used for grants under section 104(e) and for the payment of U.S. obligations involving grants under section 104(f), section 104 also authorizes the President to waive the applicability of section 1415 where inappropriate or inconsistent with the purposes of title I. The final proviso to section 104 of Public Law 480, however, which in effect forbids the allocation (except as appropriated) of section 104 currencies which otherwise would be available for use in the fields of health and education, areas of endeavor which bulk large in Peace Corps planning, will severely limit the extent to which the Peace Corps might utilize such currencies.

It also should be noted that under most Public Law 480 sales agreements approval of proposed uses of so-called country-use currencies by the foreign government concerned must be obtained.

At the present time, the Peace Corps is not an allottee under Executive Order No. 10900 of any of the foreign currencies which accrue under section 104 of Public Law 480. Arrangements would have to be made within the executive branch, therefore, under which the Peace Corps would be able to utilize such currencies. The Peace Corps intends to discuss such arrangements with the Bureau of the Budget.

SUPERVISION BY NOTRE DAME UNIVERSITY OVER PROGRAM IN CHILE

Mr. ALEXANDER. I believe the cost for a student at Notre Dame who will be going to Chile would be $5,759. There would be 10 weeks orientation in Chile, and then supervision for the remainder of the 2 years.

What type of supervision would the college have after the 10 weeks' orientation period?

Mr. SHRIVER. In this case, the colleges have gotten together and they have picked the head of the department of romance languages in Notre Dame, Mr. Langford, to be what we call the project coordinator down there. He is going down there to live. He will help in the supervision of the work done by the volunteers in Chile. He is in this budget here at $26,000, for the 2 years, which is obviously

$13,000 per year. We think the Peace Corps will be most successful if it has expert guidance. We are contracting for that.

Mr. ALEXANDER. Would you itemize everything that would be included in the package deal of the $5,759 annual cost? That is an annual amount, is it not?

Mr. SHRIVER. Yes; that is the estimate.

Mr. ALEXANDER. Why would it cost the same in the second year as in the first?

Mr. SHRIVER. It has been averaged out over the 2-year period. It actually includes the payments to the Peace Corps volunteers. This is not as if we were handing it to Notre Dame.

Mr. ALEXANDER. I understand. What I want you to do is to itemize the amount to show exactly where the $5,759 will go.

Mr. SHRIVER. All right.

(The information, to be supplied, follows:)

Notre Dame estimated average cost per PCV per year—Chile project

Recruitment and selection for training and medical	$119
Training in United States:	
Room, board, and laundry	180
PCV allowance while in training, United States	72
Textbooks and supplies	16
Direct training administration	76
Teaching staff	179
Other direct costs (postage, travel of staff, telephone, office supplies, etc.)	142
Estimate of indirect cost	144
Subtotal	809
Transportation to Chile and return for volunteers and staff	540
Training in Chile (2½ months):	
Program coordination and staff	74
PCV room and board	140
PCV allowances	70
Instructional costs	23
Subtotal	307
Field assignment in Chile (20 months):	
Program coordination and staff	628
PCV living allowance	1,511
PCV vacation allowance	150
Teaching aids	12
Vehicle maintenance	327
Volunteers' work clothing, sleeping bags, etc	59
Volunteers' hospitalization, accident and life insurance	500
Indirect cost estimate	797
Subtotal	3,984
Total	5,759

Mr. ALEXANDER. Would the corpsmen be sent home at the end of the year?

Mr. SHRIVER. That is not our plan. They get leave but they get it there, not here.

QUESTION AS TO REENLISTMENTS

Mr. ALEXANDER. At the end of the second year, if he signs a new contract, I understand he would come back to the States?

Mr. SHRIVER. We have not actually decided on whether a person would be permitted to reenlist, or under what terms. That is a problem that obviously is a number of months away. We do not know whether or not it would be advisable, and if so, under what terms.

Certainly before we would permit anyone to reenlist, we would present to Congress our proposals for such reenlistments.

Mr. ALEXANDER. How large a Peace Corps do you envision?

Mr. SHRIVER. We project here for fiscal year 1962 a Peace Corps of 2,700 people.

Mr. ALEXANDER. I am looking ahead of that time. These new agencies usually grow very rapidly.

Do you envision that 2,700-men corps as a stable force for a period of years if it is successful?

Mr. SHRIVER. I have taken the position until we have approval for a program comparable to this from the Congress, it would certainly be premature for us dreaming what it is going to be 2, 3, 4, or 5 years from now. My thought is, how large a Peace Corps becomes will depend upon the quality of the Peace Corps personnel, the success that they achieve, or lack of success, and the approval of Congress. We have refrained from making these projections.

Mr. ALEXANDER. Excuse me a minute, Mr. Chairman, I have to go to the floor for the vote.

Mr. PASSMAN. Mr. Conte?

Mr. CONTE. At the outset, I want the record to show, Mr. Director, that this has been one of hte most forthright presentations I have heard before this committee. You have answered every question with a great deal of candor and clarity and the presentation was excellent. I do not believe that anyone could find fault with your presentation and I want to compliment you.

Mr. SHRIVER. Thank you very much.

REASON FOR CONTRACTS WITH UNIVERSITIES

Mr. CONTE. Mr. Director, why do you enter into these contracts with universities for training? Is there any advantage to this?

Mr. SHRIVER. We think there is, yes. In the first place, we are trying to train people to go to a particular country, let us say Ghana, and in order to do that we have to have people to teach them about Ghana, people who have been to Ghana and written books about Ghana, or made a study of it, and so on.

Generally speaking, you find most people like that in the academic community or related to it, teachers, professors, and specialists. We have gone to the academic field to find skilled persons of that type, specialists.

In the second place, we had to have a physical location for the training to take place, a place where there was housing, food, and so forth, and where they were accustomed to handling groups like this. In the summertime, a large number of our universities have available dormitory space, eating facilities, and they have teacher and student relationships and classrooms and so on.

It seemed efficient and economical to use those places which were standing there, you might say, idle, a part of the year.

Mr. CONTE. That makes a lot of sense.

In my travels, I went to Laos one year and saw some of the international voluntary service team out there. I was tremendously im-

pressed. I think it was one of the best programs I had seen any place in the world. They were doing a lot of good and one of the projects in particular that was doing a lot of good was the public health project. They had a nurse out there in the jungle from Philadelphia who had signed up in a program very similar to the Peace Corps for 2 years, and was paid $60 a month.

Mr. SHRIVER. They are now paid $80.

Mr. CONTE. A bit of a raise. This young lady was doing a tremendous job out there in the jungle taking care of the natives. There were mothers with their children strapped on their backs, children with malaria, lepers, and dysentery. They went to this nurse as a sort of white god for help and assistance. I was somewhat pleased to hear that you had 200 applications for nurses and I hope that you can implement this project and get some nurses out there in southeast Asia, Latin America, and Africa.

Mr. SHRIVER. There is no question but that is exactly what we want to do, although some Congressmen feel we have been going awfully fast presumptuously.

We felt we had to have enough specific programs to demonstrate to the Congress that we were talking, not with words, but in facts. As soon as we get approval, we want to move into these areas you suggest, especially as indicated in Latin America. There is a tremendous need for this down there. We have lots of requests from India and other countries. We could move pretty rapidly, we think if we could get the green light.

Mr. CONTE. Mr. Director, it is amazing how the American public feels about this. Members of Congress cannot visualize the force for good that this program performs unless they go out there and see it. I have gone about the world and taken slides of these projects and people, slides of this nurse with a long line of mothers with their children who walked through the jungles for a day or two to come and receive medication.

This nurse meant the difference between life and death. Every group I have shown these pictures to, were deeply impressed. I think if you could institute that kind of a program, and maybe show it to a few of the Congressmen when they travel around the world, you might better sell your program.

POSSIBILITY OF DOMESTIC ADVANTAGES OF THE CORPS

Mr. Director, a great deal of this $40 million will be spent right here in the United States, will it not?

Mr. SHRIVER. A substantial proportion of it. Ninety-five percent of it will be spent on American citizens whether here or there.

Mr. CONTE. The money will come back here? They cannot spend it over there?

Mr. SHRIVER. That is right. I tried to point out a number of times this is no foreign giveaway program. Ninety-five cents out of every dollar goes into feeding, training, education, and transportation of American citizens. When they come back to our country 2 years from now, we will have our own aid program in reverse. They will be bringing aid to our country and the aid will be a better educated citizenry, a better informed group of people about specific parts of the world.

These are the kinds of people needed in times past in some of our oversea operations. This is, people skilled in the knowledge of the culture and so on.

I think everybody we send comes back this way and it is not like a missionary who devotes his life and goes overseas and, in a sense, is lost to our country. These people go over and come back and, we hope, serve as a catalyst in our country in knowledge of foreign nations, especially the ones who come back and go into teaching. If they come back and go into a high school upstate in New York, or downstate in Illinois, they can talk about the country they have been to, the cultures, and the continents, with firsthand knowledge and this is much better from a teacher point of view than somebody who reads it out of a book. We think they will be very helpful.

QUESTION AS TO RACIAL AND RELIGIOUS PROBLEMS IN CERTAIN COUNTRIES

Mr. CONTE. Are we going to have any difficulties in the Middle East? As you know, there are a lot of restrictions in the Arab countries against people of Jewish faith. They say we cannot send our soldiers over there are we going to experience the same attitude against the Peace Corps. Let us take the Egyptians, for instance. What if Egypt makes a request for the Peace Corps and we send a group of boys and girls over there, and among that group is a Jewish boy? Then they say, "You can send the Peace Corps over here, but we will not allow you to send that individual." What attitude are you going to take in a situation such as that?

Mr. SHRIVER. If a person is prevented from going to a particular country because he is a Catholic, Protestant, or a Jew, we do not go to that country because our selection, recruitment, and training is on a nondiscriminatory basis. We offer our people on a nondiscriminatory basis, provided they have the skills that come in the request. We have been told by a number of Arab country people they have no objection, at least some of them have no objection, to Jewish people per se. It is only objected to in the case of those who come over for political propagandizing or religious propagandizing. In our basic materials, we say, no religious propagandizing or political propagandizing will be permitted.

If a Jewish citizen were a member of the team in Egypt, it would be understood he could not indulge in religious propagandizing or political propagandizing for political purposes. We are told by a number of Arab countries that under those circumstances they would accept Peace Corps volunteers and that is one of the jobs of the Peace Corps representative in a country, to make sure that our people are living under Peace Corps standards of life, you might say.

Second, Peace Corps performance in their skills and also not to engage in religious or political propagandizing.

Mr. RHODES. Would the gentleman yield?

Mr. CONTE. Yes.

Mr. RHODES. In response to one of my questions, I think you mentioned that the host country does have the right to screen the members of the Peace Corps who come in. Under the situation Mr. Conte mentioned, undoubtedly if an attempt were made to screen out those individuals for some specious reason, rather than stating the real one——

Mr. SHRIVER. That is right. We have to be sensitive.

Mr. RHODES. You have a rather subtle problem, in other words?

Mr. SHRIVER. That is correct, we do.

Let me say that we had three Jewish fellows in a group going to Egypt and they took everybody but these three, it would be obvious that that was the reason. It is a subtle problem and that is one of the reasons we have not gone into an absolute black and white distinction, except that we have said in all cases we recruit, select, and train on nondiscriminatory basis, and ship only on a similar basis.

Mr. CONTE. We will take a firm stand against this attitude of discriminating against our boys and girls in the Peace Corps because of race, color, or creed and we will not send a team over there to work under those circumstances?

Mr. SHRIVER. That is right. We agree that every country has its own sovereignty and they have to set up the standards that we will accept, or not accept the Peace Corps. I am sure that some countries, perhaps those behind the Iron Curtain, have standards that have nothing to do with race, but they will not, perhaps, accept a Peace Corps contingent. That is their prerogative and I think other countries—I know they have the same prerogatives—that does not mean because they set up a particular qualification we have to adhere to it. We have our hands full trying to meet requests coming to us from countries where there are no impediments in the way of our operations.

REQUEST FOR PEACE CORPS PROGRAM

Mr. CONTE. Have you received any requests from Communist countries, such as Poland or Yugoslavia?

Mr. SHRIVER. Not to my knowledge, not yet. No, but we have had contacts from at least one of the Arab countries and they know our principles and they do not seem to be averse, or at least, at the start, with accepting these conditions with us.

As I was saying earlier, we have not concluded with a large number of countries that have been pounding on the door, I am happy to say. We can make progress toward meeting some of these requests if we get the authorization. We have got the people over here who want to serve and we have the demand over there.

As a matter of fact, the demand overseas and the supply here is probably five times the number we have proposed and that is why we think this is not a grandiose idea. It is only one-fifth of the total number of Americans who would like to begin and I think it would be unfortunate, personally, if you have a large number of people who would like to serve in our country in this manner and we say, "No, you cannot do it."

Mr. CONTE. That weaves into the the next question.

DISCUSSION OF NEED FOR IMMEDIATE SIZE OF PROGRAM

You are asking for $40 million and if that is cut substantially, will it cripple your program?

Mr. SHRIVER. Yes, it will.

In our case, you see it is not as if money was the principal thing. It is people. Every time you cut $10,000, that means one more American who cannot serve, and if you cut $20,000, that is another Ameri-

can who cannot serve. It is not just as if we were engaged in a money-saving process. What we are doing is restricting the opportunities for Americans to serve their country in this way.

Mr. PASSMAN. Would the gentleman yield?

Mr. CONTE. Yes.

Mr. PASSMAN. You cannot cripple something that has not yet been brought into being. You do not have any people out there, and you did not start at all, and you could not be crippling anything because you do not have any program.

Your present plans call for going into 20 nations with 2,700 personnel. If you should decide you have 451 that will be graduating and be available to send out, and if you only went into 10 of the nations, rather than 20 of the nations, and had as complete a program in 10 of the nations as you would have had in 20 of the nations, had it been fully funded, it would be successful to the same degree as it would be with 20, if you only went into 10; would it not?

Mr. SHRIVER. Are you saying, Congressman, instead of putting 200 people into two different countries, you put 200 into one country?

Mr. PASSMAN. I am not saying that. Instead of funding this program to take you into 20 nations, if the Congress should decide they want to see this thing work first, and it would be funded to where you could have as complete a program in 10 nations, with half the money, as you would have in 20 nations with the total amount, it would simply follow that the program would be as successful in the 10 nations; would it not?

Mr. SHRIVER. Yes, but that is not what I think the Congressman was talking about.

Mr. PASSMAN. The Congressman said you would cripple the program if you cut it substantially.

Mr. CONTE. Maybe I had better qualify that.

Mr. PASSMAN. I think earlier you said that you had it planned for 20 nations for fiscal 1962; now if you only go into 10 nations with the same number of people, it would be a good program, at least in the 10 nations, would it not?

Mr. SHRIVER. Yes, but the converse of that is equally true; if it is successful in 10 countries, and doing a good job for our country, why not 20?

Mr. PASSMAN. We do not know whether it is going to be successful, if you have it in 75 nations, until after it is tried. Is the comment I have made relative to 10 nations, rather than 20, not accurate?

Mr. SHRIVER. It would not be as good for our country.

Mr. PASSMAN. That is to be decided by Congress.

For the 10 nations in which you would have personnel, if you did not go into the other 10, you would not defeat the program, would you?

Mr. SHRIVER. You would defeat the program with respect to all those who wished to volunteer.

Mr. PASSMAN. I am not arguing that point, but would the program be a failure in 10 nations, if you went into 10 nations of the 20, with the same type of operation as you presently have planned for the 20 nations? It would be as successful in the 10 nations, would it not?

Mr. SHRIVER. I think the real answer to that is how large a spectrum of opportunity you have to determine this. As I said earlier, if

you have a successful program in Tanganyika, that is no proof you would have one in Ghana.

Mr. PASSMAN. You have personnel in training, or who will be placed in training, to staff this program in 20 nations for fiscal 1962, and in each one of these nations, you have a certain number of personnel at a certain cost. You could go into 8 nations, or 12 nations, or 14 or 20 nations, but if the money, if it should be cut back, rather than spreading it thin, and going into 20 nations, you would try to carry on a good program, in, say, 10 nations; would you not?

Mr. SHRIVER. Yes; but that does not get at what I think the real heart of the matter is. If there is a certain challenge to our country and there is a certain response in our country to meet the challenge, and we go only halfway, it seems to me unfortunate.

Mr. PASSMAN. After 186 years of existence of our Nation, and thousands of years in the case of some of the nations you may go into, I do not see how a 1-year trial run on this would wreck the program for future years.

Mr. SHRIVER. Many people are saying that as the growth of this technical aid program from the Soviet bloc countries is going so precipitously, this kind of a program should have been started 10 years ago.

Mr. PASSMAN. I never have subscribed to the philosophy that something born overnight is necessarily so good that we do not know how people lived without it.

Mr. ROONEY. Will the distinguished gentleman yield?

This is not a new idea? This idea is at least 10 years old?

Mr. SHRIVER. Other countries have been doing it. England has had a voluntary oversea service and the Japanese have people down in southeast Asia doing this type of work.

Mr. PASSMAN. Private agencies have been doing it in the United States, but the United States itself is getting into the act?

I do not think it is any magic number of nations you would need to go into for the program to be a failure or a success, as the case may be.

I thank the gentleman.

BASIS FOR ESTIMATE OF NUMBER OF VOLUNTEERS FOR 1962

Mr. CONTE. Mr. Director, how did you arrive at the figure of 2,700 volunteers for 1962?

Mr. SHRIVER. What we tried to do was to get a conservative compromise from the demands overseas and the supply here which we felt we could administer ourselves and through private agencies and through universities, rather than to try to bite off the whole thing at one time, and we are trying to get it scaled down to what seemed to be a manageable size. Nobody—at least, I cannot say there is some sacrosanct aspect of the 2,700 number. It may turn out that we could manage a program of 3,000 or 3,500. It may also turn out that the program will end up with maybe 2,500. If it is 2,500 instead of 2,700, that means that that amount of money will stay in the Treasury. We never get it. We do not have anything else to do with it.

If we do not get the volunteers, or mount the program successfully, then we cannot use the money to lend it to somebody to build a dam or to buy a tank or something.

Mr. CONTE. It has to be used for this purpose?

Mr. SHRIVER. That is right.

It is a single purpose, and if we do not get it, we do not get the 2,700, and this means the Treasury gets the money back.

Mr. CONTE. You had no doubt at this point that you will have any any trouble getting that?

Mr. SHRIVER. We think it is manageable and we think we can do it and it is conservative in terms of demand and supply. Only experience will show whether that is actually a fact, but if we end up with 2,000 instead of 2,700, it means that the Treasury does not have to spend the money.

I would be a pennypinching fellow on our side to make sure we do not get into projects where we do not have the right people and cannot do the job.

Mr. CONTE. Mr. Director, how does the host country go about making a request?

Mr. SHRIVER. It varies from place to place and sometimes here in Washington second level fellows in the Pakistan or the Indian Embassy will start talking to some of our people informally. Sometimes the ambassador from a foreign country will call me up and say they want somebody.

May I go off the record?

(Discussion off the record.)

The crucial thing is that we never go anywhere unless the Government itself invites us to go. We stay only as long as we are welcome and that corollary is obvious, but let me get it in the record.

PURPOSE OF THE PEACE CORPS

Mr. CONTE. Mr. Director, there has been a lot of examination here today but I do not believe anybody has answered the question of what is the exact purpose of the Peace Corps?

What do you intend to accomplish?

Mr. SHRIVER. Basically, the the President said at the beginning, the Peace Corps is set up to meet a need of the developing countries for skilled manpower. That is No. 1, skilled manpower which will help them in their cultural, economic, and social development.

The second point is the educational problem, educational for our own people and educational for the people overseas. I think they will get a much better image of America than they have had in times past. Certainly, for our own people, it will be a valuable educational experience which will enable them to be much better citizens when they return.

I think that it will also give the average American citizen a chance for personal participation in this worldwide struggle that is going on.

Some of our citizens are frustrated and they think the whole thing is taken care of by President Kennedy and Mr. Khrushchev and here is a contest vital to their future and their children's future, and they cannot do anything.

Here is a way they can personally participate on behalf of their own country in the development of world peace.

We tried to sum up those conditions in our original bill when we declared the purpose of the Peace Corps operation.

In my own mind, it is a component of the combined aspects: skilled manpower and the volunteer spirit. I think that is very important,

that we attack the sense of dedication and voluntary willingness to do something; that is, personal initiative.

Thirdly, education: fourthly, contributing to the economic and social and cultural development of a foreign country; fifth, it gives an opportunity for personal participation in the worldwide struggle.

TRANSPORTATION FOR THE CORPSMEN

Mr. CONTE. One other question, Mr. Director: Are the members of the Peace Corps going to have automobiles to drive around in these countries?

Mr. SHRIVER. No, sir; in some countries like Nigeria, the Government—and I was out there and they told me this—they said that if you have 4 Peace Corps persons in a town of 5,000 people in Nigeria, and you give them no transportation, it would be a tremendous mistake, a grievous mistake.

They would have to be able to move in that area and if there were a jeep for those four people out there, it would be desirable; and similarly in the Philippines we perhaps do not need a jeep—perhaps a bicycle, a motorscooter, or something like that.

The transportation will vary with the conditions in the country and the remoteness of the operation.

In our project in Tanganyika we plan to purchase some Landrovers, and the reason is that supplies, tools, and parts are available for Landrovers in Tanganyika.

Our people will be doing work out in the very remote parts of the country, and in surveying and doing civil engineering work—450 or 500 miles in. They need to be able to move, and it is a part of their job. In that case, we are proposing to purchase Landrovers.

Just because we get Landrovers there does not mean that in a rural development project like Colombia, we also have to have Landrovers.

In other words, each one is tailormade to the needs of the job, and rather than have an arbitrary ceiling in advance, that we are going to have one bicycle for every five Peace Corps volunteers——

Mr. CONTE. How about transportation from the United States to the locus?

Mr. SHRIVER. To the local scene? We have all those in tourist class, or if we can get it cheaper by chartering an airplane, if we are sending a big contingent, we will get it cheaper that way and save the money.

Mr. CONTE. No further questions, Mr. Chairman.

Mr. PASSMAN. Governor Montoya?

STATE AND ICA ADMINISTRATIVE SUPPORT

Mr. MONTOYA. Mr. Shriver, I notice on page 23 of your justifications that you have an item there for State and ICA administrative support for fiscal 1961, at $86,287.

I presume you have already expended that?

Mr. SHRIVER. Yes, sir. That is the best estimate we have. We have not gotten the bills from them yet.

Mr. BOGARDUS. Yes; we have.

Mr. SHRIVER. Very good.

Mr. MONTOYA. Your estimate for 1962 is $2,236,800, and what does that entail?

Mr. SHRIVER. It entails all of the backstopping they hope to get, not only hope but will get from ICA and USOM. Just the drawing of checks is a process that has to be done by somebody, and there is no point in our setting up a bureaucracy overseas when they have a fellow with a checkwriting machine. They can write a check for a volunteer just as well as a check for a secretary in the office. It involves cable costs, in sending messages across the ocean.

Mr. MONTOYA. They are going to bill you for actual expenses?

Mr. SHRIVER. Yes, sir.

Mr. MONTOYA. They are not going to charge you for personnel costs?

Mr. BOGARDUS. It is on a factor basis. They take the whole official American community in a given place and if there are 500 Americans, including four Peace Corps staff people, we are supposed to pay four five-hundredths of all of the administrative support costs.

Mr. MONTOYA. Have you gone into this thoroughly and do you think it is justified?

Mr. BOGARDUS. These costs are illustrative, Mr. Chairman. We have asked the Peace Corps representative in the country to sit down with the embassy and the USOM and decide, on a function-by-function basis, which agency is the better equipped to handle that service in that given area, ICA or the embassy, and to submit their joint recommendations to us.

We in Washington will sit down with the State Department and ICA and decide how justifiable that bill is.

Mr. ROONEY. Would the distinguished gentleman yield?

Mr. MONTOYA. Yes.

Mr. ROONEY. I would not expect that the State Department would charge the same for backstopping a Peace Corps volunteer as it would for a $19,000 per annum American Foreign Service officer with a $11,000 allowance on top of that.

You had better make sure of the figures submitted to you by the State Department. They sometimes overcharge the other agencies of Government with whom they do business.

Mr. MONTOYA. The thing that surprises me, Mr. Shriver, is that you are providing here one-twentieth of the total amount for reimbursement for administrative support to ICA and the State Department. That seems exorbitant and maybe it is not, but it is worth watching very closely.

Mr. SHRIVER. I could not agree with you more. As Mr. Bogardus has just said, this is the best estimate we can get now, but insofar as we possibly can we want to make sure we are getting every dollar's worth of service that we are paying for.

Mr. PASSMAN. It would pay you to go back and read what Mr. Rooney just said. Would you want to repeat that?

Mr. ROONEY. They have been overcharging ICA for many years.

Mr. MONTOYA. Would you say they might already have asked for this sum in their budget?

Mr. BOGARDUS. I do not think so, Mr. Congressman. They have no way of knowing what services they are going to provide at this point, nor in what countries.

Mr. MONTOYA. We want to watch it, though. When I was in Malaya, I had a very good friend, the second in command out there, and he almost charged me for the space I was standing on while I talked to him that particular day.

Mr. MONTOYA. I have a few more questions and then I will conclude.

COST PER VOLUNTEER FOR CHILEAN PROJECT

A few minutes ago you were going into the average cost per trainee from the time you start recruiting him until he concludes a year's service in the field, and I believe the figure which was read into the record was $5,759.

Mr. SHRIVER. No, sir. That was the cost of the Notre Dame part, plus their oversea administration, but that was just what went to Notre Dame. The total cost of that, I think, is $7,183 per volunteer for the Chile project. Of that $7,183, the $5,759 is the part which is administered through Notre Dame as the administering agency for that project. The remainder is a proportionate share of the total overhead cost of the entire Peace Corps operation attributable to that operation.

Mr. MONTOYA. You have already signed contracts with Colorado University, Ohio State University, Texas Western, Penn State, the University of California, Harvard, and Notre Dame. Is that correct?

Mr. SHRIVER. Yes, sir, but they are not all exactly alike.

Mr. MONTOYA. I understand that. In analyzing the Notre Dame contract, which I do not happen to have here——

Mr. SHRIVER. Here is one. That is the Chile project to which you referred.

Mr. MONTOYA. I do not know that you have this in the record yet. The $5,759 which you average out under the Notre Dame contract is not exactly a direct payment for each trainee to Notre Dame, but rather, the average is arrived at by taking into consideration the initial recruitment. Is that right?

Mr. SHRIVER. They participated in that, yes, sir.

Mr. MONTOYA. Then the transportation to the school.

Mr. SHRIVER. Yes, sir.

Mr. MONTOYA. And the physical examination.

Mr. SHRIVER. Yes, sir.

Mr. MONTOYA. The expenses in the United States in transit.

Mr. SHRIVER. Yes, sir.

Mr. MONTOYA. And also in the college.

Mr. SHRIVER. That is correct.

Mr. MONTOYA. Then the rest is for teaching staff, development of training program, administration, textbooks and supplies, is that right?

Mr. SHRIVER. Yes, sir.

Mr. MONTOYA. Then you have subsistence costs at the university, and laundry.

Mr. SHRIVER. Yes.

Mr. MONTOYA. What are these readjustment allowances that you have in your schedule?

Mr. SHRIVER. Those are the payments of $75 a month which are not actually disbursed but which are kept here to the account of each volunteer, payable to him or her upon their return to this country.

Mr. MONTOYA. Then you have insurance for these people, have you not?

Mr. SHRIVER. Yes, sir.

Mr. MONTOYA. Medical care insurance?

Mr. SHRIVER. Yes, and life insurance. We have asked permission from the Bureau of the Budget and others to incorporate in our contract with volunteers a $10,000 life insurance premium payable to their dependents. That is what that figure is for.

Mr. MONTOYA. So all these items enter into the figure which you have averaged out at $5,759 as the cost under this particular contract?

Mr. SHRIVER. That is correct.

POSTTRAINING IMPLEMENTATION BY CONTRACT SCHOOLS

Mr. MONTOYA. If you have not covered this particular aspect, you may answer my question. If you have answered it while I was absent, you may tell me that you have and I will read your answer in the record.

After the training program has been completed in one of the American schools pursuant to contract, what particular work is done to implement this preliminary training by the school that requires further payment for that service?

Mr. SHRIVER. None if the school is not participating in the oversea part of the program. For example, we had a training project at Texas Western College for Tanganyika, and when the graduation took place yesterday that was the end of their training and Texas Western College had no further commitment financial or otherwise, with respect to those volunteers or their performance of duty over in Tanganyika. However, the Notre Dame contract is different.

Mr. MONTOYA. I notice under Chile you have assigned 10 additional weeks.

Mr. SHRIVER. That is right. In Chile that program is a university-administered program, and the Notre Dame University, acting as agent in behalf of all the colleges of Indiana, will actually administer the program down in Chile.

Mr. MONTOYA. Do I understand you to say that Notre Dame is acting in behalf of different colleges in Indiana in servicing this group?

Mr. SHRIVER. Yes, sir. There is a group called the Indiana Conference on Higher Education, composed of 34 colleges and universities in Indiana, public as well as private institutions. Notre Dame is the contractor operating on their behalf.

Mr. MONTOYA. The other colleges are participating?

Mr. SHRIVER. Yes, sir. They help in the recruitment. They try to get men and women from their colleges into the program. They have a representative who has been to Chile from the University of Indiana. They sent the assistant to the president down to look at the particular project to see if they thought it was good.

Mr. MONTOYA. Have they any professors in this training from the other colleges?

Mr. SHRIVER. I am not sure if they have from Indiana and Purdue. They do come from a substantial number of different colleges.

Mr. MONTOYA. They do come from colleges other than Notre Dame?

Mr. SHRIVER. Yes, sir. We have a record, if you would like to know exactly who does that work.

Mr. MONTOYA. That is all right. That is all with respect to that.

IMPORTANCE OF LANGUAGE BACKGROUND AND TRAINING

What about the language requirements for these people who are going into South America? What kind of training have they received in languages? What do you require by way of language background for them?

Mr. SHRIVER. Of course, the better their Spanish is before they even start the Peace Corps program, the happier we are.

Mr. MONTOYA. They are not going down there with one of these 3-month State Department cram courses, are they?

Mr. SHRIVER. No, sir. About 60 percent of all the people in the project at Notre Dame are persons who were fluent or fairly fluent in Spanish before they ever got into this program. They had been studying it in college. Some of them were perhaps even bilingual. Some of them did not have that previous experience with Spanish, and for them, as for the others, Spanish was a big part of the training program at Notre Dame. When they get to Chile, there is a 10-week additional training program in Chile at the Institute of Rural Education, where obviously the language training will continue at the maximum. So by the time——

Mr. MONTOYA. Mr. Shriver, in 8 weeks at Notre Dame and 10 weeks in Chile, they cannot learn any Spanish. I am over 40 now, and I have not learned Spanish as fluently as I would like to learn it.

Mr. SHRIVER. I did not mean that they would be fluent, Congressman. What I did mean was that they would have a sufficient foundation that they would have no personal timidity or hesitancy in building on the foundation so they do become more proficient as each month goes by.

Mr. MONTOYA. The point I want to make, Mr. Shriver, is that if these young boys and girls do not have a fair knowledge of Spanish and are not able to communicate in the Spanish language, then your program will suffer in these countries for lack of proper communication. You may have received assurances that some of these students have had 3 years or 4 years of Spanish, but unless they have spoken it, have conversed in that language, and have practiced it, they are not qualified to communicate in the Spanish language.

Mr. SHRIVER. We agree, Congressman, that if we could get people in all cases who were bilingual, it would be most desirable. But in selecting people to go to India, for example, it is difficult to find people in this country who are bilingual in Hindi or Bengali or Punjabi.

Mr. MONTOYA. I might add, also, that with respect to the French-speaking nations in Africa, you will encounter the same situation.

Mr. SHRIVER. That is correct. We would hope there, as in South America, to have people who are bilingual.

Mr. MONTOYA. That is all, Mr. Shriver.

Mr. SHRIVER. If we could get more recruits who could speak Spanish, we would be delighted.

Mr. MONTOYA. I hope we can, particularly those who have a desire to work in Peace Corps circumstances and in the particular countries involved. If we can get approval from the Congress, we want to be able to have a good program in Latin America. We think Latin America is one of the most important areas for Peace Corps workers to go.

Mr. PASSMAN. What language is used out in Tanganyika?

Mr. SHRIVER. Swahili.

Mr. PASSMAN. How much training have you given to the volunteers in that language?

Mr. SHRIVER. They have been getting, you might say, elementary Swahili at Texas Western.

Mr. PASSMAN. For how long a period?

Mr. SHRIVER. During the period they were there, which was 8 weeks. Then in Tanganyika the Government has asked us not to proceed too far with Swahili instruction here because they claim, and presumably they know more about it than others, that they can give Swahili instruction much more efficiently and rapidly and effectively in Tanganyika than it can be given elsewhere.

Mr. PASSMAN. Have they picked up sufficient knowledge of the language to be able to converse with the Tanganyikan who has been to this country? I believe we have had representatives of that Government here.

Mr. SHRIVER. Yes. Mr. Chudley, who was here, is an English civil servant, so he spoke English. I would say they are not prepared to carry on conversation in Swahili.

Mr. PASSMAN. What would they be able to do over there until such time as they learn the language and are able to communicate?

Mr. SHRIVER. They would be able to do very good work because, as the Government officials who have come here said, they will know enough Swahili by the time they hit the field to do the job which is required. This is a program, Congressman, that has been developed with the Government of Tanganyika, which has sent representatives over here to see how the training is progressing.

Mr. PASSMAN. How will they be able to go out with the natives and plan this highway system?

Mr. SHRIVER. They will go out and get 8 more weeks' training.

Mr. PASSMAN. That gives them 16 weeks, or 4 months. How will they be able to explain to these people what they are talking about when they are planning a farm-to-market road?

Mr. SHRIVER. They will be able to, according to the people over there.

Mr. PASSMAN. We hope that they will.

Mr. SHRIVER. So do we hope.

One might say it would be desirable to have 5 years of training before they went and everybody should be bilingual.

Mr. PASSMAN. I think we are in accord that they should have a working knowledge of the language. I am just wondering in how many instances we are sending personnel out where they do have a fair knowledge of the language. I would say some of these people knew some Spanish before you even planned to send them to Latin America.

Mr. SHRIVER. That is correct. One of the byproducts which would be of benefit, we think, Congressman, if the Peace Corps is established, is that people would begin to prepare themselves in the future for Peace Corps service.

Mr. PASSMAN. That is long range, though.

Mr. SHRIVER. It could even be 1 year. For example, let us say a man was a senior in college, and he knew that he was going to try to qualify to be in the Peace Corps and go to South America. He would have a great incentive to do better work in Spanish than if he thought he never was going to use it as an actual operating thing. One of the difficulties about teaching languages here in this country is that most

Americans figure they never will have a chance really to use the language. Now in the Peace Corps they not only will have a chance but they will have the necessity for using it. It will give them an incentive to learn it, and we and educators think this will be very beneficial in our educational system.

Mr. PASSMAN. We hope this will work out successfully, but the language barrier could be a very serious obstacle.

Mr. Shriver, in behalf of the committee, I want to thank you and the members of your staff for the presentation you have made today. You have been very forthright. You came to us with a record that the committee members felt qualified you to handle this job, and I think the feeling has been greatly enhanced among the members of the committee. I do not think we have had any witness before the committee who has acquired any more knowledge of his subject than you have done in a matter of 6 or 7 months. It is obvious that your heart is in the program.

I think you should be commended for the type of presentation you have made with respect to the cost of these trainees. This committee has been hearing witnesses for many years, and I could not help but be reminded of one contract which cost us $1,113,000 to maintain 12 technicians in Iran. That was $90,000 per individual for 42 months.

I still believe that if this is as good as it could be, or as good as it should be, or as good as some of your people think it will be, you could not seriously object to maybe a partial trial run operation, because then, if it is succesful, you will have made your case. If you go into 10 nations with a complete program, rather than 20 nations with a complete program, and it proves to be good, and these young people deliver up to your expectations and that of the American taxpayers, you would have little difficulty getting sufficient funds in subsequent years. We have waited all of our lives to get started on this program. I want to go with you as far as I can, but I hope that somewhere along the way there may be some compromise, so we can first find out that it will work advantageously. After that has been determined, and if it really proves to be something we have been waiting for and needing, then you will have something concrete with which to go to the American people and to present to the Congress. We will work with you as far as we can.

Mr. SHRIVER. Thank you very much, Congressman.

EFFECT OF REDUCTION IN APPROPRIATIONS

Mr. ROONEY. I do not know whether this question was asked earlier in the day during my absence. Let me ask: What would be the consequence if this $40 million were not supplied by the Congress?

Mr. PASSMAN. We discussed that briefly.

Mr. ROONEY. Have you answered that previously? Will you briefly advise us what would be the consequence of failure of Congress at this time to supply the $40 million?

Mr. SHRIVER. I think there would be a variety of reactions, some of which I think would be undesirable.

First, I think if the Congress were to say, after the effort that has been put in for 5 or 6 months to develop a rational and practical program, that it was really only half as good as the people who have been working on it think that it is, it would have a tendency to reduce a cer-

tain amount of interest in the program on the part of volunteers who would otherwise be interested in volunteering. In some foreign countries that have been anxiously trying to get us to come there and open up programs with them, it would be to them a cutting-off of the opportunity they had been looking forward to expectantly, something that would be helpful to those countries.

With respect to the people in our country, I think it would mean that the Congress has investigated us very carefully and does not think that it is as good as the President perhaps thought when he proposed it.

I would like to say that we have tried our best to present a practical, down-to-earth program with cost figures as good as it is humanly possible to obtain. Genuinely, in my judgment, it is a 1-year program. Of the 2,700 volunteers that we are talking about, 2,000 are not really forward funded at all. The funds for them are requested, and it covers their cost just for fiscal 1962. About 700 of these 2,700, the difference, that is, will be in a 2-year forward-funding program administered by private agencies, and we have been trying to help private agencies rather than to compete with them or squash them down with a big Government bureaucracy. The authority we have asked for is expressly subject to congressional action, namely, the forward-funding authority. If the Congress does not want to give it to us, we do not have it. We certainly have not tried to deceive anybody about that.

Finally, as should be, in my judgment, with most programs, Congress could decide to end the program on June 30, 1962. If it ended at that time, there would be the cost of bringing the volunteers home and winding up the contracts. There would not be any penalty, dollarwise, above that to the American people, although I think it would have unfortunate psychological consequences in that if the volunteers are doing a good job in foreign countries, the foreign countries would be unhappy that we had decided to terminate it.

But we are not asking Congress or this committee to commit themselves to something they can never extricate themselves from or commit themselves to something where there are a lot of hidden costs or commit themselves to something which will grow like Topsy. Everything we are proposing is as expressly set forth as we can humanly do it, and we intend in subsequent years when we come before the committee to do just as good a job as we can in giving all the facts.

Mr. PASSMAN. As it applies to our Federal Government, this is a new program.

Mr. SHRIVER. Yes, sir.

Mr. PASSMAN. As of this time, you have no personnel yet actually assigned to any nation.

Mr. SHRIVER. That is not quite accurate, sir. We graduated people yesterday to go to Tanganyika. The Tanganyika Government——

Mr. PASSMAN. None of your Peace Corps personnel are yet out in the nations where they will be stationed?

Mr. SHRIVER. No, sir, but they will be out——

Mr. PASSMAN. It is a new program. We are just now starting on it, and you are yet to send personnel out.

You have a program which, at a cost of $40 million, would take you into 20 countries on a 2-year funding basis.

Mr. SHRIVER. I might say, since you have repeated that figure "20" several times, Congressman——

Mr. PASSMAN. I thought you used the figure.

Mr. SHRIVER. In response to a question about how many countries we might be operating in in 1962, I said between 20 and 24 or 25 countries had been in contact with us. I cannot say now whether we will be in 17, 18, 21, 20, 23. It depends upon how negotiation goes forward with some of these countries.

Mr. PASSMAN. Have you sufficient personnel? Do you know about what type of programs you will have in a country? Let us take country A. You know just about the type of personnel and the type of program?

Mr. SHRIVER. With respect to the countries with which we have concluded negotiations, we know exactly what kind of personnel and what kind of jobs and where they will be carrying on those jobs.

Mr. PASSMAN. If you are funded for 2 years, it will give you sufficient personnel with the type of program you have planned to take you into 24 nations. If you went into only 12 of those nations with the same type of program, the same number of personnel, as it would apply to the 12, it would be just as successful, would it not? I am trying to find out how you make the case that you either get it all or it is a failure.

Mr. SHRIVER. It is not that. It is this. Overseas, Congressman, there has been a tremendous demand for the kind of services which Peace Corps volunteers can give.

Mr. PASSMAN. Let us say that we agree.

Mr. SHRIVER. It is like opening up a store, a huge number of people come in, and at 5 o'clock, closing time, you have 500 people wanting to go in. You say, no, we are closing, and you close the door. Or, you have a church and 5,000 people want in but the church will only hold 500. You shut the door and you say to the rest that they cannot get in.

Mr. PASSMAN. If the Congress should say that for a trial run we want to give you half this money, $20 million, and we would like to have you limit the program, if you will, to 1 year and 12 nations, rather than to 24 nations, could you do a creditable job in the 12 nations?

Mr. SHRIVER. We say if that were actually the decision, we have already concluded negotiations with eight. That would mean that all the nations of the world would know that there were only four other nations that could possibly participate in the Peace Corps program this fiscal year. I think it would be a great disappointment.

There is a tremendous revolution going on all over the world.

Mr. PASSMAN. If you give funds for the 24 nations, how about the other 86 nations of the world you cannot help?

Mr. SHRIVER. The way we reached the estimate of the number of people involved, as I tried to explain to Mr. Conte, was that we took a conservative total figure out of the number of people who want to volunteer, the number who are wanted overseas, and therefore we cut it down to one-fifth of what was being asked for, the number of people who were trying to volunteer. We thought if we said to four out of five Americans that you do not have a chance to go——

Mr. PASSMAN. Then you will disappoint four out of the five Americans who want to get in.

Mr. SHRIVER. Four out of the five under the present program, and you are suggesting we disappoint 9 out of 10. I do not think necessarily that it follows that it is desirable to disappoint 9 out of 10.

BASIS FOR ESTIMATE AND NUMBER OF NATIONS TO BE INCLUDED IN PROGRAM

Mr. PASSMAN. How did you arrive at the $40 million and the 24 nations? Could you not just as readily have arrived at 12 nations and $20 million, until this thing has been pinned down and is successful and we know that this is what we want to operate?

Mr. SHRIVER. When we started off, we did not know whether it would be 1 nation or 20 nations, $2 million or $60 million. We arrived at $40 million on the basis of the demand overseas, the supply at home, the administrative complexities of getting it started, and our best estimate of what we could do under all conditions obtaining. We got the figure as a result of that, not because we wanted to have 24 nations or 12, but because in terms of the facts of the situation we thought we could mount a program of this size.

We say repeatedly that if it does not turn out to be the fact, the only thing that happens is we do not use the money and do not spend it, and let us say it turns out that we can only intelligently utilize $25 million. That is all we utilize.

Mr. PASSMAN. I would be very much surprised if the Congress approves this entire program. They may do it.

Would it be a complete failure if you did not get everything for which you are asking? Maybe the Congress will decide you ought to have $80 million. But, the question I have raised will be asked. This is something new. It could be a big success or it could be a big failure.

I am thinking that since we have spent, including interest, $106 billion in 97 nations of the world, with every type of program I thought the mind of man could think up, and now we are going on something new as it would apply to our Government, it may be that some Members of Congress would think in terms of giving it a trial run, having half, say, of this bigger program, and limiting the number of nations, until it proved itself as either successful or unsuccessful.

Mr. SHRIVER. The greatest failure for a great nation is to make a timid response to a big challenge.

Mr. PASSMAN. Do you not think you will have youngsters graduating next year, and the year after that, and the year after that, who will be just as anxious to get into something like this as this group coming off the line this year?

Mr. SHRIVER. I hope perhaps we will. It depends on the kind of support they see coming from Congress.

Mr. PASSMAN. I am talking about their being ambitious and wanting to get into some field of endeavor and make their mark.

Mr. SHRIVER. If they feel 9 out of 10 people who volunteer cannot get in, I should think of lot of them——

Mr. PASSMAN. That might make them even more anxious for it.

Mr. SHRIVER. Maybe.

Mr. PASSMAN. What is the old saying about competition?

Mr. SHRIVER. I think this is a great time of revolution all over the world, as you know better than I. We are looking around for alternatives to all-out war, we are looking for alternatives to bombs and missiles and a $45 billion defense program. It seems to me that $40 million versus $40 billion for defense is not a great amount of money to expend for this purpose. I am not trying to say, as I said at the beginning, that there is something sanctified about $40 million, but this

figure has not been reached out of thin air. It has been built up as a result of hard work. The people who built it up are willing to make the commitment. If they do not need it, they will not spend it.

Mr. PASSMAN. We need to get proof that it will be successful. This reminds me of a debate 14 years ago. It would be interesting to read sometime.

Mr. SHRIVER. What was that?

Mr. PASSMAN. The Marshall plan, the foreign aid program. They envisioned a program, and said that we would be embarking upon something unheard of, and it may cost $15 billion and it may require 5 years to complete it, and it may take us into 18 nations. We think today not of 5 years, but 14 years, not $15 billion, but $106 billion, not 18 nations, but 97 nations. We do have something to go by which shows that these things have a way of growing.

Anyway, you have not said that the program would be destroyed if the Congress, in its wisdom, should decide that you ought to have a trial run.

Mr. ROONEY. He did not say it would be destroyed. He said it would play havoc with it.

Mr. PASSMAN. The welfare of the American taxpayer also ought to be considered.

Mr. SHRIVER. This is not a giveaway program.

Mr. PASSMAN. The taxpayer is not getting anything back. He is hoping for some worthwhile results from the program.

Mr. SHRIVER. In this case he is going to get a lot back. He is going to get the people back whom he helped to educate, who went overseas and gained experience, and they will come back as schoolteachers in this country better trained than before.

You will have people come back and going into service in the State Department knowing these languages and having had this experience in these foreign countries and being better able to make a contribution. You will have better labor leaders, I hope, and better industrial people because of this.

Mr. PASSMAN. The people in Tanganyika are going to teach our people better than we are doing it?

Mr. SHRIVER. No, sir; our people will know more about the world than they are able to know by just living in one community here. I think they will come back as better teachers of geography if they have been overseas and have had this education. They will be better high school teachers. That is why NEA is so interested in this. They have sent people to our place to help us get it going because they believe it will help education. I think we will have an aid program in reverse. It will be aid to our country and will not be giving away the taxpayers' money without return. These people will come back better able to make a contribution in this country.

Mr. PASSMAN. We hope they come back as better Americans. We hope it works out.

Best wishes to you.

Mr. SHRIVER. Thank you. I appreciate it.

FOREIGN AID BY UNITED STATES, 1945–61

Mr. PASSMAN. Before concluding these hearings, I want to insert in the record detailed data relating to foreign aid by the United States

which has been especially prepared at my request by the Legislative Reference Service of the Library of Congress. This material, delivered to me less than an hour ago, covers the period from July 1, 1945, through June 30, 1961.

(The material referred to follows:)

FOREIGN AID BY THE UNITED STATES FOR PERIOD JULY 1, 1945, THROUGH JUNE 30, 1961

(Prepared for the use of Congressman Otto E. Passman)

A preliminary estimate of all U.S. foreign aid to all areas of the world for period July 1, 1945–June 30, 1961, is as follows:

	Millions
Europe (48.74 percent)	$44,124.4
Far East (22.66 percent)	20,516.7
Near East (10.69 percent)	9,680.8
South Asia (6.35 percent)	5,749.2
Latin America (5.92 percent)	5,362.9
Africa (1.52 percent)	1,376.7
Nonregional (refugees, children, etc.) (4.10 percent)	3,715.5
Total	90,526.6
Other aid not counted in total:	
International banking organizations	4,875.2
Soviet alined nations, not currently receiving aid	674.0
Albania	20.0
Czechoslovakia	191.0
Hungary	27.0
East Germany	17.0
U.S.S.R.	419.0

The breakdown for each region is:

	Millions
Aid to 17 European entities:	
France	$9,431.4
United Kingdom	8,685.6
Italy (plus Trieste)	5,641.9
Germany (Federal Republic)	4,997.1
Netherlands	2,450.3
Yugoslavia	2,280.3
Belgium-Luxembourg	1,949.5
Spain	1,631.0
Austria	1,170.9
Norway	1,082.0
Denmark	856.9
Poland	514.5
Portugal	402.2
Ireland	146.2
Berlin	131.0
Sweden	108.9
Iceland	70.2
Regional	2,574.3
Total (48.74 percent)	44,124.4

	Millions
Aid to 12 Far Eastern entities:	
Korea	$5,029.6
Formosa (Taiwan)	4,161.1
Japan	3,574.0
Vietnam	2,118.5
Philippines	1,675.7
Indochina (undistributed)	1,535.0
Thailand	632.6
Indonesia	583.5
Laos	374.4
Cambodia	298.1
Burma	94.5
Malaya	22.2
Regional	417.2
Total (6.35 percent)	5,749.2
Aid to 11 Near Eastern entities:	
Turkey	3,491.6
Greece	3,213.4
Iran	1,195.2
Israel	793.3
United Arab Republic	438.8
Jordan	303.0
Lebanon	89.9
Iraq	67.0
Saudi Arbaia	46.6
CENTO	25.0
Yemen	17.0
Total (10.69 percent)	9,680.8
Aid to 5 south Asian entities:	
India	3,071.9
Pakistan	1,430.9
Afghanistan	182.9
Ceylon	74.9
Nepal	43.5
Regional	945.1
Total (6.35 percent)	5,749.2
Aid to 24 Latin-American entities:	
Brazil	1,698.5
Mexico	630.3
Argentina	537.9
Chile	512.7
Peru	388.7
Colombia	319.3
Bolivia	221.8
Guatemala	149.6
Venezuela	104.0
Ecuador	96.4
Haiti	92.6
Uruguay	80.2
Costa Rica	80.1
Panama	75.7
Nicaragua	53.1
Cuba	52.0
Paraguay	42.6
Honduras	40.5
West Indies Federation	17.0
El Salvador	16.7
Dominican Republic	8.9
Surinam	2.9
British Guiana	1.9
British Honduras	1.6
Regional	138.1
Total (5.92 percent)	5,362.9

Aid to 29 African entities:	*Millions*
Morocco	$307.7
Tunisia	255.2
Ethiopia and Eritrea	181.3
Libya	180.0
Liberia	116.3
Congo (Leopoldville)	78.3
Sudan	53.5
Rhodesia and Nyasaland	33.3
Nigeria	16.4
British East Africa	14.2
Kenya	7.4
Tanganyika	4.5
Uganda	1.1
Regional	1.2
Somali Republic	13.3
Mozambique	12.5
Entente States	8.8
Dahomey	1.4
Ivory Coast	.4
Niger	.7
Upper Volta	1.3
Undistributed	5.1
Ghana	6.6
Guinea	3.8
Senegal	3.6
Mali, Republic	2.5
Cameroun	2.1
Togo	1.9
Mauritania	1.5
Sierra Leone	1.0
Malagasy Republic	.5
Equatorial states	.2
Other Africa	7.1
French	6.1
Portuguese	.3
Sterling	.7
Regional	75.4
Total (1.52 percent)	1,376.7
Aid to nonregional entities: Nonregional (4.10 percent)	3,715.5

There are 121 so-called independent national entities in the world. The United States has given aid to the majority of the 120 other nations—104. Of this number 90 are still receiving aid. In addition to this group assistance is also being rendered to about 40 dependent colonies and territories and international organizations.

During the period July 1, 1945, through June 30, 1961, certain countries received the predominant share of the $90.5 billion in aid extended by the United States. The totals are given in descending order in the succeeding tables.

Twenty-two countries each received more than $1 billion in aid or $71.5 billion of the $90.5 billion expended; i.e., 79 percent of the total.

Countries that received more than $1,000,000,000

	Millions
France	$9,431.4
United Kingdom	8,685.6
Italy	5,641.9
Korea	5,029.6
Germany (Federal Republic)	4,997.1
Formosa (Taiwan)	4,161.1
Japan	3,574.0
Turkey	3,491.6
Greece	3,213.4
India	3,071.9
Netherlands	2,450.3
Yugoslavia	2,280.3
Vietnam	2,118.5
Belgium-Luxembourg	1,949.5
Brazil	1,698.5
Philippines	1,675.7
Spain	1,631.0
Indochina	1,535.0
Pakistan	1,430.9
Iran	1,195.2
Austria	1,170.9
Norway	1,082.0
Total (79 percent)	71,515.4

Twenty-seven countries each received between $100 million and $1 billion in aid or $9.7 billion of the $90.5 billion expended; i.e. 10.68 percent of the total.

Countries that received between $100,000,000 and $1,000,000,000

	Millions
Denmark	$856.9
Israel	793.3
Thailand	632.6
Mexico	630.3
Indonesia	583.5
Argentina	537.9
Poland	514.5
Chile	512.7
United Arab Republic	438.8
Portugal	402.2
Peru	388.7
Laos	374.4
Colombia	319.3
Morocco	307.7
Jordan	303.0
Cambodia	298.1
Tunisia	255.2
Bolivia	221.8
Afghanistan	182.9
Ethiopia	181.3
Libya	180.0
Guatemala	149.6
Ireland	146.2
Berlin	131.0
Liberia	116.3
Sweden	108.9
Venezuela	104.0
Total (10.68 percent)	9,671.1

Forty-three countries each received between $1 million and $100 million dollars in aid or $1.4 billion of the $90.5 billion expended; i.e., 1.58 percent of the total.

Countries that received between $1,000,000 and $100,000,000

	Millions
Ecuador	$96.4
Burma	94.5
Haiti	92.6
Lebanon	89.9
Uruguay	80.2
Costa Rica	80.1
Congo (Leopoldville)	78.3
Panama	75.7
Ceylon	74.9
Iceland	70.2
Iraq	67.0
Sudan	53.5
Nicaragua	53.1
Cuba	52.0
Saudi Arabia	46.6
Nepal	43.5
Paraguay	42.6
Honduras	40.5
Rhodesia and Nyasaland	33.3
Malaya	22.2
Yemen	17.0
West Indies Federation	17.0
El Salvador	16.7
Nigeria	16.4
Somali Republic	13.3
Mozambique	12.5
Dominican Republic	8.9
Kenya	7.4
Ghana	6.6
Tanganyika	4.5
Guinea	3.8
Senegal	3.6
Surinam	2.9
Mali Republic	2.5
Cameroun	2.1
British Guiana	1.9
Togo	1.9
British Honduras	1.6
Mauritania	1.5
Dahomey	1.4
Upper Volta	1.3
Uganda	1.1
Sierra Leone	1.0
Total (1.58 percent)	1,434.0

Various nonregional international organizations received $3,715.6 billion of the $90.5 billion expended; i.e., 4.10 percent of the total.

The rest of the aid of $4.19 billion; i.e., 4.6 percent of total aid was spent amongst various regional groupings such as:

	Millions
Europe	$2,574.3
Far East	417.2
South Asia	945.1
Latin America	138.1
Africa	75.4

and a few smaller nations and dependent areas which received less than $1 million apiece during the last 16 years.

HERMANN FICKER,
Economist in International Finance and Trade, Economics Division, Legislative Reference Service, the Library of Congress.

Aid—Grants or Loans—Extended by the United States to 104 of the 120 Other Nations of the World (So-Called Independent Entities)

(Prepared for the use of Congressman Otto E. Passman)

Aid for period July 1, 1945–June 30, 1961

A. WESTERN ALINED (53)

		Millions
Members of U.N. (42):		
Argentine	x	$537.9
Australia	xx	-------
Belgium	x	1,949.5
Bolivia	x	221.8
Brazil	x	1,698.5
Canada	xx	-------
Chile	x	512.7
China (Taiwan)	x	4,161.1
Colombia	x	319.3
Costa Rica	x	80.1
Denmark	x	856.9
Dominican Republic	x	8.9
Ecuador	x	96.4
El Salvador	x	16.7
France	x	9,431.4
Greece	x	3,213.4
Guatemala	x	149.6
Haiti	x	92.6
Honduras	x	40.5
Iceland	x	70.2
Iran	x	1,195.2
Italy	x	5,641.9
Japan	x	3,574.0
Luxembourg	xx	-------
Mexico	x	630.3
Netherlands	x	2,450.3
New Zealand	x	11.0
Nicaragua	x	53.1
Norway	xx	1,082.0
Pakistan	x	1,430.9
Panama	x	75.7
Paraguay	x	42.6
Peru	x	388.7
Philippines	x	1,675.7
Portugal	x	402.2
Spain	x	1,631.0
Thailand	x	632.6
Turkey	x	3,491.6
Republic of South Africa	x	-------
United Kingdom	x	8,685.6
Uruguay	x	80.2
Venezuela	x	104.0
Nonmembers of U.N. (11):		
Andorra	----	-------
Bahrein	----	-------
Federal Republic of Germany	x	4,997.1
Republic of Korea	----	5,029.6
Kuwait	----	-------
Maldive Islands	----	-------
Monaco	----	-------
Muscat and Oman	----	-------
Qatar	----	-------
San Marino	x	-------
Trucial Oman	----	-------

Aid for period July 1, 1945–June 30, 1961—Continued

B. SOVIET ALINED NATIONS (15)

		Millions
Members of U.N. (10):		
Albania	xx	$20.0
Bulgaria		
Byelorussia	xx	
Cuba	x	52.0
Czechoslovakia	xx	191.0
Hungary	xx	27.0
Poland	x	514.5
Romania		
U.S.S.R	xx	419.0
Ukraine	xx	
Nonmembers of U.N. (5):		
Red China		
East Germany	xx	17.0
North Korea		
Mongolia		
Peoples' Republic of Vietnam		

C. NEUTRALIST OR NONALINED NATIONS (52)

Members of U.N. (46):		
Afghanistan	x	182.9
Austria	x	1,170.9
Burma	x	94.5
Cambodia	x	298.1
Cameroun	x	2.1
Central African Republic	x	(1)
Ceylon	x	74.9
Chad	x	2.0
Congo (Leopoldville)	x	78.3
Congo (Brazzaville)	x	(1)
Cyprus	x	(1)
Dahomey	x	1.4
Ethiopia and Eritrea	x	181.3
Finland	x	87.0
Gabon	x	(1)
Ghana	x	6.6
Guinea	x	3.8
India	x	3,071.9
Indonesia	x	583.5
Iraq	x	67.0
Ireland	xx	146.2
Israel	x	793.3
Ivory Coast	x	.4
Jordan	x	303.0
Laos	x	374.4
Lebanon	x	89.9
Liberia	x	116.3
Libya	x	180.0
Malagasy	x	.5
Malaya	x	22.2
Mali	x	2.5
Morocco	x	307.7
Nepal	x	43.5
Niger	x	.7
Nigeria	x	16.4
Saudi Arabia	x	46.6
Senegal	x	3.6
Somalia	x	13.3
Sudan	x	53.5
Sweden	xx	108.9

[1] Unspecified.

Aid for period July 1, 1945–June 30, 1961—Continued

		Millions
Members of U.N. (46)—Continued		
Togo	x	$1.9
Tunisia	x	255.2
United Arab Republic	x	438.8
Upper Volta	x	1.3
Yemen	x	17.0
Yugoslavia	x	2,280.3
Nonmembers of U.N. (6):		
Bhutan		
Liechtenstein		
Mauritania	x	1.5
Switzerland	xx	1.8
Republic of Vietnam	x	2,118.5
Sierra Leone	x	1.0

A. WESTERN ALINED (53)

1. U.N. members (42):	
States currently receiving U.S. aid	38
States do not receive any aid now	4
2. Non-U.N. members (11):	
States currently receiving aid	3
States have never received aid	8

B. SOVIET-ALINED (15)

1. U.N. members (10):	
States currently receiving aid	2
States have never received aid	2
States do not receive any aid now	6
(Ukraine and Byelorussia were included in lend-lease to Russia during World War II.)	
2. Non-U.N. members (5):	
States have never received aid	4
State does not receive any aid now	1

C. NEUTRALIST NATIONS (52)

1. U.N. members (46):	
States do not receive any aid now	2
States currently reciving aid	44
2. Non-U.N. members (6):	
States have never received aid	2
States currently receiving aid	3
State does not receive any aid now	1

Recapitulation

1. Independent entities or nations (+U.S.A.)	120
U.N. members (+U.S.A.)	98
Non-U.N. members	22
2. Nations currently receiving aid	90
U.N. members receiving aid	84
Non-U.N. members receiving aid	6
3. Nations currently receiving aid	90
Western alined	41
Soviet alined	2
Neutralist	47
4. Nations who have received aid, but not now	14
Western alined	4
Soviet alined	7
Neutralist	3
5. Nations who have never received aid	16
Western alined	8
Soviet alined	6
Neutralist	2
6. Other nations	120
Nations who have received aid	104
Nations who have never received aid	16

NOTES

1. Division of world into three groups is based on best current knowledge of known alinements. There is no official list which delineates the nations according to their alinements. The designations are the generally accepted ones. The Soviet-alined nations are according to the Battle Act designations of Iron Curtain countries. In the latest foreign-aid discussions in Congress no attempt was made to make a specific list of countries that belong to the Soviet bloc.

2. Some countries, like Yugoslavia, are placed in neutralist camp because of no known military alliance.

3. Smaller self-governing entities are included in the 121 nations of the world because of their possible U.N. membership.

4. Ukraine and Byelorussia are voting members of the United Nations, but received aid under lend-lease given Russia as a whole.

5. Many other non-self-governing entities, colonies, or dependencies are also receiving aid from the United States. Some are slated for possible independence and U.N. membership in the future. Entities receiving aid are Kenya, Tanganyika, Uganda, Cambodia, Algeria, Nyasaland, Northern and Southern Rhodesia, and many colonies such as Angola, Mozambique, Surinam, Hong Kong, and similar entities or international organizations, numbering around 40.

6. x denotes nations currently receiving aid. xx denotes nations not now receiving aid. Others have never received aid.

HERMANN FICKER,
Economist in International Finance and Trade, Economics Division, Legislative Reference Service, the Library of Congress.

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WEDNESDAY, AUGUST 16, 1961.

INTERNATIONAL ORGANIZATION AFFAIRS

WITNESSES

HARLAN CLEVELAND, ASSISTANT SECRETARY, BUREAU OF INTERNATIONAL ORGANIZATION AFFAIRS
MRS. VIRGINIA C. WESTFALL, DIRECTOR, OFFICE OF INTERNATIONAL ADMINISTRATION
CARTER HILLS, INTERNATIONAL ADMINISTRATION OFFICER, OFFICE OF INTERNATIONAL ADMINISTRATION
DR. H. VAN ZILE HYDE, ASSISTANT TO SURGEON GENERAL FOR INTERNATIONAL HEALTH, U.S. PUBLIC HEALTH SERVICE
ROBERT EISENBERG, DEPUTY DIRECTOR, OFFICE OF CENTRAL AFRICAN AFFAIRS
FRANK BREECHER, CONGO DESK OFFICER, ICA
HERMANN F. EILTS, OFFICER IN CHARGE, ARABIAN PENINSULA AFFAIRS, OFFICE OF NEAR EASTERN AFFAIRS
ELMER M. FALK, INTERNATIONAL ADMINISTRATION OFFICER, OFFICE OF INTERNATIONAL ADMINISTRATION
CHARLES W. THOMAS, OFFICE OF THE SPECIAL ASSISTANT TO THE SECRETARY FOR ATOMIC ENERGY AND OUTER SPACE
ROBERT W. WAGNER, SPECIAL ASSISTANT FOR TECHNICAL ASSISTANCE, OFFICE OF INTER-AMERICAN REGIONAL ECONOMIC AFFAIRS
ROBERT BURNS, INTERNATIONAL RELATIONS OFFICER, OFFICE OF EUROPEAN REGIONAL AFFAIRS
J. WESLEY ADAMS, OFFICER IN CHARGE, ECONOMIC AFFAIRS, OFFICE OF SOUTH ASIAN AFFAIRS
ANTHONY CUOMO, DEPUTY OFFICER IN CHARGE, ECONOMIC AFFAIRS, OFFICE OF SOUTH ASIAN AFFAIRS
WILLIAM YEOMANS, CHIEF, DIVISION OF INTERNATIONAL AFFAIRS, ATOMIC ENERGY COMMISSION

Mr. GARY. The committee will come to order.

DIVISION OF SUBCOMMITTEE TO EXPEDITE HEARINGS

The chairman of the subcommittee has determined, in an effort to conclude these hearings as promptly as possible, the committee will divide up today and one section of the committee will hear one group of witnesses and the other section will hear another.

The chairman has asked me to act as chairman of this section of the committee.

Mr. Natcher, Mr. Conte, and I will hear this morning that part of the program dealing with contributions to international organizations.

We have before us to testify on this item the Honorable Harlan Cleveland, Assistant Secretary for International Organization Affairs.

Mr. Cleveland, we will be very glad to hear from you at the present time.

Mr. CLEVELAND. Thank you very much.

General Statement

This occasion gives me an almost nostalgic feeling since the last time I testified before an appropriation committee was in the days of the mutual security hearings and you were the chairman.

I remember not only the lively exchange on the program we had, but your courtesy as chairman.

Mr. Gary. I thank you, sir. History is repeating itself today.

Mr. Cleveland. I appear before you in support of the request of $158 million for the U.S. voluntary contributions to a number of multilateral organizations. I think it is worth saying something in general about this package of international projects because it has at first glance a somewhat miscellaneous character, but there are some general principles that I think are useful to discuss that apply to all these operations.

The breakdown of this item is shown on page 79 of the unclassified presentation book and detailed justifications are found toward the end of the book under the tab marked "International organizations." The item amounts to about 5 percent of the total appropriation requested for the Act for International Development.

As can be seen from page 79, this appropriation request is to cover U.S. contributions to 13 international programs. Most of them are carried out within the framework of the United Nations; 2 are for regional organizations; and 1 is for an ad hoc international consortium. They cover activities ranging from medical research to military forces—from resource surveys to the care and feeding of refugees. Their scope, of course, reflects the range of pressing international problems, but at first glance one might get the impression that this is a miscellaneous hodgepodge of unrelated programs.

I should like to begin by assuring the committee that this is not the case. Each of these programs gives direct support to one or both of two basic aims of U.S. foreign policy: first, the promotion of peace and security; second, the promotion of economic and social growth—which is one of the best ways to get peace and security. Each program listed has, in our view, a high priority in support of these foreign policy objectives. Each has been pioneered or cosponsored by the United States, and stands as a symbol of U.S. leadership in international cooperation for security and development.

U.S. LEADERSHIP

I should like to pause for just a moment on this last point. In the course of the summer I visited 10 countries in Western Europe and the headquarters or conferences of 10 international organizations associated with the United Nations. I found in the Foreign Offices an encouraging increase in awareness of the importance of international organizations. I found in the international organizations a growing executive capacity and sense of professionalism. But what impressed me most of all was this: There is no substitute for American leadership. Other nations are prepared to pull their weight—but

they want to know first in which direction the United States wants to go. The international organizations are capable of executive action—but they lean on our delegations to lead the way in defining their own tasks. I shall have more to say about this later on, but I want here to emphasize that what was true when the United Nations was formed in 1945—what has been true throughout its evolution—is still true today: If there is to be constructive leadership it must come more from the United States than from any other country, not because we are wiser but because we are stronger than any other. Otherwise, the kind of leadership being exerted by the Soviet Union will prevail—a leadership bent on the destruction of the U.N.'s capacity to act—because U.N. action everywhere interferes with direct intervention by the agents of Russian communism.

ADVANTAGES OF USING MULTILATERAL AGENCIES

Some of the international programs to which the United States contributes are analogous in character to activities which we also help finance bilaterally. I therefore should explain briefly why the programs represented in this part of the presentation are carried out through multilateral agencies and how they complement the rest of the aid program before you. But first I should like to say that we do not see bilateral and multilateral assistance as an either-or proposition.

We really have our hands on both levers, the bilateral and multilateral. We are not trying to decide which is better and more moral. What we are trying to do is to use both the instruments at our command in affecting the situation for growth and development in each country in a mix depending on the situation in the country, and the effectiveness of the tools available.

Both types are needed—and probably will be needed for the indefinite future—for solid, practical reasons. The choice between national and international institutions for maintaining peace and security or for channeling economic and technical assistance is not a theoretical but a pragmatic one. In any given case, one route may be more feasible or desirable than the other—or a combination of both may offer the best alternative.

Let me list quickly some inherent advantages of using multilateral agencies when that is the practical thing to do.

First, the use of international agencies for the maintenance of peace and order can avoid competitive intervention by rival nations on the Spanish Civil War model. The United Nations can be brought in without being accused of intervention, to help keep order and build up the machinery of government in a new nation—because U.N. action is taken in the name of the world community; because it is clearly in the interests of peace; and because its motivation is beyond suspicion of national or commercial ambition. This is the case of the United Nations Emergency Force in the Middle East and, more recently, the United Nations operation in the Congo.

Second, some of the newly emerging nations are understandably sensitive about accepting even technical conditions for assistance from one of the great powers.

As a Japanese once said to me when I was working in the Mutual Security Agency 10 or 12 years ago, "You must always remember you carry the H-bomb in your pocket." I did not feel I was carrying the

H-bomb in my pocket, but he did, and his feeling was the relevant one.

This sensitivity is eliminated or greatly reduced when the aid is furnished through an international organization of which they are members and from which they are willing to accept conditions for aid. This is often the case in technical assistance, especially when it concerns such delicate areas as planning for the use of the Nation's own resources, the improvement of public administration, and the building of central financial institutions. The same advantage of working through international organizations also carries over into some kind of preinvestment activities where a single nation might be suspected of seeking to shape another's development program for selfish ends. In short, in some of the more politically sensitive countries an international agency can lay down stricter conditions for aid than can a single country.

Third, international agencies offer one important device for raising the contributions of other nations which can afford to help. I shall be able to present some evidence in support of this point a bit later on.

Fourth, the international agencies can draw on a worldwide pool of technical personnel which may not be available in the United States. In many cases, non-American technicians have experience which is more relevant to conditions obtaining in the less developed world. Moreover, internationally sponsored technical assistance can often be purchased at a lower cost if non-American technicians are involved. For these reasons we have supported the growth of the United Nations and regional technical assistance programs and hope they will be able to absorb an even greater share of this work in the years ahead.

Fifth, international agencies are better equipped to help on regional projects overlapping national boundaries. The Indus Basin project before you is a case in point. We can return later to discuss in detail this important and promising international enterprise.

Sixth, the healthy growth of international agencies is in itself an important U.S. objective. Multilateral organizations, endowed with the capacity to act in the interest of security and development, can promote that open world society of independent and prosperous nations which is the goal of our foreign policy—and which stands at the opposite extreme from Soviet dreams of a Communist one-world.

These are the major reasons, Mr. Chairman, why the international agencies serve the broad goals of U.S. foreign policy—why we have worked to defend their integrity and to strengthen their executive capacity—why we have sought to exercise leadership in working out sound and constructive programs for their execution—and why we channel a small proportion of our overseas assistance through them.

PROGRAM LIMITATIONS

I do not, of course, appear before you as a spokesman for the international agencies—I appear as the spokesman for U.S. national interest in them. It is my duty to be critical—to weigh carefully the shortcomings as well as the accomplishments of the international agencies. Let me mention several limitations which temper our assessment of the value of these international institutions at the present time.

First, there is a need for some administrative tidying up—for a clarification of function—for an improvement in coordination both at the headquarters level and in the field. There is nothing surprising in this; it could hardly be otherwise—given the inevitable growing pains of new organizations taking on unprecedented tasks of enormous complexity. The United States has some definite ideas about how to approach this—ideas which I presented on behalf of our Government to a meeting of the U.N. Technical Assistance Committee in June. I am glad to say that the response was favorable. A resolution sponsored by the United States, calling for a special study of ways and means to achieve closer coordination and integration among the U.N. agencies, was approved just a few weeks ago. The study will be made and reported to the Economic and Social Council. We look forward to progress on this score. We are really going to push this point.

Second, some fraction of U.S. funds going through an international agency may, in the collective judgment of its administrators, seep into projects which we ourselves might disapprove. We estimate this is the fate of less than 1 percent of our total contributions to the agencies administering such projects. We thus are satisfied that 99-plus percent of the projects aided by the U.N. and the specialized agencies go to countries which the United States would also be prepared to aid with bilateral programs. The only way to be 100 percent satisfied would be to withdraw from the agencies or to repeal the tough strictness against using political criteria and which would open these programs to cold war logrolling. In either case we would be cutting off our nose to spite our face.

Third, international agencies—by virtue of being international—do not thereby acquire a magic wand for the settlement of problems between two parties which refuse to settle them. Like national agencies, international ones can get stuck with intractable issues. I have in mind the annual U.S. headache about the American contribution to the United Nations Relief and Works Agency which cares for the refugees left over from a war fought 13 years ago. Our only comfort lies in the thought that the refugees have not been forgotten while the political storms rage around them.

So international agencies have their administrative and political problems and frustrations. Life with them is no bed of roses. But the growth of these institutions, all of which in historical perspective are still in their infancy, is nevertheless a major success story. They have proved that they can survive; they have endured their early growing pains; and they have acquired what is, on balance, an extraordinary capacity to tackle jobs of huge dimensions and great promise. To restore order to a nation far gone into chaos and civil war; to patrol a contested area for 5 years with but a single incident; to eradicate history's worst disease; to bring clean water to whole populations which have never known it; to plot a worldwide weather reporting system; to offer a fighting chance to tens of millions of children; to assemble scientists from all over the world in a search for new sources of energy—these are some of the many assignments of international agencies, most of which are less than 10 years old. Some of them already have written stories of striking success. I would hope that in our very proper concern for prudent use of public funds, we bear in mind that while these are outright contributions they also are investments. Our contributions serve as seed money that attracts other

contributions. And these investments promise enormous returns—not only in material wealth in the future but in orderly progress and stable peace.

PROGRAM HIGHLIGHTS

Mr. Chairman, we have prepared background papers on each of the 13 programs for which a total of $158 million is being requested. These memoranda set forth the highlights of each program, provide illustrative examples of the activities of the international agencies in question, and pay particular attention to the relationships and methods of coordination between our own bilateral program and the international agencies. They are between four and seven pages long and will be submitted for the record if you would like to have them.

What I would be glad to do would be to make a somewhat briefer statement about each of the programs as we go along rather than read into the record the longer version which the committee staff already has, and perhaps submit the longer papers for the record, or however you would like to handle it.

Mr. GARY. We will look at those when we get to the individual programs.

Mr. CLEVELAND. If it is agreeable with the committee I shall conclude this part of my testimony with a simple listing in functional categories of the programs covered by this appropriation request and then proceed to an item-by-item discussion with you.

For peace and security operations we propose U.S. contributions of $28.8 million—$27 million for the U.N. military operations in the Congo and $1.8 million for the U.N. Emergency Force in the Middle East.

For economic aid and technical assistance we propose contributions totaling $93.4 million—$35 million for the U.N. in the Congo; $40 million for the expanded U.N. technical assistance program and the preinvestment work of the Special Fund; $1.5 million for the technical assistance program sponsored by the Organization of American States; and $16.9 million for our share of the international consortium which is helping to develop the waters of the Indus Basin. This is the fiscal year 1962 slice of a 10-year operation.

For the promotion and protection of world health we propose contributions of $3.4 million—$2.5 million for the world campaign to eradicate malaria; $400,000 for the pure water supply program; and $500,000 for international medical research—all conducted by the World Health Organization.

For assistance to children and expectant mothers we propose to contribute $12 million to the U.N. Children's Fund.

For the care of refugees we propose to contribute $13.35 million from fiscal year 1962 funds in addition to $4.85 million carried forward from last year's appropriation to maintain the people still homeless in the aftermath of the Arab-Israel war.

For the support of science we propose to contribute $2.55 million—$1.8 million for the NATO science program and $750,000 for the International Atomic Energy Agency.

As we go through these items, Mr. Chairman, you will note that many of them are the result of U.S. initiatives over the past several years. You also will note recurring evidence that U.S. contributions in the past have served as seed money to attract rising contributions

from an increasing number of other nations—permitting a gradual but encouraging decline in U.S. share of total budgets. And I trust you will agree with me as we go along that each of these programs does, in fact, support directly the basic aims of U.S. foreign policy.

(The biography of Mr. Cleveland follows:)

HARLAN CLEVELAND, ASSISTANT SECRETARY OF STATE FOR INTERNATIONAL ORGANIZATION AFFAIRS

February 23, 1961: Mr. Harlan Cleveland, Assistant Secretary of State for International Organization Affairs, was sworn in today at the Department of State. Secretary of State Dean Rusk attended the ceremonies and welcomed Mr. Cleveland. Angier Biddle Duke, Chief of Protocol, administered the oath of office.

Mr. Cleveland was born in New York City on January 19, 1918. In 1934 he was graduated from Phillips Academy at Andover, Mass. In 1938 Mr. Cleveland graduated with high honors in politics and received his bachelor of arts degree from Princeton University. In 1938 to 1939, Mr. Cleveland was a Rhodes Scholar at Oxford University, holds honorary LL. D.'s from Franklin and Marshall College and Rollins College and an L.H.D. from Alfred University.

Mr. Cleveland was associated with the U.S. Government for 13 years beginning in 1940 as a writer for the Farm Security Administration in the U.S. Department of Agriculture. From 1942 to 1944 he was an official with the Board of Economic Warfare and its successor the Foreign Economic Administration. From 1944 to 1945 he was executive director of the economic section of the Allied Control Commission in Rome.

He was also a member of the U.S. delegation to the 3d session of the UNRRA Council held in London in 1945. From 1945 to 1946 Mr. Cleveland was acting vice president in charge of the economic section of the Allied Commission in Rome. From 1945 until 1948 Mr. Cleveland was associated with UNRRA as Deputy Chief of Mission in Italy and as Director of the $650 million China program of UNRRA, at the age of 29. Thereafter he served as Director of the China aid program for Economic Cooperation Administration, and was appointed to supervise the building of five other Far Eastern aid programs in 1949–50. At the end of 1951 he became Assistant Director of the Mutual Security Agency, in charge of its European program.

In 1953 he was appointed executive editor of the Reporter magazine in New York City, and later served as publisher of that magazine.

In 1956 he was appointed dean of the Maxwell Graduate School of Citizenship and Public Affairs of Syracuse University. In this capacity Mr. Cleveland supervised the Nation's oldest graduate program in public administration, and directed a Carnegie Corp. study of Americans abroad which produced two books, "The Art of Overseasmanship" and "The Overseas Americans" (McGraw-Hill, 1960). He has written and lectured widely on economic development, public administration, and U.S. foreign policy; he was editor of "The Promise of World Tensions," published by Macmillan in early 1961.

Mr. Cleveland is married to the former Lois W. Burton and is the father of three children. Though still a resident of Syracuse, N.Y., he has moved his family to Washington where they now live at 3702 Corey Place NW.

Mr. GARY. Thank you, Mr. Cleveland.

PROGRAM COORDINATION

As you are well aware, I have always been in sympathy with the international organizations because I do not believe in this highly centralized, concentrated world that we can live apart from the other nations. I think we have to cooperate with them in joint enterprises for the development of certain economic and political advantages.

I have also favored bilateral programs.

On the other hand, I have been concerned throughout the years with what might be an overlapping of these programs. We do not want to do two jobs when one will do. I have always been concerned

that we might be giving bilateral aid of the same nature and duplicating the work of the multilateral aid of the international organizations.

I wish you would tell us what steps are being used at the present time to see there is no overlapping of activities and to assure a proper coordination of the two programs.

Mr. CLEVELAND. That is a very important point, and one, as you know, that has been of continuous concern, both in the Congress and in the executive branch and also in the staffs of the international agencies over a good many years.

To begin with, it is clear the total job of development is a whole lot bigger than could possibly be handled through multilateral agencies. There are built-in limitations, perhaps the most important of which is the willingness of other countries to put up amounts of money for these organizations that do not run our percentage contribution too high, so high it might not really be an international operation after all. So the bulk of funds in the aid business are, and I would assume would continue to be, provided on a bilateral basis, not only by the United States, but by the growing bilateral programs of some of our European friends.

You can have an unlimited number of committee meetings here in New York, Paris, or Geneva, and you achieve only a limited amount of coordination. The only real coordination that makes any sense in this business is country-by-country coordination. The world after all is organized by countries, and the central development instrument in each country is its own development plan, the biggest element of which is, or ought to be, its plans for the use of its own resources, and then its plans for fitting together the various kinds of technical assistance and economic aid that are available from international organizations and from various bilateral programs.

So to my mind the most important single thing that is being done about the problem with which you are concerned—a concern that I very deeply share—is helping countries to develop their own economic planning machinery.

Now, this can be done—and has been done to some extent—through our bilateral technical assistance, assistance in public administration and in providing teams of economic planners, and so forth. In some countries, and particularly in the more politically sensitive ones, this job of helping a country work out its own destiny and decide what kind of external help it ought to have and how to put it together in a sensible arrangement, can best be done, and is beginning to be done more and more, by the international organizations, particularly by arrangements financed through the special fund.

My own feeling is, this may prove to be one of the very important destinies of the United Nations' system of agencies—which includes all the specialized agencies as well as the U.N. itself—helping countries develop their own plans and to develop a sensible relationship within that country between the bilateral input and the input from multilateral agencies. So to my mind the most important thing to do about this problem is not to try to decide on an overall basis what are the best kinds of aid to put on a multilateral basis and what are the best kinds of aid to put on a bilateral basis—because this judgment will vary from country to country depending on political and other problems—but to try to build up the machinery inside each country

to answer that question for itself, with our help, and the help of the international agencies.

OPERATIONS UNDER UNRRA

Mr. GARY. To what extent would that be colored by the prevailing government in the country, and would the international organization exercise some control in formulating their judgment?

I have been with this program a long time; I started back with UNRRA, and the great difficulty we had there was, we were putting up most of the funds, but when UNRRA would step in, most of the countries being aided would insist on distributing that aid themselves. I know the charge was made at that time, just to give you one illustration, that Tito was using our aid to feed his armies rather than the distressed people of Yugoslavia. Whether that is true or not, I do not know, but that charge was made at the time. That caused a great deal of dissatisfaction with UNRRA, and finally resulted in its discontinuance.

Mr. CLEVELAND. That is a point very well taken indeed.

I, too, date back to the UNRRA period. I was in Italy and also in China for UNRRA.

Mr. GARY. That is about the time you appeared before my committee and testified.

Mr. CLEVELAND. Yes, sir; there were really two problems about the UNRRA.

One was, that the allocation of aid to the various countries, was really worked out in committees on an almost purely political basis. As a result, they tried to stuff more aid into China than China, then in the middle of a civil war, could readily absorb.

I feel strongly about that because I had to live with some of the problems. I got over there late and had to try to use some of the material there that never should have been sent over.

The other problem was the fact the international organization was not at that time able in some of the countries to achieve sufficient participation with the government in its own planning, to assure itself that its aid was being used effectively.

In the case of the Communist countries, including the Ukraine, who were recipients under that program, these were strong governments. They were not new countries.

PROBLEM OF DISTRIBUTION OF AID TO NEW COUNTRIES

The problem now is quite different. The recipient countries are, many of them, new countries with governments that are hardly in our sense of the term "governments." They really require a buildup of the central governmental machinery itself.

Our problem I would say among a majority of the aid recipients today is not so much their ability to frustrate the purposes of the aid programs by distributing aid the way they want to, but it is their inability to control the distribution of even their own resources effectively, let alone the resources that come to them from the outside. So an important part of the aid process is to help build governments that can govern effectively.

So in a sense the whole nature of the aid process has changed from the time it was largely a European affair, as it was in the case of UNRRA.

I think when you get into the problem of trying to develop the governmental machinery involved in a new country, you find yourself needing international organizations to do the job. I have witnessed many situations in which individuals, including Americans, were able to achieve a more confidential relationship and form a more effective part of the machinery in a sensitive country because they were working for an international organization.

PROCEDURES UTILIZED TO PREVENT PROGRAM OVERLAPPING

Mr. RHODES. Could you be more specific on the plans and procedures you have to prevent the overlapping of the functions of the bilateral and multilateral programs?

In other words, do you have any council which meets from time to time to audit the various programs and assay the areas that each should be in to make sure that duplication is not occurring?

Mr. CLEVELAND. As I was saying, Mr. Rhodes, the problem is to do this country by country. A general council meeting in Washington, or New York, can discuss a lot, but——

Mr. RHODES. I recognize the problem. You have done a good job of telling us the problem, but what is the solution?

Mr. CLEVELAND. The solution is in each country. To a greater or lesser degree, depending on how good the people are in the international agencies, and in the American programs, there is formally or informally, depending on the country, a meeting ground of the people, of the ICA Director, and perhaps the representative of the Federal Republic of Germany, or the United Kingdom, or other bilateral programs, the resident representative of the United Nations and the representatives of the specialized agencies there.

UTILIZATION OF RESIDENT REPRESENTATIVES

Actually, the most important single development in this field on the international organization side was the decision several years ago to put into each country that had a technical assistance program a resident representative of the U.N. rather than to allow a continuation of a rather scattery system that previously prevailed. Under that system, or lack thereof, individual representatives came in from the various specialized agencies, most of which have their headquarters in New York, Geneva, Rome, or Paris, and where they would meet together from time to time locally on an informal basis. But they were really each prosecuting their own program with their own opposite number ministry, and not really taking much of a look at the development program as a whole into which these various chunks fitted.

The early U.S. aid programs had something of the same character; that is, the tendency to send in technical assistance people for whatever seemed like a good idea to do. You know how it is in the development business, almost anything is a good thing to do in an underdeveloped area. You can justify on an individual project basis anything you want to do.

The real problem is—does it make sense, is it high priority, is it critical in the development of that country? This is what we are coming to, I think. We have been coming to it to some extent in the ICA in which the arrangements proposed for the new AID Agency will greatly strengthen——

PROBLEM OF COORDINATION OF EFFORTS

Mr. RHODES. I was thinking more of some sort of a control council, or commission, similar to that which the various financial institutions have. I do not remember the name of the board, but there is a board that coordinates the Development Loan Agency, the World Bank, and the Export-Import Bank to make sure they are not duplicating each other's efforts.

I was wondering if we have anything like that to coordinate our bilateral efforts with the various multilateral efforts to which we contribute.

Mr. CLEVELAND. Yes. We review project by project every U.N. technical assistance project, and every Special Fund project. There is an 18-man council that runs the Special Fund, for example, of which Paul Hoffman is the Managing Director. We are one of the members of the 18-man governing council.

We have an arrangement with the staff of the Special Fund for taking a pretty detailed look at every proposed project which comes in and which is referred to the ICA. The ICA takes a look at its program in that country to make sure that both organizations are not trying to do the same thing.

You can pick up large, obvious duplications that way, but the most important kind of coordination is getting the recipient government to develop a real plan and then fitting everybody into that plan.

In my judgment, this is a somewhat neglected area of the whole development effort which is now beginning to be recognized by both the international organizations, through the resident representative arrangement, and by the American programs, through the much closer association of the ICA with the ambassador and the rest of the country team. It looks as if we may really be beginning to do something.

Mr. RHODES. Is that not what we were trying to do in Bogotá, and trying to do now in Montevideo?

Mr. CLEVELAND. That is right.

One of the very important elements of the current discussion in Montevideo is to develop the kind of people in the various countries, to do the large and necessary training job which has been started already under the U.N. Economic Commission for Latin America, to train the kind of people who will have the needed skills for the planning and analysis of development programs.

Mr. RHODES. Maybe we are learning something, Mr. Chairman. Maybe we are trying to plan where we are going with our aid.

Mr. GARY. I hope so. That is what I am getting at.

I agree with Mr. Cleveland the only real place we can do that is in the country itself. Your reviewing board prevents duplication of activities between the countries, but insofar as projects within the country are concerned, you have to handle it by the administrators in the various countries.

Mr. RHODES. That is correct. It is the country team's primary responsibility.

Mr. GARY. That leads me to my next question.

DIFFICULTIES ENCOUNTERED IN RECRUITING COMPETENT TECHNICIANS

I appreciate the difficulties of both the unilateral and the bilateral agencies in getting competent technicians. My idea has been in doing so they are limited more or less to two classes of people. Certainly insofar as this country is concerned, a good technician today has no difficulty in getting a position and he usually receives good compensation. There is not much incentive for a man to give up a good job here and take his family off to some far-off country, where he has problems of educating his children, living under adverse conditions, and other problems.

Therefore, you are limited, as I see it, to one of two classes of people: First, the dedicated person like the minister, or teacher, who has been underpaid in this country for many years, but they are dedicated to their tasks. They want to do something for humanity and they consider more that aspect of the opportunity than the compensation.

The other class you get is the incompetent person who cannot make a living in this country.

Where you get the dedicated type of person, you usually have a good program. Where you get the incompetent, you have an inefficient program.

I would like to know what your experience is, both in the bilateral and in the unilateral program, in securing competent technicians to handle this job.

Mr. CLEVELAND. You catch me on my favorite subject. I spent 3 years running a research program on the oversea Americans, and I wrote a book on the subject which I recommend to the committee.

The more I learn about this problem, the harder I find it to generalize about it. It is true that it has historically been difficult to get people of the third category we ought to have beyond your two categories—people who are willing to do a stint abroad and are interested in it and people who are competent to do the job. But my impression of the problem here is that it is not as inherent in the situation as your question would imply.

Both in the international agencies, and in our American programs, I think that the evidence indicates where you have strong and exciting leadership in an oversea program, you attract first-rate people of every category.

The most exhilarating time of my life, I think, was the time I spent in the Marshall plan where the objective was relatively clear and one's colleagues were interesting people who could get a job someplace else at the drop of a hat, but did not, because they found it more exciting to be down here, or over in Europe, prosecuting the Marshall plan.

I do not think that the personnel problem in our bilateral aid programs, or in some of the multilateral aid programs, needs to be as difficult as it evidently has been in the last decade or so. Precisely because it is possible for anybody with professional qualifications to

get satisfactory employment in this country, there is, if not full employment, full professional employment in this country, and precisely because of that we find that youngsters, especially—their first 10 years out of college—are increasingly interested in adding some adventure to their lives, and oversea service if you will, is a form of adventure.

COORDINATION OF PEACE CORPS WITH OTHER PROGRAMS

Mr. GARY. In that connection, I think the Peace Corps has possibilities if it is properly coordinated with our other programs.

What is going to be done to coordinate the Peace Corps activities with our present bilateral and multilateral programs?

Mr. CLEVELAND. I am not really a qualified witness on that subject. I know Sargent Shriver and his colleagues understand very clearly the importance of the Peace Corps volunteers being a part of the development process. It is not something we are doing for ourselves, or for our youngsters, but something we are doing to participate in the development process.

As far as the Peace Corps and the international organizations are concerned, we have had a good deal of discussion with the international organizations about the provision of Peace Corps volunteers, and volunteers from other countries as well of the same category.

The Dutch actually have pioneered on this, as you know. They have a good many Peace Corps type volunteers in the Food and Agriculture Organization, and some of the other international agencies, and have had for 3 or 4 years. We have just been discussing in the Economic and Social Council of the U.N. a proposal which will be before the General Assembly this fall to authorize a general system for the provision of volunteers to international organizations.

In that case, they will simply fit in as part of the regular machinery—part of the field projects already being undertaken by those agencies—as technician helpers, or other categories of junior professional personnel. So they will not be undertaking separate projects—separate from the development process as a whole; they will be helping to do the things that the countries and the international agencies have already decided they want to do and for which they need these people.

Mr. GARY. Will they be doing that under the leadership of the ICA, or under the leadership of the Peace Corps? That is the thing that worries me.

Mr. CLEVELAND. In the case of the international agencies, they will be doing it under the leadership of the individual specialized agencies, the World Health Organization, or the Food and Agriculture Organization, and so forth.

Mr. GARY. Is it the idea the Peace Corps will supply those agencies with these volunteers from their ranks?

Mr. CLEVELAND. Yes.

Mr. GARY. That they have recruited?

Mr. CLEVELAND. Yes.

This will obviously be a minority of the total Peace Corps program. It happens to be the part with which I have been involved because of my responsibility for international organizations.

RELATIONSHIP BETWEEN PEACE CORPS AND AID PROGRAM

As far as the relaitonship between the Peace Corps and the AID program is concerned, I can only express the same hope you are expressing: that the Peace Corps input into this process will be a part of the country's national development program because obviously that is the only way it will make any sense in the recipient countries.

Mr. GARY. I think it is very important. I may say I am very much impressed with Mr. Shriver. It is not a question of personalities, it is a question of organization, and to get the best results, or to get coordiation in any program, you have to have cooperation between those in charge, or one director to coordinate the activities of the various phases of work in the program.

Mr. RHODES. Along those lines, the Peace Corps, I presume will be performing tasks which could conceivably be done by civilian employees of the ICA, or some other agency.

I am wondering why this particular approach was taken rather than an expansion of the civilian corps of these various agencies.

Can you answer that question?

Mr. CLEVELAND. On general terms I would say this—the idea of the enterprise is not to provide the kind of people who would be substituted for what would otherwise have been done under the eventual AID program. The idea is to provide a rather special kind of help which has really been missing in the development aid picture as it has developed over the last 15 years.

Mr. RHODES. To be specific, we are going to send people over to teach various skills and crafts, and in some instances languages, as I understand.

Do we not have people doing that sort of thing?

Mr. CLEVELAND. Most of the ICA technicians are relatively senior, and are engaged in advising governments. Most of them are not out inside the other fellow's government doing, operating, teaching, or whatever. They are mostly advising at a higher level.

The other part of this is that many of the Peace Corps volunteers will be made available, as I understand, not through the ICA type of program directly, but through private voluntary agencies, through universities, and through international organizations, so that the impact of the Peace Corps volunteers will be somewhat wider than the bilateral aid programs as such.

FINANCING OF LECTURE TOUR OF DR. ROBERT OPPENHEIMER BY OAS

Mr. RHODES. Mr. Cleveland, the $1.5 million for the Organization of American States technical assistance is requested for this fiscal year. Is this the fund from which Dr. Oppenheimer will be paid for his lectures for the OAS?

Mr. CLEVELAND. Robert Oppenheimer?

Mr. RHODES. Yes.

Mr. CLEVELAND. I do not know. Perhaps Mr. Wagner can answer.

Mr. WAGNER. No, sir.

These funds will be used exclusively to operate the training centers that have been established, and operated, for some years in Latin America, and which are set forth, I believe, in the narrative description in the presentation volume. No funds are used for lectures, in-

sofar as I know. I have not heard the name of Dr. Oppenheimer mentioned in connection with the program.

We do have occasionally some short-term lectures in these seminars, or in the training centers themselves, but not in the field of science, so far as I know.

Mr. RHODES. There was an article in the newspaper which indicated Dr. Oppenheimer had been hired by the Organization of American States for a series of scientific lectures.

Mr. WAGNER. That might be done under regular program money of the OAS but not under the auspices of the technical assistance program, which is financed from this appropriation.

Mr. RHODES. Or from money that we are contributing?

Mr. WAGNER. That is right, sir.

Mr. CLEVELAND. I will be glad to find out the arrangement under which he is going out and put it in the record.

(The information to be supplied follows:)

FINANCING OF LECTURE TOUR OF DR. ROBERT OPPENHEIMER BY OAS

On May 24, 1961, the Pan American Union, which is the General Secretariat and permanent organ of the Organization of American States (OAS), announced that Dr. J. Robert Oppenheimer, director of the School of Advanced Studies of Princeton University, would visit various Latin American countries under the OAS professorship program this summer. The professorship program affords an opportunity for interchange in the cultural and scientific fields among outstanding scientists and other specialists.

Dr. Oppenheimer was selected by the Pan American Union to visit and give lectures at universities and institutions in Mexico, Brazil, Uruguay, Argentina, and Chile. This lecture tour was financed under the regular budget of the Pan American Union and not from the funds of the OAS technical cooperation program.

LEGISLATIVE AUTHORIZATION FOR MULTILATERAL PROGRAMS

Mr. GARY. Do each of these programs you have outlined have clear legislative authorization?

Mr. CLEVELAND. Yes, they do.

If you want to go through the programs——

Mr. GARY. We will do that.

I would like to have as part of this general statement the pertinent citations for the authorization of each program put in the record at this time. I want the citations.

Mr. CLEVELAND. We will be happy to provide that information.

(The information to be supplied follows:)

LEGISLATIVE AUTHORITY FOR MULTILATERAL PROGRAMS FINANCED UNDER THE ACT FOR INTERNATIONAL DEVELOPMENT

United Nations Expanded Technical Assistance Program: 68 Stat. 842 (1954), 22 U.S.C. 1896 (a).

United Nations Special Fund: 68 Stat. 842 (1954), as amended, 22 U.S.C. 1896 (a).

Organization of American States—Program of Technical Cooperation: 68 Stat. 842 (1954), as amended, 22 U.S.C. 1896 (b).

United Nations Children's Fund: 68 Stat. 844 (1954), as amended, 22 U.S.C. 1926.

United Nations Relief and Works Agency for Palestine Refugees in the Near East: 68 Stat. 844 (1954), as amended, 22 U.S.C. 1927.

World Health Organization Special Program: 71 Stat. 360 (1957), as amended, 22 U.S.C. 1920; 71 Stat. 362 (1957), as amended, 22 U.S.C. 1940.

International Atomic Energy Agency: Statute of the International Atomic Energy Agency, October 26, 1956, 8 UST 1093 TIAS 3873; 71 Stat. 362 (1957), as amended, 22 U.S.C. 1939.

United Nations Emergency Force: Charter of the United Nations June 26, 1945 (59 Stat. 1031, TS993); and 73 Stat. 249 (1959), as amended, 22 U.S.C. 1921; 71 Stat. 5 (1959); 22 U.S.C. 1963; 59 Stat. 619 (1949), 22 U.S.C. 287.

United Nations Military Operations in the Congo: Charter of the United Nations, June 26, 1945 (59 Stat. 1031, TS993) and 71 Stat. 360 (1957), as amended, 22 U.S.C. 1920; 59 Stat. 619 (1949), 22 U.S.C. 287.

Indus Waters: 74 Stat. 134 (section 204(e) 1960), 22 U.S.C. 1924; 71 Stat. 357 (1957), as amended, 22 U.S.C. 1872; 71 Stat. 360 (1957), as amended, 22 U.S.C. 1920; 68 Stat. 454 (1954), as amended, 7 U.S.C. 1704.

United Nations Economic Assistance to the Congo: Charter of the United Nations, June 26, 1945 (59 Stat. 1031, TS993) and 71 Stat. 360 (1957), as amended, 22 U.S.C. 1920; 59 Stat. 619 (1949), 22 U.S.C. 287.

NATO Science Program: 63 Stat. 2241 (TIAS 1964); 68 Stat. 845 (1954), as amended, 22 U.S.C. 1928.

Mr. GARY. What limitation does the bill now before the House place on these programs?

Mr. CLEVELAND. This listing here is, I believe in every case, a proposal to appropriate what is now in the authorization bill for these programs. The House bill does not contain a breakdown in the bill itself. It simply contains a basket figure for this group of programs.

The Senate bill has the basket figure, and then it breaks it down, noting the amounts regulated for each of the programs in accordance with the figures here.

Mr. GARY. The bill as introduced simply covers the budget request?

Mr. CLEVELAND. Yes.

The Foreign Affairs Committee reported out a bill which in every case approved the amount requested in this particular title for international organizations.

Mr. GARY. Mr. Natcher.

Mr. NATCHER. Mr. Cleveland, pursuing a little further the chairman's last question concerning the authorization of each of these programs, just in case of a change in the bill on the floor in any of the items, that would reduce the amount you would request for your organization of the total here of $158 million. That would necessarily follow.

RESERVE AMOUNT IN UNICEF

The one item I have in mind is this. As I recall yesterday in the general debate on the mutual security bill for 1961, it was pointed out by one of the members there was an $8 million reserve amount in UNICEF.

Is that correct? Is there an $8 million reserve amount in the U.N. Children's Fund, or do you know?

Mr. FALK. I can answer that question.

Twelve million dollars was appropriated for contribution to the United Nations Children's Fund for the current year program. The entire amount is expected to be contributed on the basis of contributions from other governments. The U.S. limitation on our share of that contribution is 46 percent during the present year, and therefore, our final contribution will depend upon the contributions from other governments. But the current expectation is that they will be sufficient for us to contribute the entire amount.

To my knowledge, there is actually no reserve. If it applies to the U.S. Government, we have no reserve, we have pledged the entire amount, and we plan to contribute it.

Mr. NATCHER. Do you have at the present time unobligated and not committed in the U.N. Children's Fund the sum of $8 million?

Mr. FALK. No. The entire amount is obligated.

Mr. NATCHER. That answers my question.

That is all I have at this time.

WORLD HEALTH ORGANIZATION

Mr. GARY. As I understand it, Dr. Hyde, who is the Assistant to the Surgeon General for International Health, U.S. Public Health Service, has an engagement in New York this afternoon and he is very anxious to meet that engagement.

I wonder if we could not consider the World Health Organization at the present time so we can hear from Dr. Hyde, and then we will proceed with the others in order.

GENERAL STATEMENT

Dr. HYDE. I appreciate the courtesy extended me in recognizing the obligation I have this afternoon.

I also would like to have the honor of associating myself with UNRRA, of which I had the honor of being the chief of the health division of the Balkan division, and chief of the Middle East office. I go back to the same international roots that have been mentioned before.

It has also been my honor to work in the development of the World Health Organization and the Pan-American Health Organization, and with the bilateral programs since 1945 in various capacities.

As you know, the request before you, sir, is for malaria and medical research and water supply. I am sure the committee is familiar with these subjects, particularly with the malaria program. It has been a program the United States has been supporting technically and financially for some years.

You will recall we made voluntary contributions to the World Health Organization for this program, beginning in 1958, at a level of $5 million. This past year, at the World Health Assembly, the U.S. delegation made a major drive to effect the absorption of this expense into the general budget of the World Health Organization progressively over a 3-year period. It succeeded in having the Assembly accept the inclusion in the budget of $2 million additional in order to finance the malaria program on an assessed basis and reduce our voluntary contribution.

I might say this was adopted by a very large vote of over 60 in favor of it, with 2 opposed, Cuba and Albania, and the rest with abstention. And it was decided at that time that the program would be progressively absorbed over the next 3 years, so next year $4 million would be added to the regular budget, and the following year the total amount of approximately $6 million, if that much is needed by that time.

So this means instead of giving some 90 percent of the funds for the malaria program in the World Health Organization, we will be giving at that time something less than 33⅓ percent.

I might say that the countries that are contributing that additional 10 percent at the present time represent some 40 countries that are making more or less token contributions, but it was our feeling, and

the Department of State's feeling, that token contributions are fine to get the program started, but we had reached a point where it was necessary for the other governments to carry their fair share of the international burden.

The role of the World Health Organization is an exceedingly important one in this program. I am sure the question is in all our minds, why bilateral and multilateral in this case, as in other cases? The contribution of the World Health Organization to this is of first importance.

The overall planning of malaria eradication as a wold program is done by the World Health Organization. What we do bilaterally fits, in every case, intimately into the overall plan that is worked out by the World Health Organization.

In fact, the representatives of the World Health Organization, of UNICEF, ICA, and the Public Health Service, and other agencies concerned with this, meet at least twice a year to review country by country the status of the program and what each agency is contributing to it, and how it all meshes into a single program. There is the factor of coordination.

RECRUITMENT OF TECHNICAL PERSONNEL

There are other important factors, too. One is the one Mr. Cleveland mentioned, of the recruitment of technical personnel in this country. We are short of medical malariologists because we have been short of malaria for a decade. These people must be recruited from other countries.

We can provide sanitary engineers, entomologists, and some of the other technicians, but in order to have the type of leadership and team needed for the development and carrying out of the program in the countries, it is important to be able to mobilize this source of strength.

If I may leave malaria, I would like to mention water.

SUCCESS OF MALARIA ERADICATION PROGRAM

Mr. GARY. I would like to say before we leave the malaria program, this committee has been very much interested in that program. The head of the program came before us some 5 or 6 years ago and stated that if we would give them so much money, they would completely eradicate malaria in 5 years. I thought that was a very optimistic appraisal, and I will say very frankly that when I voted for the money I did not think malaria would be completely eradicated in 5 years.

I was pleased when I traveled around the world last fall a year ago to see and hear that the program had been very, very effective. It so happens the former director of public health of the city of Richmond, Dr. Ed Holmes, is now working in India with the Indian Medical Institute and he told me that the program had been very effective.

Then in flying from India to Pakistan, I was impressed with the fact that they passed out little printed slips of paper on the plane saying, that antimalaria tablets were available. There was a further explanation that they used to be compulsory but because of the decrease in malaria in that area, they were no longer compulsory but were available if any passengers wanted them.

What is the status of the program now? The 5 years have passed. How much longer will the program continue?

Dr. HYDE. I will say the accomplishments, as you point out, have been quite remarkable. The estimate was there were 1,300 million people in the malarious area when the program began. Now, 300 million of those are in areas where it has been eradicated; 55 million are in areas that are approaching eradication.

Before eradication is called eradication, there has to have been 3 years in which there has been no transmission of malaria in the absence of active antimalaria measures.

There are now estimated to be 526 million of the original number that are being protected against malaria by a systematic attack program. That means 68 percent of the original 1,300 million are now protected against malaria.

There are certain areas, such as Africa, where the problems are very great. The problems there are largely administrative and political. They are not primarily techincal problems.

There are other difficult areas. Indonesia is difficult, and in the Amazon area in Brazil where there are administrative difficulties in getting to the more remote people.

Mr. GARY. You had a problem in Pakistan?

Dr. HYDE. The problem in Pakistan has been the problem of their decision to undertake the program, but they have now decided to undertake it and I believe ICA is asking for funds to support that program.

I think that is an interesting international phenomenon. You might call it international social pressure. India protects 300 million people a year, and the pressure is on Pakistan to get rid of malaria too because Pakistan will be a great danger to that whole area unless it controls or eradicates the disease as well.

Mr. GARY. That was my understanding last year. We were told that, and I wondered what progress had been made.

Dr. HYDE. I think they have taken a decision. They are making their surveys at the present time. It takes a year to do the surveying and planning to get the base for embarking on the total eradication program.

This again was a matter of a new government coming in and making this decision.

I would be hesitant to make any predictions as to when the final malaria plasmodium is going to be extinguished.

From the standpoint of the mass disease as an economic and social deterrent, I would say even now, as you have pointed out, the accomplishments have been tremendous.

Mr. GARY. I do not think there is any question about that.

Tell me this—if I am not mistaken, last year we made some cuts in the "Special assistance" appropriation, but specifically stated in our report that none of the cuts were to be applied to the malaria program. Yet the malaria program was cut. Can you tell us why that was?

Dr. HYDE. I am afraid I cannot because that was really the bilateral program of ICA. I would not feel competent to answer that question.

Mr. GARY. Who will be able to answer it?

Dr. HYDE. I think the witnesses who handle finance or health in ICA.

Mr. GARY. You may proceed.

WORLDWIDE WATER SUPPLY PROGRAM

Dr. HYDE. I will move on to the water program.

The water program is one that was initiated by the United States at the World Health Assembly with a view to assisting the governments in their planning and their organization for improving their own water development. As you know, sir, the diarrheal diseases, which are filth diseases due in large part to inadequate and proper water, in some countries, are the first cause of death, and in some countries the second or third cause of death.

The only approach to these is sanitation and improvement of water. The amounts that we have been giving as a voluntary contribution to the World Health Organization, of course, do not directly tackle the water problem, which is an exceedingly expensive one. The fact is, the governments themselves are going to have to spend large amounts of money over the period of their development to provide adequate water in the cities, and in the rural areas. It is anticipated this will be their own expenditure, that they will take advantage of loans that are available from various lending agencies.

The purpose of this program is to help them develop the personnel they need in order to plan a sound water development program on a national basis.

For instance, on the question of the financing of water, the concept in most of the underdeveloped countries is that water is a gift from the government.

The World Health Organization has been promoting the concept, the sound concept, that water supply can be self-financing and that the investments can be liquidated by water rates, so part of the drive has been to merely teach the health leaders, through training courses on water financing and rates.

Another activity has been the development of technical manuals on water development in the underdeveloped areas.

So the program is not a large one financially, but an important one in stimulating the development in the country.

MEDICAL RESEARCH

From the standpoint of medical research, which is the other item for which we are asking for $500,000, that, of course, is very directly in our national interest in promoting medical research which is of great interest to us as a nation.

The World Health Organization was asked by the United States in 1958 to develop an expanded program in medical research, to give service to the nations and to the laboratories and scientists. The National Institutes of Health gave a planning grant to the World Health Organization to work out a plan for its research program. The WHO has a committee, Advisory Committee on Research, advisory to the Director General. On that are two distinguished Americans, Dr. Robert Loeb, of Columbia, and Dr. James Shannon, the Director of the National Institutes of Health, and I might say the committee includes six Nobel prize winners in medicine. This is the Advisory Committee on Research.

The expenditures of the WHO in research are for the stimulation of research and the provision of services. One of the problems in

research is the development of an international language in research so that when we are talking about something technical, arteriosclerosis, for example, the same thing is meant by that term in Russia, Germany, Japan, and other countries.

Also, the standardization of common scientific procedures is being pushed so that results may be comparable.

NEED FOR REFERENCE LABORATORIES

Another thing that is needed on a world basis is a system of laboratories, where, for example, a virus that is isolated in Malaya may be compared with one isolated in California to see whether it is the same virus or a different one by using a central laboratory where both strains can be compared.

A whole series of reference laboratories, not only for viruses, but bacteria, even cancer, are being established so that there can be an international comparison of infectious agents and the like. This is something that is of basic importance to the United States.

MALARIA ERADICATION PROGRAM

Mr. GARY. You are requesting $2.5 million for the malaria eradication program this year?

Dr. HYDE. Yes.

Mr. GARY. That is for the United Nations program?

Dr. HYDE. The World Health Organization program.

Mr. GARY. Which is a branch of the United Nations.

You referred to the bilateral malaria program. How much is in that program?

Dr. HYDE. About $30 million.

Mr. GARY. In addition to the $2.5 million?

Dr. HYDE. Yes.

Mr. GARY. Is most of this eradication program being carried on by the United States on the bilateral program?

Dr. HYDE. The largest expenditure is bilateral, as far as U.S. funds are concerned. The World Health Organization is active in 50 countries. There are 50 countries involved in the malaria eradication program.

The bilateral program undertaken by ICA is being carried out at the present time in 24 countries.

In each of the 24, as I pointed out before, there is very close coordination and a decision made jointly as to the division of labor and resources as between the 2 organizations.

The World Health Organization, through its own funds, has a very limited amount of money to devote to commodities. Most of it is used for advisory services and consultation. In addition, training centers are maintained in Cairo and the Philippine Islands and other places for training of technical personnel.

The bulk of the expenditure on the bilateral program is for the provision of DDT and vehicles in certain of the countries, such as India, for example.

DECREASE IN AID REQUEST

Mr. GARY. Your request is reduced from $5.5 million for the fiscal year 1961 to $2.5 million for fiscal year 1962.

Dr. HYDE. Yes.

On the first figure of $5.5 million, $1.5 million of that was for the Pan American Health Organization. This year that contribution is coming from the Latin American Fund for Social Progress.

The other reduction from the $4 million to the $2.5 million is a result of the decision of the World Health Assembly to incorporate $2 million into the regular budget of the World Health Organization where we pay only some 32-and-a-fraction percent. So instead of giving $4 million to the World Health Organization, representing 90 percent of their malaria program, we are now proposing to give $2.5 million, plus our one-third of the $2 million that was added to the regular budget from the regular financing of the World Health Organization.

Next year, we would anticipate a further reduction, a considerable reduction, with the World Health Organization picking up another $2 million in its regular budget.

Mr. GARY. The funds that are not specifically earmarked for malaria?

Mr. CLEVELAND. Mr. Chairman, the hope is that over this 3-year period we will get to the point where WHO's contribution to the worldwide malaria problem will come out of our regular contributions to the World Health Organization, which goes through the State Department appropriations as part of the assessed contribution.

Mr. GARY. Is it correct that the total World Health Organization program will not be cut down? It is a question of a reduction of our contribution?

Dr. HYDE. That is correct.

Mr. GARY. That is because more of the other nations are contributing?

Dr. HYDE. Yes, exactly.

Mr. GARY. Now, you have some money for this malaria program in UNICEF, do you not?

Dr. HYDE. UNICEF is contributing commodities to some of the projects in 12 countries. That is all under the technical supervision of the World Health Organization.

What it means is that in some of these country programs, the program worked out by the World Health Organization in the country is receiving commodities from UNICEF—in some places from ICA; WHO itself provides technical direction rather than commodity support.

METHODS USED TO ERADICATE MALARIA

Mr. GARY. What methods are you using today in the malaria eradication program?

Dr. HYDE. The main method is the spraying of the walls of the houses. The first year of an eradication program is a year of survey and planning for a nationwide program. Then the next 3 to 4 years, depending on circumstances, is a period during which every house in malarious areas is sprayed with DDT, or another insecticide. That is done once or twice a year, depending on the circumstances in a particular country. Then the next 3 years are the years of surveillance. Blood smears are taken on all cases of fever in those areas to determine whether the fever is due to malaria, or not. Then if there is no evidence of transmission during that 3-year surveillance period, malaria is considered to be eradicated in that country or that area.

I have been very impressed by the way that some of these countries go about this.

SUCCESS OF MEXICAN PROGRAM

For instance, every Tuesday the Minister of Health of Mexico meets with his staff and goes through a report that has been gotten out that week on how many blood smears have been made in every district in Mexico, and how many have been found positive for malaria. Where there is a positive case he wants to know why that case is positive, why it occurred, and what has been done about it. This is a weekly affair there.

The result is, they have had a dramatic drop in malaria from something like 2 million cases a year to now something under 100 last year that were verified.

RANGE OF TREATMENT

Mr. GARY. I was impressed with the fact when this program was first started we were told heretofore the process of eradication of malaria was to spray to try to get rid of the mosquitoes, but in this program they were not only spraying, but treating those infected so as to try to eliminate the source of infection.

Dr. HYDE. Stopping transmission over a 3-year period handles most situations because the organism dies out in the infected individual within 3 years.

There are some situations where it has been found administratively useful and advisable to supplement the spraying with drug treatment. In Africa, this was found to be desirable in certain areas to expedite eradication. It has been used to some degree in Brazil. There has been an effort there to add the drug to salt, which is a monopoly. This seems to be working.

A study is going on down there now to see if this is going to be one way eradication can be accomplished in an area where you cannot get to all the homes readily. But still the mainstay is the spraying of the homes.

Now, the effect of this is not to eradicate the mosquitoes, but to eradicate the malaria organism. The female mosquito is the transmitter of malaria. When she bites an infected person, she becomes infected. Fortunately the mosquito likes to rest shortly after taking a blood meal, preferably on the wall and if the walls have been sprayed, she gets poisoned. It takes 10 days for a mosquito to be infective after it has taken a blood meal. The organism has to go through a cycle within the mosquito. So the mosquito dies and therefore never has a chance to transmit the organism from the person bitten to someone else.

With that chain being broken in a community, or large area, it means in due course you have no malaria organism. You may still have the mosquitoes, as we do in the United States. We have plenty of Anopheles but we do not have the malaria organisms. So the attempt is to break the chain from person to person sufficiently long

for the organism to disappear. In some cases, the malaria organism will last within the blood for a 3-year period, and that is why the 3-year surveillance period.

Mr. GARY. You have given up the old method of spraying swamps and breeding grounds of the mosquitoes?

Dr. HYDE. Yes. There are certain rare places such as in some of the valleys of Ecuador where it is still considered to be a useful supplementary device, but it is only that.

WORLDWIDE WATER SUPPLY

Mr. GARY. You ask for $400,000, I believe, for the worldwide water supply?

Dr. HYDE. Yes.

Mr. GARY. The U.S. contribution went down in 1961 for this item, and now you are asking that it be more than doubled. Why that increase?

Dr. HYDE. Because there has been a great intensification of interest, partly because of the increasing availability of international funds from lending agencies.

For instance, the Inter-American Development Bank's first loan has been to Arequipa, Peru, for water. The Special Fund has been interested in developing surveys as a base for the improvement of water supply.

I would say largely it reflects an increased recognition of the need for doing something about domestic water supplies in the underdeveloped countries by the underdeveloped countries themselves, and by international agencies.

Mr. GARY. What other countries are contributing to this program?

Dr. HYDE. None to this special fund. This is a special fund that was urged by the United States, and to which the United States has been the only contributor.

Mr. GARY. We contribute the entire amount?

Dr. HYDE. Yes, sir.

Mr. GARY. What countries are receiving the benefits?

Dr. HYDE. Any of the members of the World Health Organization can call on this program for technical assistance. Any of them can participate in the series of seminars on water rates and water organization that are being held. It is available to all members of the World Health Organization that wish assistance.

BREAKDOWN OF 1960 AND 1961 PROGRAMS

Mr. GARY. Will you give us a table showing the amount spent in each country during the fiscal years 1960 and 1961?

Dr. HYDE. Yes.

(The information to be supplied follows:)

Estimated expenditures WHO worldwide water supply program 1960–61

[In U.S. dollars]

	1960	1961
Western Pacific region: Regional seminars and training	4,942	34,594
Africa:		
Ghana	15,100	
Regional seminars and training	23,700	50,400
Southeast Asia region: Regional seminars and training	708	34,519
Europe: Regional seminars and training	608	21,919
Eastern Mediterranean region: Regional seminars and training	16,920	40,541
Latin America:		
Argentina	6,962	
Bolivia	2,897	
British Guiana	4,657	
Brazil		6,400
Chile	2,554	12,882
Colombia	8,864	22,325
Costa Rica	971	9,265
Cuba	13,756	16,200
Ecuador		7,800
El Salvador		8,000
Guatemala		4,800
Haiti	1,424	13,700
Honduras	694	9,000
Mexico	2,238	21,100
Panama	646	
Peru	1,350	7,544
Uruguay	1,896	
Venezuela	2,369	5,800
Regional seminars and training	91,133	43,192
WHO Headquarters:		
Headquarters	5,000	52,600
Regional seminars and training	25,000	25,000
Grand total	234,389	447,581

SCOPE OF LARGEST PROJECTS

Mr. GARY. Describe two or three of the largest projects now being carried out under the water program.

Dr. HYDE. There are a series of seminars. There is one being held in the Pacific area. One was held in Uruguay, one in Europe, southern Europe. I would have to ask the privilege of giving these for the record, if I may.

(The information to be supplied follows:)

EXAMPLES OF WORLDWIDE WATER SUPPLY PROJECTS

In Ghana, where a sanitary engineer has been working since November 1958, a team of experts in sanitary engineering, public finance, and public works and municipal management has been recruited to help the further development of the national water supply program and to set up a water and sewage board.

Plans have also been made for a team to advise the Malagasy Republic on the organization and execution of a national water supply program, with special attention to the sanitary problems of the capital city, Tananarive, and to the difficulties of supplying water in the arid areas of the southern part of the island.

Mr. GARY. How is most of this being done, by wells?

Dr. HYDE. This deals largely with the development of urban water supplies and in the smaller cities, and the development of plans and financing methods for water supplies of urban and smaller communities.

One of the problems, of course, is that each community must determine its own sources of available water. In some cases it will be underground, and in some cases surface water. This is not a village well program. It is for the larger communities.

MEDICAL RESEARCH PROGRAM

Mr. GARY. You are requesting $500,000 for medical research. What other countries are contributing to that?

Dr. HYDE. That again is one where the United States is making the only contribution to the voluntary fund.

Mr. GARY. How many U.S. Government agencies are making grants for medical research and research training abroad?

Dr. HYDE. The National Institutes of Health are. The Armed Forces have activities in certain of the countries. They have contracts. I would not offhand know that. A study has been made of that by the Government Organization Subcommittee on International Health.

(The following information was supplied later.)

U.S. AGENCIES SUPPORTING MEDICAL RESEARCH AND RESEARCH TRAINING ABROAD

The major governmental agencies supporting medical and health research abroad through either grant or contract are as follows (the level of support given is actual for fiscal year 1959 and estimated for 1960 and 1961):

[In thousands]

	1959	1960	1961
Department of State, including mutual security economic programs	$490	$820	$997
National Institutes of Health, Public Health Service	6,307	8,217	13,240
Office of Vocational Rehabilitation	78	103	89
Department of the Air Force	2,863	3,321	3,300
Department of the Army	219	352	355
Department of the Navy	763	942	799
Mutual security military assistance programs	274	350	350
Department of Agriculture (veterinary research)	477	484	500
Atomic Energy Commission	2,172	2,471	2,399
National Science Foundation, basic research grants and facilities	215	275	325
Department of Commerce, Bureau of Standards, radiation research	31	34	34
Total dollar programs	13,889	17,369	22,388

In addition foreign currency obligations incurred in special programs financed by dollar appropriations are estimated at $4,517,000 for 1961.

A review of the international scientific activities of these agencies has been undertaken by the International Committee of the Federal Council for Science and Technology, consisting of individuals from the agencies listed, as well as from the Bureau of the Budget, NASA, and the Department of Interior and policy guidance for the conduct of international activities of these agencies has been established.

Mr. GARY. Do you by any chance know how much the National Institutes of Health and the U.S. Public Health Service are spending?

Dr. HYDE. On international activities.

Mr. GARY. Yes.

Dr. HYDE. Including the grants to individuals abroad, and including fellowships that are awarded to foreigners, for study in this country, last year it was about $8 million.

Mr. GARY. The National Institutes of Health alone is spending about $5 million on international medical research, and they have the fellowship program in addition to that?

Dr. HYDE. Yes.

Mr. GARY. Then on top of that the Public Health budget for 1962 has $10,084,000 for international activities under Public Law 480 funds.

Dr. HYDE. Yes. Some of that is being expended at the present time.

Negotiations are being carried on. Certain projects are underway in Israel. A team is in India at the moment in connection with these Public Law 480 funds.

There are negotiations going on in Poland.

The money was appropriated, but the projects are not yet underway at that level.

COORDINATION BETWEEN VARIOUS PROGRAMS

Mr. GARY. What coordination is there between those various programs?

Dr. HYDE. The programs of the National Institutes of Health are being coordinated in the Office of the Director, Dr. Shannon, who has recently established an Office of International Research under Dr. Martin Cummings. And under that Office will come all the international research activities. That Office will coordinate them.

Mr. GARY. Will that coordinate this medical research program that you have in WHO?

Dr. HYDE. As I pointed out, Mr. Chairman, the Director of the National Institutes of Health is a member of the Advisory Committee to the Director General of the World Health Organization. It is that Advisory Committee that passes on the projects of the World Health Organization.

That is the way the coordination is being effected. There is another way. As part of the WHO structure, there is a series of some 35 panels of international experts in a host of fields, in 35 major scientific fields, and from these panels expert committees are called to deal with segments of the research problem. It is in those meetings of expert committees that the research needs appear and gaps of knowledge are found when the international experts come together.

On those expert committees, because of the competence that exists at the National Institutes of Health, and for no other reason, there is usually a scientist from the National Institutes of Health as a member of those panels, so this means that in specific project planning the National Institutes of Health are respresented, and on the top committee, the Director of the National Institutes of Health is a member of the committee.

ADVANTAGES OF CONDUCTING RESEARCH PROGRAMS BY WHO

Mr. GARY. Since we make the full contribution under this WHO medical research program, why should that not be under our Public Health Service international program?

Dr. HYDE. I point out this is the voluntary fund, and we are the only contributor to it. During the course of the period we have been making this contribution, the World Health Organization has increased its regular budget for research from something on the order of $500,000 to $1.5 million. It is planning to increase it further.

OVERALL PROGRAM SERVICES

The services which the World Health Organization provides are services that cannot be provided as readily, or in some cases not at all, by a national organization.

For instance, I was in Geneva in May and it was pointed out to me that the World Health Organization had just engaged to develop through an entomologist a special strain of mosquito with a known tolerance to insecticides which will be named internationally. This was a fly, not a mosquito. The flies will be tagged genetically. One of the wings will be off at a strange angle so you can recognize the strain. That will be a standard world strain. So all over the world, whether it be in Germany, or England, or in Africa, this strain, which is a recognized standard, will be utilized by the scientists so that research findings will be comparable wherever the research is done.

Now, if it were an NIH strain, or if it were a Russian strain, or if it were a strain from England, it would not be as readily accepted internationally as a common strain that was accepted by everyone.

Also, as I mentioned, the reference laboratories, where viruses are sent to a central laboratory from all over the world to compare them so the individual scientist knows what he is dealing with. Some laboratories under the World Health Organization funding are maintaining sera with known immunity to certain organisms. Any laboratory, any scientist, can request these. He can compare the results that he gets with results from someone across the world working in the same technical area.

These are international services that the NIH is very anxious to have performed.

Then there are of course studies that are being made jointly under the World Health Organization of certain epidemiological phenomena such as the occurrence of certain forms of cancer, such as primary cancer of the liver in Africa, which is a very rare disease here but very common there. There are forms of leukemia, and a recently recognized heart disease that occur across the tropical band of Africa quite commonly but do not seem to occur here. They are being intensively studied in Africa to determine what their causes are. It may be related to a virus which could be introduced here. There are all sorts of possibilities.

The World Health Organization is able to organize networks of studies. I think perhaps the most dramatic example is the matter of influenza, the Asian influenza. As early as 1947, the World Health Organization began organizing a network of virus laboratories that would report centrally, Dr. Andrews' laboratory in London, the occurrence of any influenza virus. It was through this network that the Asian flu epidemic was recognized and was identified and vaccine put in production. Fortunately, that was not as virulent an organism as we had in 1918 and 1919, but it permitted a test run of the network of laboratories, and it is possible to map out the whole course of the wave of that epidemic. It originated in Red China.

You will recall in 1918 and 1919 how mystifying that was. There is still a lot of mystery, but at least there is now a device on the world level for detecting these organisms and watching their spread.

Mr. GARY. Flies are a great problem in some of these countries?

Dr. HYDE. Yes, sir.

Mr. GARY. So far as health is concerned.

Dr. HYDE. They are. And diarrhea is one of the leading causes of death in some countries. That is a matter of basic sanitation, and again we get back to water. Unless there is adequate water, there cannot be adequate sewage and cleanliness.

Mr. GARY. What is accomplished by tagging these flies?

Dr. HYDE. These flies were for studies of insecticide resistance.

As you may know, the fly develops quite rapidly a resistance to insecticides. Fortunately, the malaria mosquitoes, although some have over a period of years developed a resistance, do not do it at the rate the fly does. The whole world is wondering what the mechanism of this resistance is. It apparently has to do with the enzyme system within the cells, and what has been needed is a common insect of known qualities of resistance that every laboratory working on the problem can use to compare their results. If each laboratory has its own strain of insects, then the results are not comparable between the laboratories, and their scientific reports have little meaning when put together. The World Health Organization can adopt generally accepted standards.

INTERNATIONAL BENEFITS DERIVED FROM HEART STUDY

I think of one instance—for instance, the simple matter of how to classify atherasclerosis in the major artery of the body, which is of permanent interest to people dealing with heart disease. There was no standard being used so that the degree of the sclerosis in the aorta could be reported.

The World Health Organization called a committee of experts in on this, and the committee included not only people from our National Heart Institute, but people from England and Russia and other countries, and they arrived at a decision as to a standard way of mapping out the plaques of atherosclerosis so that when studies are made on pathological material either here or in Russia, and it is reported, their meaning is known every place in the world.

This needs to be done in a whole host of areas in the scientific field so that the research as done in different parts of the world is comparable and means something to the scientists in other parts of the world.

ACCOMPLISHMENTS OF WHO TRAINING PROGRAMS

Mr. GARY. What kind of training programs do you carry on in the World Health Organization?

Dr. HYDE. In the research area, or altogether?

Mr. GARY. Altogether.

Dr. HYDE. The fellowship program has been one of the biggest programs and one of the most important programs in the World Health Organization since it was established in 1948.

Much of the training is done here in the United States in our schools of public health and our laboratories and various institutions. Much of it is done in England; also in France.

I might say, if I may, that the training given by the World Health Organization, and the training that has been given similarly by the bilateral programs since the Institute of American Affairs started this in 1942, has resulted in the fact around the world—in the underdeveloped countries as well as in the developed countries—that there

are now people in considerable numbers who are well trained in public health and in the various areas of medicine. This relates to an earlier question of yours, the question of exporting American technicians and what we have been able to do over the last 10 years.

We have been able to export the knowledge packaged in the brains of highly competent people around the world. For instance, Chile now has a first-class school of public health, and Mexico and Brazil have, too. What is needed in health at the present time is, to a large degree, the opportunity for people who have been trained to perform.

I think one of the greatest things we need now is to provide lending operations to give the people a chance to carry out what they have learned here in the United States and elsewhere.

Some 25 percent of the students in the schools of public health in this country are from abroad, and have been for many years. Most of these people are now back in their own countries and need an opportunity to do what they have learned here.

Mr. GARY. Is the World Health Organization able to get a sufficient number of competent technicians now?

Dr. HYDE. Yes; they seem to be able to. There is difficulty in recruiting Americans because of the point you made earlier. They are hard to come by.

In the field of medicine we are importing 12,000 of our interns ourselves, so we do not have a surplus to export.

I am delighted to say the water program has been and will be under topflight American leadership. The director of the environmental health program of the World Health Organization at the beginning was Dr. Bosch, who is the professor of sanitary engineering at Michigan. Since that time it has been Professor Beaty from North Carolina. The man succeeding him is one of our most eminent American sanitary engineers. I am sorry the arrangements are not at a point where it is possible to mention his name. He is one of our great leaders in environmental sanitation and water.

I think it is encouraging that this program, one to which we attach such importance in improving the health of the underdeveloped areas, is under such first-class American leadership.

NEW RESEARCH IN MALARIA TREATMENT AND PREVENTION

Mr. NATCHER. In order to save time, I wish you would insert a short statement at this point in the record showing what benefit, if any, new research in the prevention and treatment of malaria has assisted in this particular program during the past 5 years.

Dr. HYDE. Yes.

(The information to be supplied follows:)

RECENT RESEARCH IN MALARIA TREATMENT AND PREVENTION

As specific examples of recent research that have been of benefit to the malaria eradication program, the following are of particular importance:

I. CHEMOTHERAPY

(*a*) Research has shown that drugs given to patients at weekly and monthly intervals can prevent the mosquito from transmitting the infection. Forty-five milligrams of primaquin or pyramethamin can prevent transmission of infection for about 28 days.

(*b*) It has been shown that a combination of drugs are much more effective in the radical cure of infection. For example, a combination of chloroquin or camoquin plus primaquin is more effective than either drug used alone. It has developed the medicated salt method for the use of antimalarial drugs.

II. ENTOMOLOGY

(*a*) Research in this field has resulted in the development of standard methods for the measurement of susceptibility or resistance of malaria vectors. This has permitted a timely switch being employed whenever there have been signs of resistance to the insecticide in use.

(*b*) Studies of genetics of resistance have thrown light on the basic mechanisms for the development of resistance. They have permitted the prediction of the development of resistance or the continuation of susceptibility for the insecticide in use and have prevented mistakes in the selection of alternate insecticides.

(*c*) Studies on the ecology of secondary vectors have permitted the design and use of alternate methods of control.

(*d*) Development of standard methods for the bioassy of insecticides has been most useful in determining the duration of effectiveness of insecticides and in establishing the frequency at which respraying must be done.

(*e*) Progress is also being made in the "sterile male technique" of vector control. By sterilzing male mosquitoes and allowing these to return to the insect population, the number of vectors is reduced dramatically.

III. INSECTICIDES

(*a*) The development of methods and specifications of formulating and packaging of insecticides to assure stability under conditions of tropical storage.

(*b*) Additives have been developed which extend the period of effectiveness of insecticides. For example, a special process extends the effectiveness of BHC from a normal 2 or 3 months to about 6 months and beyond.

(*c*) The development of new insecticides has provided valuable new weapons in the attack against malaria. Among the insecticides developed and tested during the past 5 years and now available for use in the malaria eradication program are malathion, the baytex series, and chlorthion. Many more such as DDVP, a fumigant, are being tested.

(*d*) Studies on the toxicology of insecticides and the prevention of poisoning have shown the principal route of entry of the insecticide into the body, have established toxicity levels, and have permitted the design of protective equipment and the use of proper safety measures for the protection of the operator.

IV. EQUIPMENT

Continuing research in the last 5 years on applicators, spray nozzles, pressure regulators, etc., have permitted exact application of insecticides and have greatly reduced the amount of insecticide wasted through atomization and rebound from sprayed surfaces.

Mr. GARY. Gentlemen, we have a quorum call in the House.

This completes the World Health Organization.

THURSDAY, AUGUST 17, 1961.

Mr. GARY. The committee will come to order.

UNITED NATIONS EXPANDED TECHNICAL ASSISTANCE PROGRAM AND SPECIAL FUND

On yesterday we finished the testimony concerning the World Health Organization, and this morning we will start with the United Nations expanded technical assistance program and the Special Fund.

GENERAL STATEMENT

Mr. Cleveland, I believe you have a prepared statement on that, and we will insert that statement at this point in the record.

(The statement follows:)

UNITED NATIONS EXPANDED TECHNICAL ASSISTANCE PROGRAM AND SPECIAL FUND

PURPOSE OF THE PROGRAM

The problems confronting the less developed nations as they seek to achieve progress within a framework of freedom are rarely capable of solution by their own unaided efforts. The critical bottlenecks of these countries in the earlier stages of growth are often of greater importance than the lack of capital for productive facilities. Generally they are (1) lack of sufficient numbers of people possessing technical, vocational, and managerial skills and abilities; (2) lack of effective organizational and institutional strength in government, finance, commerce, and education; and (3) lack of knowledge of human and material resources and how to plan effectively for their use. Within the United Nations organization, it is the function of the expanded technical assistance program and the Special Fund to assist governments aware of their deficiencies and intent on overcoming them in meeting these needs.

The expanded program operates to provide technical assistance in the conventional mold—experts, fellowships, demonstration supplies and equipment—through the United Nations, its specialized and related agencies.

The Special Fund acts through these same agencies to raise production and productivity through essential "preinvestment" activities, such as surveys and feasibility studies—to reveal wealth-producing potentialities; applied research—to find new uses for local materials and products; and manpower training and technical education—to develop vocational and technical skills to permit the fuller exploitation of natural resources.

SIGNIFICANCE OF THE PROGRAMS TO THE UNITED STATES

These two programs contribute substantially to the U.S. objective of promoting a healthy international environment by fostering social reform, economic growth, and orderly political evolution for the welfare of the peoples of the less developed countries. By channeling a significant proportion of our technical and economic assistance through the United Nations, we are able to further our policy of stimulating other countries to share the costs of providing such assistance, with correspondence economies to the United States. By drawing on an international pool of technical expertise we overcome to a corresponding extent the pressure on our own short supply of highly skilled U.S. advisers, and meet the objections of some newly independent nations to the counsel of "big-power" advisers in areas of especial political sensitivity. Finally, our substantial support of multilateral assistance offers prime evidence of U.S. support of the United Nations as a key safeguard to world peace and security, and provides a clear refutation of the Soviet bloc charge that economic aid provided by the United States is simply another cloak for imperialism.

EXAMPLES OF PROJECTS UNDERTAKEN UNDER THESE PROGRAMS

Typical of the projects successfully undertaken under the expanded technical assistance program is the achievement of a working system of air navigation control in Iran, where the first director of the point IV program lost his life in an air crash in 1951. Since its arrival in Teheran in 1951 the International Civil Aviation Organization Mission has received the fullest cooperation of the Government, becoming a part of the Ministry, assisting in its organization and development, and setting up safety services, an areonautical communications network, a meteorological program, and an air traffic control system. The mission established a training center which graduated Iranian air traffic controllers, radio maintenance mechanics, communications operators, meteorological and other specialists, and emphasized the training of counterpart instructors. In addition to on-the-job training and supervision, courses have been given to some 300 students who now form the backbone of the technical services of the Department of Civil Aviation.

An example of the work of the Special Fund is its role in the overall investigation of the Niger River system undertaken by the Federal Government of Nigeria. The aim is to raise agricultural output through irrigation, to increase electrical generating capacity, and to improve navigation. Two preliminary surveys revealed that a dam might produce these benefits. The Special Fund has agreed to assist in financing a preinvestment survey for a multipurpose dam scheme to which the Nigerian Government gives high priority. Specifically, the project survey will investigate the most suitable location of a dam to produce electricity, to provide a road across the river, and to hold back water for irrigation purposes. The reservoir created would be stocked with fish and the waters above the dam would be used for commercial transport. The total cost of the comprehensive investigation of this part of the Niger River development scheme will be more than $2.4 million, to which the Special Fund will contribute $735,000, and the Government the remainder.

The International Bank for Reconstruction and Development, experienced in planning and financing hydroelectric development projects, will act as executing agency. It has in turn called upon specialized private firms to perform the actual survey. Positive findings should lead to substantial investments of capital which would improve the living standards of a large portion of the Nigerian population.

RELATIONSHIP TO BILATERAL U.S. PROGRAMS

While many of the ETAP projects are comparable to those carried out by the United States under its bilateral program of technical assistance, care is taken to assure complementary programing through close coordination with the U.N. resident representative and host government officials at the country level.

The U.N. Special Fund supports research which is directed largely toward specific projects or products in particular countries, and, since its beginning in January 1959, has allocated some $5.4 million for this purpose. In contrast, the proposed development research program of the new Agency for International Development would have a broader application and be aimed more toward the processes and techniques by which foreign assistance can be made more effective.

The preinvestment surveys and studies financed by the Special Fund again are similar in nature to those to be financed under the new AID agency's program of development assistance. The key to successful coordination in this area lies in improved national development by the host government with a blueprint for development and the establishment of a system of priorities which will facilitate the selection of specific projects and areas for assistance by the most appropriate bilateral or multilateral aid source.

PROPOSED U.S. CONTRIBUTION

It is proposed that the United States contribute $40 million to the U.N. expanded technical assistance program and Special Fund for calendar year 1962. This sum is based upon a U.S. contribution of 40 percent of the total contributions of some $100 million we anticipate will be pledged by governments. While this figure is considerably short of the announced target of $150 million we consider it a realistic assessment of likely contributions.

The U.S. percentage contribution has declined from 60 percent at the outset of the expanded program to 40 percent at present. Through the encouragement provided by the United States, other countries have sharply increased their contributions, and, reflecting their confidence in the program, increased their pledges sharply from $45.7 million in 1960 to $54.9 million for calendar year 1961. It is safe to assume a conservative pledge of $60 million by these governments for 1962, leading to the proposed U.S. contribution of $40 million. While the Appropriations Committee has in the past recommended an absolute reduction in the amount of the U.S. contribution for this program, the executive branch feels such a reduction at this time would be prejudicial to the continued expansion of the program and the readiness of other governments to increase their contributions.

Support of the program at the level of aid proposed will permit an increase in the number of ETAP experts provided from roughly 1,500 in 1960 to 1,700 in the current year extending into 1962, and a rise in the number of fellowships granted from 2,000 to 2,800. Increased attention is being given to the allocation of assistance to the newly independent and emerging states and territories of Africa, who are now receiving 28 percent of the total ETAP budget. By virtue of the increased level of contributions, this has been accomplished without diminishing the level of aid to other needy areas.

In the coming year, we intend to work closely with other governments to improve the effectiveness of these programs and to maximize their usefulness to the host governments. We are considering various means of bringing about institutional improvements which will draw the U.N. program more solidly in line with the basic philosophy of country programing emphasized in the Act for International Development.

Based on their success to date in contributing to the U.S. objective of orderly evolution of a prosperous and enlightened free world community and the promise they hold for an even greater contribution in the years ahead, U.S. support of these programs in the amounts proposed appears fully warranted.

Mr. CLEVELAND. Mr. Chairman, I would be glad to say just a word on this.

Mr. GARY. Yes, I wish you would.

OBJECTIVES OF THE PROGRAM

Mr. CLEVELAND. This is familiar territory to you, sir, and to the members of this committee. The expanded technical assistance program, which the specialized agencies of the United Nations have administered in coordination with each other through the Technical Assistance Board, is one of the oldest programs in the postwar international organization field.

The Technical Assistance Program provides experts, fellowships, demonstration supplies, and equipment to the less developed nations of the world. The United Nations Special Fund, which was set up more recently, also uses the specialized agencies as its operating arms in the various fields of health, food, agriculture, education, and so on, and has been pioneering in preinvestment activities by helping finance surveys and feasibility studies; applied research; and manpower training and technical education. The idea of the Special Fund originally was to fill the gap between rather small-scale technical aid to countries and the large loans and grants that we mostly think of when we think of our foreign aid program. Many of the new countries have the greatest difficulty in getting up to the point where they can qualify under any reasonable criteria for loans and grants in terms of surveying their own resources, training their own people, and developing their own field before foreign aid can be planted in them, as it were.

FINANCING OF THE PROGRAMS

These two agencies work very closely together and out of the same office in New York, that is, the Expanded Technical Assistance Program and the Special Fund. These two agencies are working to expand their combined funds under a goal set by the General Assembly at $150 million. This is a goal, and we are on an incline toward that, but we think $100 million is a realistic and feasible target for 1962, in terms of what we ought to put up and what other countries will probably put up, and would indeed be a gratifying increase over the performance in the last few years.

Mr. GARY. You are asking for $40 million here. If you reach the goal of $100 million, we would be contributing 40 percent?

Mr. CLEVELAND. We would be contributing 40 percent or $40 million. If the other countries were to put up substantially more than that and make it possible to match a larger amount, the idea is that we would use the contingency fund for that purpose. But that does not look very probable and I think this $40 million—that is, 40 percent of the $100 million target—is probably a pretty good estimate.

POSSIBILITIES FOR LIMITING U.S. CONTRIBUTION

Mr. GARY. What about the law limiting our contributions to these funds to 33⅓ percent?

Mr. CLEVELAND. Our contributions to the regular assessment budgets of all the specialized agencies are held to 33⅓ percent by law. Then there are special provisions that apply to some of the operating contributions above that, and one of the special provisions is the provision that holds contributions to the Special Fund and to the Technical Assistance Program to 40 percent.

What is this legislation, Mrs. Westfall?

Mrs. WESTFALL. Mr. Chairman, this is in the mutual security bill itself. If I could add just one other point. Several years ago there was a provision written in which set 33⅓ percent as a target to be reached in 2 years, but before we got down to that point the authorizing committees wrote into the legislation the 40-percent provision. This came at the time the Special Fund was established so this has since been included as a limitation in the authorizing legislation the last 2 or 3 years.

RELATION OF U.S. CONTRIBUTION TO TOTAL COST OF PROJECTS

Mr. GARY. This is one of the funds, is it not, in which we contribute 40 percent of the amount that is put up by the United Nations and the individual countries have to match the United Nations fund with funds of their own, so that our contribution comes to much less than 40 percent of the total expenditures. Is that not right?

Mr. CLEVELAND. That is right. The latest figure I think Paul Hoffman has used is that if you take into account not only what other countries put up for aid but what the receiving countries put up themselves, our contribution comes to about 17 percent of the total cost of projects.

RELATIONSHIP OF U.S. CONTRIBUTION TO OTHER EXTERNAL ASSISTANCE

Mr. RHODES. We do not contribute, then, 40 percent of the total, but an amount equal to 40 percent of the amount contributed by other nations?

Mr. CLEVELAND. Forty percent of the external assistance; yes.

Mr. GARY. Forty percent of the amount contributed to the United Nations organization as such.

Mr. RHODES. I do not think that is precisely the way I understood it. For instance, let us take an example. If the other nations contribute $100 million, then our contribution is $40 million?

Mr. CLEVELAND. If the other nations contribute $60 million we contribute $40 million.

Mr. RHODES. So our contribution is 40 percent of the total including our contribution and their contributions too?

Mr. CLEVELAND. That is right.

Mr. RHODES. Which is actually, then, two-thirds of the amount contributed by the other nations, or 66⅔ percent of the contributions of other nations?

Mr. CLEVELAND. Yes, it is two-thirds of the contributions by other nations, but the usual way of figuring it is to take the total amount——

Mr. RHODES. I do not care how you figure it. That is what it amounts to.

CONTRIBUTIONS BY RECIPIENT COUNTRIES

Mr. GARY. Forty percent of the whole, then when those funds are used by the United Nations they require the receiving country in which they are spent to make their contribution, so that the total program is much more than the United Nations program to which we contribute.

Mr. RHODES. How much of a contribution is required from the recipient nations Is there a set formula?

Mr. CLEVELAND. It varies a great deal from project to project and to some extent from country to country.

Mr. RHODES. What is the average?

Mr. CLEVELAND. The average is more than 100 percent, I think, of the input from the outside.

Mr. RHODES. Would you care to get those figures for us so we could know with some degree of accuracy the exact contributions these funds generate from other nations?

Mr. GARY. Including recipient nations?

Mr. RHODES. Yes, that is what I mean.

Mr. CLEVELAND. We will be glad to do that.

(The information requested follows:)

RATIO OF U.N. EXPANDED TECHNICAL ASSISTANCE PROGRAM AND SPECIAL FUND TO RECIPIENT GOVERNMENT CONTRIBUTIONS TO PROJECTS

On the average, for Special Fund projects, recipient governments contribute approximately 150 percent of the amount allocated by the Special Fund.

In the expanded technical assistance program, recipient government contributions toward the cost of projects are estimated at double the amount furnished by the international agencies.

POLICY FOR MATCHING FUNDS BY RECIPIENT COUNTRIES

Mr. CLEVELAND. This matching by the countries on the ground, this principle and the principle that from year to year as the project goes on the recipient country ought to put up a larger and larger part of the total, is something Paul Hoffman has felt very strongly about. This was one of the very important principles, as you know, of the Marshall plan, and Mr. Hoffman has carried over that general idea in his administration of the Special Fund and he is very fierce about it.

Mr. RHODES. These programs are grant programs?

Mr. CLEVELAND. Yes. This is to help countries get set up so they can qualify for loans.

Mr. GARY. Had you completed your statement, Mr. Cleveland?

STATISTICAL TABLES

Mr. CLEVELAND. Yes, Mr. Chairman. We do have some information here that might be useful for the record. We have a statement of "Government Pledges and Contributions" by all countries.

Mr. GARY. Yes, we would like to have that.

Mr. CLEVELAND. And also a statement of how this same money is used in the receiving countries, that is, how much each country has gotten in the last several years and some indication of the kind of achievements that are the substance that underlie these programs.

Mr. GARY. We would like to have that information inserted at this point in the record.

(The matter referred to follows:)

United Nations expanded technical assistance program—Government pledges and contributions

[In U.S. dollar equivalent]

Country	Calendar year 1959	Calendar year 1960	Calendar year 1961 [1]
Afghanistan	12,500	12,500	13,500
Albania	2,000	2,000	2,000
Argentina	99,692	115,205	120,287
Australia	625,000	625,000	660,000
Austria	57,692	100,000	170,000
Belgium	437,500	300,000	----------
Bolivia	20,789	20,789	----------
Brazil	832,432	832,432	832,432
Bulgaria	14,706	14,706	14,706
Burma	35,000	35,000	40,000
Byelorussian SSR	50,000	50,000	100,000
Cambodia	6,171	5,714	5,714
Canada	2,000,000	2,000,000	2,150,000
Central African Republic	----------	----------	2,000
Ceylon	20,000	22,000	25,000
Chile	52,381	73,333	200,000
China, Republic of	20,000	20,000	20,000
Colombia	126,800	107,600	110,000
Costa Rica	10,053	10,053	10,053
Cuba	125,000	125,000	100,000
Cyprus	----------	----------	4,200
Czechoslovakia	104,444	69,444	69,444
Denmark	651,513	651,513	1,158,245
Ecuador	11,333	20,000	20,000
El Salvador	7,700	7,700	7,700
Ethiopia	20,000	20,000	20,000
Federation of Malaya	20,000	20,000	25,000
Finland	25,000	25,000	50,000
France	1,555,288	1,543,780	1,852,532
Gabon	----------	----------	2,000
Germany, Federal Republic	1,190,476	1,428,571	2,120,000
Ghana	44,100	66,150	----------
Greece	30,000	30,000	30,000
Guatemala	12,000	12,000	12,000
Guinea	----------	10,000	10,000
Haiti	14,400	14,400	16,000
Holy See	1,000	1,000	1,000
Honduras	10,000	8,000	8,000
Hungary	42,608	42,608	53,259
Iceland	3,888	3,953	4,011
India	525,000	750,000	750,000
Indonesia	48,184	40,520	50,000
Iran	50,495	85,000	85,000
Iraq	56,000	56,000	56,000
Ireland	14,000	14,000	14,000
Israel	50,000	56,000	64,000
Italy	400,000	500,000	900,000
Japan	135,000	135,000	400,000
Jordan	5,881	5,881	----------
Korea, Republic of	3,500	3,500	5,000
Kuwait	----------	----------	42,000
Laos	3,000	20,000	20,000
Lebanon	7,813	20,317	20,317
Liberia	25,000	25,000	25,000
Libya	6,000	20,000	25,000
Luxembourg	4,000	4,000	4,000
Mexico	113,600	121,000	121,000
Monaco	1,013	1,013	1,519
Morocco	10,000	10,000	15,000
Nepal	5,000	5,000	2,000
Netherlands	1,202,000	1,323,052	1,565,083
New Zealand	210,000	210,000	280,000
Nicaragua	----------	6,429	2,571
Nigeria	----------	----------	70,008
Norway	450,791	548,798	604,788
Pakistan	170,000	170,000	170,000
Panama	4,000	4,000	4,000
Paraguay	12,000	----------	----------
Peru	30,000	40,000	40,000
Philippines	66,000	66,000	66,000
Poland	75,000	75,000	100,000
Portugal	15,000	30,000	----------
Romania	16,667	16,667	16,667
Saudi Arabia	25,000	41,400	25,000
Senegal	----------	----------	[2]
Spain	50,000	50,000	50,000
Sudan	119,350	54,000	32,000

See footnotes at end of table, p. 197.

United Nations expanded technical assistance program—Government pledges and contributions—Continued

[In U.S. dollar equivalent]

Country	Calendar year 1959	Calendar year 1960	Calendar year 1961 [1]
Sweden	902,764	902,764	900,000
Switzerland	348,837	465,116	465,116
Thailand	38,186	38,095	38,095
Tunisia	2,000	5,000	17,000
Turkey	210,000	266,667	266,667
Ukrainian SSR	125,000	125,000	250,000
Union of South Africa	----------	10,000	10,000
USSR	1,000,000	1,000,000	2,000,000
United Arab Republic	114,877	143,596	143,596
United Kingdom	2,240,000	3,000,000	3,000,000
United States	11,863,203	[3] 14,655,445	[3] 17,812,817
Uruguay	120,000	100,000	100,000
Venezuela	350,000	350,000	550,000
Vietnam	25,714	25,714	25,714
Yugoslavia	116,667	125,000	138,000
Subtotal	29,658,008	34,165,416	41,382,041
Local cost assessment	2,692,299	2,473,196	3,150,000
Total	32,350,307	36,638,612	44,532,041
Total number of governments	83	85	86

[1] As of Apr. 30, 1961.
[2] Senegal pledged a total of $40,000 for both the United Nations Expanded Technical Assistance Program and Special Fund, the distribution of which has not yet been announced.
[3] Includes U.S. matching of assessed and audited local costs.

United Nations Special Fund—Government pledges and contributions

[In U.S. dollar equivalent]

Country	Calendar year 1959	Calendar year 1960	Calendar year 1961 [1]
Afghanistan	6,000	9,000	11,000
Albania	----------	2,000	2,000
Argentina	100,000	96,004	97,561
Austria	----------	50,000	260,000
Belgium	250,000	100,000	----------
Brazil	208,108	208,108	208,108
Bulgaria	14,706	14,706	14,706
Burma	10,000	10,000	20,000
Byelorussian S.S.R.	50,000	50,000	50,000
Cambodia	2,000	5,000	5,000
Canada	2,000,000	2,000,000	2,350,000
Central African Republic	----------	----------	5,000
Ceylon	5,000	5,000	10,000
Chile	55,612	97,143	104,762
China	20,000	20,000	20,000
Colombia	16,393	16,500	40,000
Cuba	----------	5,000	----------
Cyprus	----------	----------	4,200
Czechoslovakia	69,444	69,444	69,444
Denmark	332,996	332,996	579,123
Ecuador	10,000	40,000	40,000
El Salvador	----------	1,000	2,000
Ethiopia	29,187	29,000	29,000
Federation of Malaya	5,000	5,000	10,000
Finland	----------	----------	100,000
France	1,072,068	1,072,067	1,072,066
Gabon	----------	----------	2,000
Germany, Federal Republic	476,190	1,904,762	3,449,750
Ghana	28,000	28,000	----------
Greece	25,000	30,000	30,000
Guatemala	8,000	8,000	8,000
Guinea	----------	10,000	10,000
Haiti	22,000	22,000	14,000
Holy See	1,000	1,000	1,000
Honduras	----------	5,000	5,000
Hungary	42,608	42,608	42,608
Iceland	----------	4,000	4,011
India	500,000	1,750,000	1,750,000
Indonesia	16,333	16,317	25,000

See footnotes at end of table, p. 198.

United Nations Special Fund—Government pledges and contributions—Continued

[In U.S. dollar equivalent]

Country	Calendar year 1959	Calendar year 1960	Calendar year 1961 [1]
Iran	50,000	125,000	125,000
Iraq	28,006	28,000	34,000
Ireland			25,000
Israel	15,000	45,000	70,000
Italy	600,000	600,000	1,350,000
Japan	480,000	480,000	1,422,483
Jordan		40,000	
Korea, Republic of		10,000	10,000
Laos	3,000	20,000	20,000
Lebanon	15,625	30,476	30,476
Liberia	10,000	15,000	15,000
Libya	10,000	20,000	25,000
Luxembourg	3,000	4,500	5,000
Mexico	34,000	34,000	34,000
Monaco	2,026	1,013	1,519
Morocco	20,000	20,000	30,000
Nepal	1,000	2,000	2,000
Netherlands	2,440,105	2,440,105	2,561,436
New Zealand	70,000	70,000	140,000
Nicaragua			3,857
Nigeria			140,017
Norway	377,992	419,992	597,088
Pakistan	104,998	129,997	129,998
Panama	1,000	1,000	1,000
Paraguay	10,000		
Peru	10,000	70,000	70,000
Philippines	66,000	66,000	66,000
Poland	125,000	125,000	125,000
Portugal	10,000	10,000	
Romania	16,667	16,667	16,667
Saudi Arabia	25,000	25,000	25,000
Senegal			(2)
Spain		50,000	50,000
Sudan	27,000	29,000	29,000
Sweden	2,103,228	2,103,228	2,100,000
Switzerland	462,161	465,116	465,116
Thailand	160,000	160,000	160,000
Tunisia	2,000	20,000	13,000
Turkey	210,000	323,333	322,222
Ukrainian S.S.R	125,000	125,000	125,000
U.S.S.R	1,000,000	1,000,000	1,000,000
United Arab Republic	287,192	287,191	287,191
United Kingdom	1,000,000	5,000,000	5,000,000
United States	10,324,887	[3] 15,824,770	[3] 18,811,869
Uruguay		20,000	20,000
Venezuela	40,000	40,000	100,000
Vietnam	16,686	16,686	16,686
Yugoslavia	150,000	175,000	192,000
Subtotal	25,812,218	38,547,729	46,212,964
Local cost assessments		1,014,196	816,709
Total	25,812,218	39,561,925	47,029,673

[1] As of Apr. 30, 1961.
[2] Senegal pledged a total of $40,000 for both the United Nations expanded technical assistance program and special fund, the distribution of which has not yet been announced.
[3] Includes U.S. matching of assessed and audited local costs.

United Nations special fund—Allocations by agency (as of May 31, 1961)

Region and country	UN	FAO	IBRD	ICAO	ILO	ITU	UNESCO	WHO	WMO	Total
Africa:										
Cameroun							$1,174,800			$1,174,800
Ethiopia		$1,362,800								1,362,800
Ghana	$523,700	384,300								908,000
Guinea	425,000									425,000
Ivory Coast							1,034,800			1,034,800
Liberia		1,006,900								1,006,900
Libya						$523,600	1,116,235			1,639,835
Morocco		702,800		$624,200			735,470			2,062,470
Nigeria		2,116,300	$735,000		$1,002,600		1,052,200			4,906,100
Rhodesia and Nyasaland, Republic of		786,100								786,100
Senegal					486,600					486,600
Somalia		928,800								928,800
Sudan		2,508,400					1,074,400			3,582,800
Togo		700,000								700,000
Tunisia		897,260		640,500						1,537,760
Uganda	313,500									313,500
Total, Africa	1,262,200	11,393,660	735,000	1,264,700	1,489,200	523,600	6,187,905			22,856,265
Asia and the Far East:										
Afghanistan		1,403,396								1,403,396
Burma	590,400									590,400
China	341,850					296,100				637,950
Federation of Malaya					525,400	896,100				1,421,500
India	3,515,800	610,300		1,439,700	3,772,890		3,641,100	$849,100		13,828,890
Indonesia	550,900									550,900
Korea, Republic of		1,149,300								1,149,300
Laos							583,900			583,900
Nepal	974,400									974,400
North Borneo	769,900									769,900
Pakistan	1,642,600	3,465,569			1,039,000		2,269,300			8,416,469
Philippines						968,600				968,600
Thailand			1,015,000	1,339,600	567,300		1,081,700			4,003,600
Vietnam	246,700									246,700
Regional	2,240,000						642,800			2,882,800
Total, Asia and the Far East	10,872,550	6,628,565	1,015,000	2,779,300	5,904,590	2,160,800	8,218,800	849,100		38,428,705
Europe:										
Cyprus		787,100								787,100
Greece		801,450								801,450
Malta							601,200			601,200
Poland					816,900					816,900
Yugoslavia		1,037,100			1,043,775					2,080,875
Total, Europe		2,625,650			1,860,675		601,200			5,087,525

United Nations special fund—Allocations by agency (as of May 31, 1961)—Continued

Region and country	UN	FAO	IBRD	ICAO	ILO	ITU	UNESCO	WHO	WMO	Total
Latin America:										
Argentina		1,260,300	807,500		1,132,100		1,110,100			4,310,000
Bolivia	922,000	702,050								1,624,050
Brazil		2,798,380								2,798,380
British Guiana		843,600	275,000							1,118,600
British West Indies							965,900			965,900
Chile	1,080,300	1,268,800			1,140,100		1,043,000		$633,000	5,165,200
Colombia	558,700	1,333,040				561,200	1,509,700			3,962,640
Cuba		1,157,600								1,157,600
Ecuador		860,678					1,321,400		423,350	2,605,428
El Salvador		348,300								348,300
Guatemala			633,500							633,500
Haiti		338,800								338,800
Honduras		422,300								422,300
Mexico		417,900		844,600						1,262,500
Peru		1,645,383	1,277,000		514,200				788,300	4,224,883
Surinam			770,000							770,000
Venezuela		778,700								778,700
Regional	2,235,000	4,001,000								6,236,000
Total, Latin America	4,796,000	18,176,831	3,763,000	844,600	3,347,600		5,950,100		1,844,650	38,722,781
Middle East:										
Iran	1,566,300	1,439,640			762,400		1,432,160			5,200,500
Iraq		493,700			604,100		934,500			2,032,300
Israel	301,200	716,675			816,400				319,300	2,153,575
Jordan	811,300									811,300
Lebanon		598,200					714,130			1,312,330
Saudi Arabia		431,600					965,500			1,397,100
Turkey		412,400					1,663,450			2,075,850
United Arab Republic		3,778,493		1,063,400	888,100		973,700			6,703,693
Total, Middle East	2,678,800	7,870,708		1,063,400	3,071,000		6,683,440		319,300	21,686,648
Interregional		3,865,800								3,865,800
Total allocations	19,609,550	50,561,214	5,513,000	5,952,000	15,673,065	2,684,400	27,641,445	849,100	2,163,950	130,647,724

United Nations expanded technical assistance program project costs

Region and country	Calendar year 1959	Calendar year 1960	Approved program, calendar year 1961-62
Africa:			
Algeria, French departments of	$3,303	$3,025	$6,600
Basutoland	1,500		81,600
Bechuanaland	3,709		24,798
British East Africa	105,168	42,113	40,400
Cameroon	37,219	71,844	599,300
Central African Republic		4,000	391,950
Chad		9,750	406,350
Comoro Island			50,660
Congo (Brazzaville)		4,205	299,200
Congo (Leopoldville)		1,220	
Dahomey		3,136	405,400
Ethiopia	481,026	500,847	969,832
French Equatorial Africa	2,951		
French Somaliland			50,400
French West Africa	12,316		
Gabon		10,458	360,200
Gambia		218	82,700
Ghana	265,224	293,822	730,848
Guinea	59,809	103,885	728,075
Ivory Coast		4,470	511,200
Kenya	55,216	96,560	143,600
Liberia	235,729	206,741	428,024
Libya	713,642	628,897	1,239,747
Madagascar	4,000	10,946	620,450
Mali		30,500	501,900
Mauritania			337,300
Mauritius	107,189	8,187	116,800
Morocco	282,086	328,548	758,606
Niger			528,800
Nigeria	128,911	150,262	1,496,422
Portuguese territories in Africa	6,577		31,200
Rhodesia and Nyasaland, Federation of	26,595	20,100	60,000
Ruanda-Urundi		34,995	679,000
Senegal		4,502	546,700
Seychelles		13,575	
Sierra Leone	56,273	23,614	424,574
Somalia	141,797	171,336	1,109,408
Southern Cameroon	4,102		184,400
Sudan	503,955	473,836	1,045,584
Swaziland			38,500
Tanganyika (United Kingdom administration)	107,592	107,415	841,900
Togo	32,928	82,367	609,125
Tunisia	275,799	285,542	739,119
Uganda	18,496	13,133	38,100
Upper Volta			586,350
Zanzibar	58,328	67,801	119,600
Regional	317,718	465,706	1,124,318
Total Africa	4,049,158	4,277,556	20,089,040
Asia and the Far East:			
Brunei			10,000
Burma	896,833	840,379	1,586,040
Cambodia	329,648	286,407	856,338
Ceylon	453,323	438,967	880,115
China, Republic of	208,713	182,223	260,934
Federation of Malaya	249,715	313,199	610,967
Hong Kong	3,716	1,500	15,600
India	2,484,976	2,150,237	4,130,647
Indonesia	1,044,253	964,635	1,983,690
Japan	158,935	140,135	184,500
Korea, Republic of	166,171	141,075	198,600
Laos	197,370	278,814	992,632
Macau			16,800
Maldive Island	3,643		5,200
Nepal	240,180	208,393	509,074
Netherlands New Guinea		946	23,959
North Borneo	55,935	36,499	76,718
Pakistan	955,743	970,216	1,882,924
Philippines	530,045	473,945	897,634
Portuguese territory in India	7,227	6,880	
Samoa			37,500
Sarawak	62,748	51,177	188,764
Singapore	55,826	76,786	229,450
Solomon Island		3,158	58,000
Thailand	673,527	695,159	1,268,705
Tonga	25,930	26,607	20,000
Trust territories in the Pacific	10,196	5,500	14,500

United Nations expanded technical assistance program project costs—Continued

Region and country	Calendar year 1959	Calendar year 1960	Approved program, calendar year 1961–62
Asia and the Far East—Continued			
Vietnam, Republic of	$312,611	$249,839	$730,269
Regional	709,358	740,141	1,695,972
Total, Asia and the Far East	9,836,622	9,282,817	19,370,532
Europe:			
Albania		8,285	74,700
Cyprus	8,418	60,716	176,915
Finland	1,831		
Greece	289,122	249,661	550,700
Hungary		9,000	
Iceland	21,770	10,706	15,800
Malta	3,237		33,600
Poland		82,946	153,225
Spain	18,529	22,557	72,508
Turkey	654,380	499,732	1,297,049
Yugoslavia	733,581	657,466	1,206,906
Regional	62,944	59,171	106,750
Total, Europe	1,793,812	1,660,240	3,688,153
Latin America:			
Argentina	480,179	450,169	875,943
Bolivia	476,070	451,818	969,101
Brazil	589,737	485,405	1,124,518
British Guiana	7,533	2,280	25,200
British Honduras	4,452	2,220	14,520
Central America		20,599	
Chile	454,736	694,964	1,859,229
Colombia	511,137	515,295	882,548
Costa Rica	139,817	86,871	254,600
Cuba	73,773	146,542	445,883
Dominican Republic	44,572	31,342	
Ecuador	520,221	408,003	815,534
El Salvador	146,400	111,716	254,970
French Antilles	10,819	9,328	52,870
Guatemala	257,759	212,669	464,707
Haiti	204,692	204,443	445,764
Honduras	219,101	200,389	391,408
Mexico	445,394	412,278	909,282
Netherlands Antilles	13,677		15,250
Nicaragua	153,747	152,194	304,360
Panama	152,371	91,309	291,050
Paraguay	323,373	340,865	651,327
Peru	418,739	397,613	816,590
Puerto Rico	5,040	19,686	9,200
Surinam	2,500		20,140
The West Indies	149,989	148,165	500,794
Uruguay	182,294	206,414	342,804
Venezuela	411,838	380,501	682,777
Virgin Islands (United States)	4,080		2,500
Regional	1,162,479	1,039,894	2,175,651
Total, Latin America	7,566,519	7,222,972	15,598,520
Middle East:			
Aden	18,952	28,827	77,000
Afghanistan	779,606	792,059	1,429,974
Iran	995,018	960,245	1,896,081
Iraq	358,656	452,516	1,024,457
Israel	337,075	308,361	686,100
Jordan	326,783	367,874	713,860
Lebanon	241,787	232,917	488,613
Saudi Arabia	163,914	157,073	550,186
Trucial States		5,657	
United Arab Republic	1,323,510	1,225,440	2,684,427
Yemen	71,293	79,326	201,257
Regional	430,594	366,753	1,008,109
Total, Middle East	5,047,188	4,977,048	10,760,064
Interregional	369,322	421,225	1,476,704
Undistributed project costs		70,716	
Total, project costs	28,662,621	27,912,574	70,983,013

Achievements in 1960

In Nepal, 1960 was a year of achievement in the field of public administration. Among the most important developments were: the creation of a Public Administration Department, formed by bringing the Organization and Methods Office and the Institute of Public Administration together in the Ministry of Home Affairs, and the establishment of new pay scales for all services. United Nations advisers, working with a member of the planning board, have produced new organizational structures for every ministry and department. A report has been submitted on the general pattern of district administration to the Home Minister and the operation of the Royal Airlines Corp. has been reviewed. An appraisal of the staff training needs and other related problems has been made. In addition, courses on supervision, instructors, planning, effects of procedural changes and organization and methods are being prepared.

In Thailand, the Thai Atomic Commission has been encouraging the use of radioisotopes for medical purposes since 1959. An IAEA expert in this field was assigned to work at the Central Radioisotope Laboratory and the department of radiology at the Sirinaj Hospital for several months. Several additional experts were assigned to Thailand during 1960. One of these advised the Government on the establishment of a nuclear measurement laboratory. Other experts in the fields of prospecting, mining, and processing of nuclear raw materials were also assigned to Thailand during 1960.

In Iran, as a result of a WMO mission which has been in operation 5 years, a Meteorological Department of Iran has been organized to direct all meteorological work, which earlier was scattered under different organizations. A comprehensive 5-year plan to develop its activities in different branches of meteorology has been drawn up. The experts also helped organize a climatological division which is now well equipped for the scrutiny and processing of the meterological data collected at the network of observatories. Punchcard techniques are being used by the division for processing climatological data and issuing a monthly bulletin. All available precipitation data for Iran has been collected and published. This publication will be of great use in planning projects for the development of the water resources of Iran. Assistance was also given in reviewing the existing network of upper air observatories. Recommendations were made for improving the operations of existing stations and the type of radiosonde and radar wind equipment which would be suitable for use in Iran. As a result, it is expected that the country will increase the efficiency of the Meteorological Service for aviation, particularly for high altitude flights and jet aircraft.

Several ILO experts have continued to assist India's national productivity center (established upon the recommendation of ILO experts) which aims at contributing to India's economic expansion by promoting better utilization of scarce resources, especially through the application of modern management techniques. Special attention is given to the need for applying better methods of work, and for safeguarding and furthering the workers' interests as related to higher productivity. Projects involved generally aim at a simultaneous approach to various levels of management and to workers by the inclusion, in most cases, of a top-management seminar, a refresher course in industrial engineering for worker engineers, and an introductory course in foremanship and a seminar for workers' representatives. Many significant improvements in productivity have been achieved under these projects, especially as a result of studies made by the participants in the courses themselves. These improvements included, for example, substantial savings in floorspace and raw material, lightening the tasks of workers, important increases in output, and in some cases higher wages.

A 7-year project in Pakistan under the ITU was completed in 1960 with the dedication of the radio center at Karachi. This project involved the planning and construction of the whole system of radio communications of Pakistan.

The ICAO mission in Indonesia, which started its work almost 10 years ago, has, with the cooperation of the Government of Indonesia, established an extensive, well-equipped civil aviation academy for the training of Indonesian students in all branches of civil aviation. The academy has provided training courses for pilots, air traffic controllers, airport managers, radio operators, radio engineers and mechanics, airframe and engine mechanics, and aircraft electrical and instrument mechanics. An essential part of this work has been the training

of counterpart instructors and a gradual reduction in the number of foreign instructors. With the increase not only of trained mechanics and technicians but, through fellowships abroad, professional engineers are being turned out who will eventually remove the necessity for the ICAO technical assistance mission.

The ICAO technical assistance mission in Iran, since its arrival in Teheran in 1951, has received the fullest cooperation from the Government. The mission became a part of the Department of Civil Aviation, assisted in its organization and development, in setting up safety services, in laying down the aeronautical communications network, the meteorological program, and the air traffic control system. It also established a training center which produced Iranian air traffic controllers, radio maintenance mechanics, communications operators, meteorological instrument mechanics, meteorological specialists, and power-plant attendants. On-the-job training and supervision has been provided while training of counterpart instructors has continued as an integral element in the training program. Approximately 300 students have attended courses given by the mission and these men are now the backbone of the technical services in the Department of Civil Aviation.

In India it was found that there were approximately 2½ million tuberculosis patients who required treatment while the number of beds available for them was only 23,000. With the help of WHO, a national tuberculosis campaign was launched in 1959 on the basis of the findings of the Tuberculosis Chemo Therapy Center which was also established with the assistance of WHO. Its studies indicated that despite the many advantages of sanitarium care, home treatments with appropriate drugs is comparable and could be adopted by many communities of India. Thus, the campaign is going forward. The center is also being used for the training of doctors and auxiliary health workers from various countries in the region.

A campaign in Afghanistan to combat a grapevine disease known as powdery mildew reduced losses as much as 50 percent in 1 year and increased the value of the grape harvest by at least $1 million (United States). Afghanistan formerly produced some 20,000 tons of grapes annually of which 11,000 tons were exported, mainly in the form of raisins, to India and Pakistan. The disease reduced production so that by 1958 loss of income was estimated at about $5 million. The FAO expert assigned to tackle the problem introduced the use of sulfur fungicides, a method used in most grape-growing countries but until then unknown in Afghanistan. The effectiveness of the treatment led to ready acceptance of such control measures throughout the vine-growing areas. The extension services of the Government and farmers' organizations cooperated. Excellent results were soon seen. Losses caused by the disease in dusted vineyards were less than 3 percent compared with an average 50-percent loss in untreated vineyards.

The reconstruction of the town of Fizebu in Liberia demonstrates the community planning activities of the ETAP program. Completely destroyed by fire in 1959, the town has been replanned and rebuilt with the help of a U.N. housing expert and community planners. The houses built are larger, better designed, and more comfortable. Their placement is better spaced. To encourage local initiative for the building of better houses, four new types of demonstration homes were built in Fizebu, representing a progressive modification of the original round stick-in-mud house. For the most part, local materials are being used in the construction of these houses with a minimum of imported materials; namely, cement and corrugated iron.

A pulp and paper mill in Thailand, with the aid and advice of a U.N. technical assistance expert has been able to increase its daily paper production substantially and to turn an annual operating deficit into an anticipated profit that may run into the equivalent of many thousands of dollars. For the past 6 months, a U.N. expert has been technical adviser to the Industrial Works Division of the Ministry of Industry, the operator of the country's two existing papermills. Without any new equipment or other capital investment, he was able to demonstrate to the operators of one mill, at Kanchanaburi on the River Kwei, about 75 miles west of Bangkok, how to increase daily production of printing and writing paper from approximately 6½ to 15 tons. The increased production, using bleached bamboo bulk as raw material, was accomplished by eliminating work stoppages often caused by a hesitance in making decisions on production; by overcoming a fear of breakdowns that had kept the mill from running at full capacity; and by a systematic analysis and elimination of production bottlenecks. The demand for paper in Thailand and other Asian countries is increasing very rapidly. In 1950 the demand in Thailand also was approximately 30,000 tons

annually; at present, it is about 60,000 tons, and by 1975, according to an estimate of the FAO, it will be approximately 200,000 tons.

In Yugoslavia, a team of FAO experts has been working with the Government for several years in carrying out a comprehensive wheatgrowing program. This has involved the introduction and distribution of improved varieties of wheat and seed, the adoption of better agronomic practices including the greater use of fertilizers and improved methods of harvesting, and the conduct of experiments and tests in cooperation with experimental stations in different parts of the country. Improved practices have been adopted in large areas of the country with the result that acreages sown by experts have produced an average of about 59 bushels of wheat per acre compared to 28 bushels per acre for all the areas sown and only 16 bushels per acre in 1955. Furthermore, whereas Yugoslavia previously depended upon wheat imports, it can now produce its own domestic requirements.

Under a regional project which embraced Central America, Mexico, and Panama a group of U.N. scientists and technicians brought a locust plague under control in these countries, primarily by dusting with insecticides both from the ground and from airplanes. At the time the campaign began in 1956, locust swarms were destroying grain crops of rice, sorghum, and millet, and attacking other food crops, such as plaintains and beans. Between 1948 and 1950, for example, some 50 percent of the food crops in Nicaragua were destroyed by locusts. In addition to advising on these operations, the U.N. technicians of FAO arranged for fellowships for training the staff of the national antilocust control departments of countries in this area.

In February 1960 the five Central American countries at a diplomatic conference in Tegucigalpa signed a convention establishing an international cooperation for the operation of aeronautical communications in Central America. ICAO assisted in preparing and implementing this project. Experts have assisted El Salvador, Honduras, and Guatemala in improving their aeronautical communications and radio navigation aids. In Guatemala an aerodrome engineer assisted in the construction and improvement of several aerodromes, some for large aircraft. He also submitted proposals for building a new international airport and advised the Public Works Department on the construction of a new terminal building. Training of local technicians has, for the most part, taken place at the ICAO Civil Aviation Training Center in Mexico.

Considerable work has been accomplished in the community-development aspects of the Andean Indian project in Bolivia, Ecuador, and Peru with the participation of several agencies. In fundamental and rural education, for instance, over a thousand Bolivian rural teachers have been trained in 1960. The Supporting Service, a special technical section of the Bolivian Ministry of Education operated jointly by the Ministry and UNESCO, has produced teaching materials including readers, textbooks, and audiovisual aids for the schools associated with the Andean Indian project, and has organized correspondence courses for uncertified teachers in rural schools participating in the project. In Ecuador, more than 50 school buildings were completed in the last 2 years; in Peru, an extension program for adult literacy classes and the training of rural teachers, community leaders, and social promoters made marked progress.

FISCAL YEAR 1962 REQUEST COMPARED WITH FISCAL YEAR 1961 APPROPRIATION

Mr. GARY. How does the request of $40 million compare with the appropriation of last year?

Mr. CLEVELAND. That is a bit complicated. I will ask Mrs. Westfall to answer that.

Mrs. WESTFALL. We got an appropriation last year of $33 million and then in order to match the pledges that were made by other governments it was necessary for us to get $3,450,000 from the contingency fund. In other words, we underestimated how much other governments would put up. So our total contributions will be $36,450,000.

Mr. GARY. For last year?

Mrs. WESTFALL. Yes.

Mr. CLEVELAND. And it was $30 million the year before.

Mr. GARY. And this year you are asking for $40 million?
Mrs. WESTFALL. Yes.

NUMBER OF TECHNICIANS BY NATIONALITY

Mr. GARY. I wonder if you could give us a statement concerning the personnel used in this program, showing how many are employed in the program from the various countries?

Mr. CLEVELAND. As Technical assistance people?

Mr. GARY. The total personnel employment on the basis of countries including the technical assistance people.

Mr. CLEVELAND. Yes; we will supply that for the record.

(The information requested follows:)

Number of technicians in U.N. expanded technical assistance program by nationality as of Jan. 1, 1961

Country	Number of technicians	Country	Number of technicians
Argentina	22	Jordan	15
Australia	39	Lebanon	10
Austria	12	Mexico	10
Belgium	18	Netherlands Antilles	1
Bolivia	4	Netherlands	101
Brazil	16	New Zealand	16
Canada	60	Norway	29
Ceylon	2	Pakistan	7
Chile	31	Paraguay	1
China	13	Peru	8
Colombia	6	Philippines	10
Costa Rica	5	Poland	3
Cuba	7	Portugal	9
Czechoslovakia	5	Rhodesia and Nyasaland	2
Denmark	34	Spain	21
Dominican Republic	1	Stateless	6
Ecuador	11	Sudan	1
El Salvador	1	Sweden	34
Finland	15	Switzerland	35
France	130	Thailand	1
Germany	54	Turkey	5
Greece	4	Union of South Africa	6
Guatemala	1	U.S.S.R.	25
Haiti	6	United Arab Republic	36
Iceland	3	United Kingdom	207
India	72	United States	134
Iran	1	Uruguay	3
Iraq	1	Venezuela	1
Ireland	7	Yugoslavia	10
Israel	7		
Italy	35	Total	1,378
Japan	8		

DIFFERENCE BETWEEN TECHNICAL ASSISTANCE AND SPECIAL FUND PROGRAMS

Mr. GARY. What is the difference between the program carried out under the technical assistance program and the program carried out under the special fund?

Mr. CLEVELAND. It is fundamentally a difference of origin, a difference in administration, a difference in size, and a difference in purpose.

The origin of the expanded technical assistance program in an attempt to put more funds into the technical aid function of the specialized agencies, World Health Organization and so on, than was possible from their own budgets. The specialized agencies started during and just after the war really as organizations for discussion and coordination of scientific and technical progress, but it soon became evident in the postwar period that you would have to have a considerable amount of money for what really amounts to the beginnings of economic development in many of the new nations as new nations began to come on the scene, and the membership of the specialized agencies increasingly regarded it as useful and important to have technical aid come in through the specialized agencies; that is, through international channels.

At about the time the point 4 program was started by the United States, a somewhat comparable urge was also felt in the United Nations group as a whole. So, as a way of providing technical services and a small amount of demonstration equipment, a fund was established in the United Nations by countries contributing to the United Nations and the United Nations would allocate the funds among the specialized agencies for administration. At that time there was set up a technical assistance board which was to coordinate this process.

Meanwhile the various bilateral programs and the program of the World Bank and of other banking and financial institutions were developing, during the 1950's, and it became clear that there was a kind of a gap. There was this relatively small technical assistance program and this large availability of loan funds, but some of the intermediate work that had to be done—the training, the institution building, the resource surveys, the research, and so on—was not adequately taken care of. A special fund was established to fill that gap, to enable countries to do the so-called preinvestment work that needed to be done to bring them to know their own potential.

But this is a considerably larger business, although it is preinvestment, and so we felt it required a different form of organization. The technical assistance program is run by a board consisting of representatives of the specialized agencies that use the money, with general supervision by a 24-government special committee. In the case of the special fund, the governments set up an 18-man board to supervise the preinvestment businesses, nine members from developed countries and nine members from less developed countries.

So it is partly a difference of administration and partly a difference of purpose and scale.

BASIS FOR FUNDING THE TWO PROGRAMS

Mr. GARY. On what basis is the appropriation broken down between the two?

Mr. CLEVELAND. You mean the relative figures between the two?

Mr. GARY. Yes.

Mr. CLEVELAND. The best way to answer that, I think, is to start by saying that how much we put up for either of these enterprises depends on how much other countries put up, this being a matching business. We have a table here going all the way back to the beginnings of these programs that indicates how much in each case.

In 1959 the technical assistance fund was $11,900,000, and the special fund was $10,300,000.

In 1960 we were contributing $14,700,000 to the technical assistance fund, and we were contributing to the special fund $15,800,000.

This last year, 1961, the estimate is that the technical assistance will be $17,800,000, and the special fund $18,800,000. But in each case our fund is administered in such a way as to be 40 percent of the total contributed, since that is our legislative mandate repeated now in the new bill that is before this House.

STATISTICAL DATA

Mr. GARY. I think we will insert page 151 of the justifications, which contains the table which you have just referred to, at this point in the record; and also pages 152 and 153.

(The pages follow:)

United Nations Expanded Technical Assistance Program and Special Fund—Contribution by calendar year

[In dollars]

Country	1959		1960		Estimated 1961	
	UNTA	Special fund	UNTA	Special fund	UNTA	Special fund
Australia	$625,000		$625,000		$660,000	
Brazil	832,432	$208,108	832,432	$208,108	832,432	$208,108
Canada	2,000,000	2,000,000	2,000,000	2,000,000	2,150,000	2,350,000
Denmark	651,513	332,996	651,513	332,996	1,158,245	579,123
France	1,555,288	1,072,068	1,543,780	1,072,067	1,852,532	1,072,066
Germany	1,190,476	476,190	1,428,571	1,904,762	2,120,000	3,449,750
India	525,000	500,000	750,000	1,750,000	750,000	1,750,000
Italy	400,000	600,000	500,000	600,000	900,000	1,350,000
Japan	135,000	480,000	135,000	480,000	400,000	1,422,483
Netherlands	1,202,000	2,440,105	1,323,052	2,440,105	1,565,083	2,561,436
Norway	450,791	377,992	548,789	419,992	604,788	597,088
Sweden	902,764	2,103,228	902,764	2,103,228	900,000	2,100,000
Switzerland	348,837	465,116	465,116	465,116	465,116	465,116
U.S.S.R	1,000,000	1,000,000	1,000,000	1,000,000	2,000,000	1,000,000
United Kingdom	2,240,000	1,000,000	3,000,000	5,000,000	3,000,000	5,000,000
Venezuela	350,000	40,000	350,000	40,000	550,000	100,000
Subtotal	14,409,101	13,095,803	16,056,017	19,816,374	19,908,196	24,005,170
Other governments	3,385,704	2,391,528	3,453,954	2,906,585	3,591,020	3,255,908
Subtotal	17,794,805	15,487,331	19,509,971	22,722,959	23,499,216	27,261,078
United States [1]	11,863,203	10,324,887	14,655,445	15,824,770	17,766,145	18,623,837
Total	29,658,008	25,812,218	34,165,416	38,547,729	41,265,361	45,884,915

[1] Amount includes U.S. matching of assessed and audited local costs for 1960 and 1961.

United Nations Special Fund allocations by region and agency approved as of Apr. 30, 1961

	Africa	Asia and Far East	Latin America	Europe	Middle East	Inter-regional	Total
U.N	$1,262,200	$10,872,550	$4,796,000		$2,678,800		$19,609,550
FAO	11,393,660	6,628,565	18,176,831	$2,625,650	7,870,708	$3,865,800	50,561,214
ICAO	1,264,700	2,779,300	844,600		1,063,400		5,952,000
ILO	1,489,200	5,904,590	3,347,600	1,860,675	3,071,000		15,673,065
ITU	523,600	2,160,800					2,684,400
UNESCO	6,187,905	8,218,800	5,950,100	601,200	6,683,440		27,641,445
WHO		849,100					849,100
WMO			1,844,650		319,300		2,163,950
Subtotal	22,121,265	37,413,705	34,959,781	5,087,525	21,686,648	3,865,800	125,134,724
IBRD	735,000	1,015,000	3,763,000				5,513,000
Total	22,856,265	38,428,705	38,722,781	5,087,525	21,686,648	3,865,800	130,647,724

United Nations expanded technical assistance program, calendar years 1961–62, summary by agency and geographic region

[In thousands of dollars]

BY REGION

	Total
Africa	20,088
Asia and the Far East	19,371
Latin America	15,599
Europe	3,688
Middle East	10,760
Interregional	1,477
Total	70,983

BY AGENCY

	Program	Administrative and operational costs	Total
U.N.	15,188	1,711	16,899
FAO	17,930	2,197	20,127
ICAO	2,576	400	2,976
ILO	7,396	825	8,221
ITU	1,397	168	1,565
UNESCO	11,871	884	12,755
WHO	12,022	1,325	13,347
WMO	1,119	113	1,232
Subtotal	69,499	7,623	77,122
IAEA	1,484	17	1,501
Total	70,983	7,640	78,623

TYPES OF CURRENCY CONTRIBUTED

Mr. RHODES. Mr. Chairman, may I ask a question at this point?

Mr. GARY. Yes.

Mr. RHODES. Are the contributions from the other nations to the United Nations expanded technical assistance program and to the special fund in hard currency or may they be made in the currency of the country?

Mr. CLEVELAND. Some are in hard currency and some, like the Russians, contribute only in blocked rubles, which has made it hard to use their money unless we can find someone who wants their experts.

Mr. RHODES. We hope that is hard to accomplish.

Mr. CLEVELAND. It is indeed.

Mr. RHODES. I suppose we consider that as a contribution in determining what our 40 percent amounts to?

Mr. CLEVELAND. That is correct, if it is usable, and sooner or later most of the funds do get used. As a matter of fact, I believe all of them do get used.

Mr. RHODES. Do you know of any instances in which the funds have not been accepted because they might not be usable?

Mr. CLEVELAND. No. In the case of the Soviet contribution to the Special Fund there is an issue now as to whether it is usable or how much is usable, but they have put up a $1 million equivalent in rubles.

DEPENDENCE OF OBLIGATION OF U.S. CONTRIBUTIONS UPON CONTRIBUTIONS FROM OTHER NATIONS

Mr. RHODES. Has this anything to do with the size of our contribution or have you assumed all currency would be usable and based our 40 percent on that premise?

Mr. CLEVELAND. We have gone ahead with our contributions tied to the amounts that other countries actually put up, the other 60 percent.

Mr. RHODES. In other words, our contribution cannot be spent or obligated except in accordance with the contributions of usable funds received from other nations?

Mr. CLEVELAND. That is right.

Mr. RHODES. And as those contributions are received?

Mr. CLEVELAND. That is right. It is not done mechanically on a day-to-day basis. It is done on a year-to-year basis. But the principle is the one you have stated.

Mr. RHODES. If it is on a year-to-year basis there must be a yearend audit made and adjustments effected; is that correct?

USABILITY OF BLOCKED CONTRIBUTIONS

Mrs. WESTFALL. Mr. Chairman, if I may speak to that point, on the question of usability of funds, there has never been a contribution ultimately declared unusable. There have been difficulties in using some of them. I am not sure what would finally happen if the Board threw up its hands and said a particular contribution was completely unusable.

Mr. RHODES. I understood Mr. Cleveland to say there was a contribution being held in abeyance. Is that correct?

Mrs. WESTFALL. The Soviets have made contributions over the past several years to the Special Fund which have not yet been used. The Special Fund has not yet said, "We have this money we have tried to use and there is no way it can be used in the future, therefore we will have to reject it."

Mr. RHODES. Actually, if it is decided this Soviet contribution is not usable, the United Nations expanded technical assistance program and the Special Fund would owe the United States $666,000, would it not?

Mr. CLEVELAND. My view would be that if the Executive Board of the Special Fund decided that some past contributions really could not be used and had to be returned, that this would reduce the amount that we would have to put up. We assume we would take it off the current contributions rather than have it paid back to us, but the principle you have stated is correct. We have not been presented with the problem yet.

Mr. RHODES. Off the record.

(Discussion off the record.)

RUSSIAN BLOCKED CONTRIBUTIONS

Mr. GARY. Mr. Cleveland, as well as I can remember it was not until a year or two ago that Russia contributed at all to this program. Is that not correct?

Mr. CLEVELAND. That is right. In the case of the Expanded Technical Assistance Program they held off for a number of years and finally it became so popular with all the various less developed coun-

tries they were led to decide to put up, first $1 million, and last year $2 million for it. In the case of the Special Fund they put up their money, but on a blocked basis which makes it very hard to use.

Mr. GARY. What do you mean by a "blocked basis"?

Mr. CLEVELAND. They will only allow it to be used to purchase services and supplies from the Soviet Union.

Mr. GARY. You mean they put it up with the restriction that it can only be used to purchase their own goods and services; is that correct?

Mr. CLEVELAND. That is correct, yes.

Mr. GARY. It is put up with that restriction?

Mr. CLEVELAND. Yes. We have a somewhat similar restriction in some of the Export-Import Bank operations, that it has to be used to buy American machinery and so on.

RUSSIAN TECHNICIANS IN THE PROGRAM

Mr. GARY. How many Russian technicians are now being used in this program?

Mr. CLEVELAND. As of the beginning of this year, the total number of technicians was 1,378 and of those 25 were from the U.S.S.R. and 8 more from other bloc countries.

Mr. GARY. Can you tell us in what countries they were stationed?

Mr. CLEVELAND. I am not sure there is a summary. We will have to work it out name by name. We have the names of all the people and where they are.

Mrs. WESTFALL. I am sorry, Mr. Chairman. We will have to furnish that for the record. That is the one page that seems to be missing here.

RESPONSIBILITIES FOR ADMINISTERING PROGRAMS

Mr. GARY. Who is responsible for administering this program?

Mr. CLEVELAND. There are two programs. In the case of the United Nations expanded technical assistance program, it is administered by the Technical Assistance Board of the United Nations, the executive chairman of which is David Owen, a British national who is a member of the Secretariat staff in New York. And the Board consists of representatives of the specialized agencies, the organizations that actually put this money to work, the Director General of the World Health Organization, the Director General of the World Meteorological Organization, and so on.

In the case of the Special Fund there is a Managing Director, who is Mr. Paul Hoffman, and there is a governing board of 18 members, 9 from developed countries and 9 from less developed countries. We, of course, are a member of that board.

USE OF SOVIET AND OTHER BLOC TECHNICIANS

Mr. GARY. Let me say with reference to the questions we had a few minutes ago when you did not have the tables to show the countries in which the Soviet technicians were being used——

Mrs. WESTFALL. Excuse me, Mr. Chairman. I have found that.

Mr. GARY. Then, will you give us that information now, please.

Mrs. WESTFALL. There are a couple in Guinea, a group in India, three in Yugoslavia, one in Afghanistan, one in Burma, and one in the U.A.R. The great bulk of them are in India.

Mr. RHODES. Mr. Chairman, can we find out how many are in each country?

Mr. GARY. She gave that.

Mrs. WESTFALL. Two in Guinea, three in Yugoslavia, one in Afghanistan, one in Burma, one in the U.A.R., twenty in India. That adds up to 28. Three of these are financed from the regular budget and 25 under the expanded technical assistance program.

Mr. GARY. It seems to me testimony was given last year that Russian technicians in India were specifically requested by the Indian Government. Is that correct?

Mr. CLEVELAND. Well, all technicians that go anywhere under this program are specifically requested there.

Mr. GARY. But I understand the Indian Government specifically requested Russian technicians for certain projects. Is that correct?

Mr. CLEVELAND. I do not know the origin of these particular requests. In every case, of course, ultimately the receiving government has to approve not only the provision of a technician but also has to approve the individual technician.

Mr. GARY. I understand that, but my recollection is that last year there was testimony to the effect that Russian technicians were specifically requested by the Indian Government. I may be mistaken.

Does this include all Russian Communist bloc technicians as well as the U.S.S.R.?

Mr. CLEVELAND. There are 5 Czechs and 3 Poles in addition to the 25 Soviets.

Mrs. WESTFALL. We could give you the complete list including field of assignment and location for both the Soviet and bloc experts, if you would like.

Mr. GARY. I wish you would.

(The information requested follows:)

Soviet and bloc experts provided by U.N. and specialized agencies in the field as at Jan. 1, 1961

U.S.S.R.

Mr. O. Podlipnyak [1]	Guinea	UNTAO	Interpreter to civil engineer.
Mr. L. V. Vladimirov [1]	do	UNTAO	Civil engineer.
Mr. N. A. Masutov	India	ILO	Mines safety.
Mr. N. M. Shaydo	do	ILO	Do.
Mr. A. S. Stugarev	do	ILO	Mines safety.
Mr. I. S. Shatokhin	Yugoslavia	ILO	Vocational training.
Mr. V. I. Novikov	do	ILO	Do.
Mr. S. B. Gulbadamov	India	FAO	Deepwater fishing.
Mr. M. P. Poliakov	do	FAO	Master fisherman.
Mr. L. M. Zheltov	do	FAO	Interpreter.
Mr. A. V. Albenskij	Yugoslavia	FAO	Genetics of rosinous trees.
Mr. E. S. Voronin	Afghanistan	UNESCO	Physics.
Mr. A. S. Gritzaenko	Burma	UNESCO	Geophysics.
Mr. N. K. Dertev	India	UNESCO	Chief of project.
Mr. I. P. Anoshtchenko	do	UNESCO	Electrochemical industries.
Miss V. I. Belokriltseva	do	UNESCO	Scientific translator.
Mr. A. Chistvakov	do	UNESCO	Fuel technology.
Mr. B. S. Danlin	do	UNESCO	Electronics.
Mr. A. Fadayev	do	UNESCO	Scientific translator.
Mr. A. F. Filippov	do	UNESCO	Iron and steel technology.
Mr. G. I. Girenko	do	UNESCO	Scientific translator.
Mr. M. A. Maurakh	do	UNESCO	Nonferrous metallurgy.
Mr. G. N. Meshcheryakov	do	UNESCO	Machine tool building.
Mr. N. I. Taganov	do	UNESCO	Chemical engineering.
Mr. G. E. Vershinin	do	UNESCO	Industrial electronics.
Mr. P. Zabarinsky	do	UNESCO	Petroleum technology.
Mr. M. I. Pavlov	UAR	UNESCO	Hydrogeology.
Dr. V. Preobragenski [1]	India	WHO	Medical officer, virology.

POLAND

Mr. T. Setkowicz [1]	Afghanistan	UNTAO	Chief driller.
Mr. P. Szawernowski	India	UNTAO	Port development expert.
Mr. W. Podawapinaki	Libya	UNTAO	Low-cost housing.
Mr. A. Wojcicki	Pakistan	UNTAO	Community development adviser.
Mr. A. Krynski [1]	Sudan	UNTAO	Geodetic surveyor.

CZECHOSLOVAKIA

Mr. L. Branisa	Bolivia	UNTAO	Administrator, Geological Institute.
Mr. S. Ruza	India	UNESCO	Welding techniques.
Mr. M. Kalousek	UAR	UNESCO	Chemistry.
Mr. J. Holler	Middle East region	UNESCO	Textbook illustration.
M. Z. Gabriel	Guinea	ICAO	Civil aviation adviser.

[1] Expert financed from regular budget rather than from expanded technical assistance program.

CONTRIBUTIONS BY OTHER BLOC COUNTRIES

Mr. GARY. Do the other Communist bloc countries contribute to the Fund?

Mr. CLEVELAND. Yes.

Mr. GARY. Do they contribute in their own currencies with restrictions as Russia does? In other words, are their contributions made on the same basis as those of the Soviet Union?

Mr. CLEVELAND. Yes. In calendar year 1960 even Albania was putting up a small amount of money.

We could submit, if you like, Mr. Chairman, either the full table of contributions or the contributions from the bloc countries.

Mr. GARY. We have already put the table of contributions in the record but the Communist bloc countries are not listed, so if you will put another table in.

Mr. CLEVELAND. This has government pledges and contributions for 1959, 1960, and estimated 1961.

Mr. RHODES. Could the table also include the manner in which contributions are made, whether in their currency?

Mr. GARY. They are always in their currency, I take it.

Mrs. WESTFALL. Excuse me. You are referring only to the Soviet bloc countries at this point?

Mr. GARY. Yes.

Mr. CLEVELAND. The degree of convertibility of the contributions from the various countries?

Mr. RHODES. Yes.

Mr. CLEVELAND. We can work that out.

Mr. GARY. The main thing I am interested in are the contributions that are made with restrictions.

(The information requested was furnished as follows:)

Contributions to United Nations expanded program of technical assistance and special fund, calendar year 1961

	Pledge		Currency of pledge	Conditions[1]
	UNTA	Special fund		
Afghanistan	13,500	11,000	U.S. dollar	
Albania	2,000	2,000	Lek	Nonconvertible.
Argentina	120,287	97,561	Peso	Do.
Australia	660,000		Australian pound	Do.
Austria	170,000	260,000	U.S. dollar	
Brazil	832,432	208,108	Cruzeiro	Do.
Bulgaria	14,706	14,706	Lev	Do.
Burma	40,000	20,000	Kyat	Convertible into sterling.
Byelorussian S.S.R.	100,000	50,000	New ruble	(2).
Cambodia	5,714	5,000	Riel	Nonconvertible.
Canada	2,150,000	2,350,000	U.S. dollar	
Central African Republic.	2,000	5,000	CFA franc	Do.
Ceylon	25,000	10,000	Ceylon rupee	Do.
Chile	200,000	104,762	Escudo	Do.
China, Republic of	20,000	20,000	New Taiwan dollar	25 percent in U.S. dollars.
Colombia	110,000	40,000	U.S. dollar	
Costa Rica	10,053		do	
Cuba	100,000		Peso	50 percent in U.S. dollars.
Cyprus	4,200	4,200	Pound sterling	Paid in sterling.
Czechoslovakia	69,444	69,444	Czechoslovakian crown.	Nonconvertible.
Denmark	1,158,245	579,123	Danish kroner	12.5 percent convertible.
Ecuador	20,000	40,000	U.S. dollar	
El Salvador	7,700	2,000	do	
Ethiopia	20,000	29,000	Ethiopian dollar	
Federation of Malaya	25,000	10,000	U.S. dollar	
Finland	50,000	100,000	Markka	Nonconvertible.
France	1,852,532	1,072,066	New French franc	Do.
Gabon	2,000	2,000	U.S. dollar	
Germany	2,120,000	3,449,750	Deutsche mark	Fully convertible.
Ghana	66,158	28,000	Ghana pound	Nonconvertible.
Greece	30,000	30,000	U.S. dollar	
Guatemala	12,000	8,000	do	
Guinea	10,000	10,000	Guinean franc	Do.
Haiti	16,000	14,000	Gourde	Do.
Holy See	1,000	1,000	U.S. dollar	
Honduras	8,000	5,000	do	
Hungary	53,259	42,608	Forint	Do.
Iceland	4,011	4,011	Króna	Fully convertible.
India	750,000	1,750,000	Rupee	Nonconvertible.
Indonesia	50,000	25,000	Rupiah	10 percent in U.S. dollars.
Iran	85,000	125,000	U.S. dollar	
Ireland	14,000	25,000	Pound sterling	Fully convertible.
Israel	64,000	70,000	Israeli pound	Nonconvertible.
Italy	900,000	1,350,000	U.S. dollar	

See footnotes at end of table, p. 215.

Contributions to United Nations expanded program of technical assistance and special fund, calendar year 1961—Continued

	Pledge		Currency of pledge	Conditions [1]
	UNTA	Special fund		
Japan	400,000	1,422,483	Yen	Fully convertible.
Korea	5,000	10,000	U.S. dollar	
Iraq	56,000	34,000		
Kuwait	42,000		U.S. dollar	
Laos	20,000	20,000	do	
Lebanon	20,317	30,476	Lebanese pound	Do.
Liberia	25,000	15,000	U.S. dollar	
Libya	25,000	25,000	do	
Luxembourg	4,000	5,000	Franc	Do.
Mexico	121,000	34,000	Peso	Do.
Monaco	1,519	1,519	New French franc	Nonconvertible.
Morocco	15,000	30,000	Moroccan pound	Do.
Nepal	2,000	2,000	Nepalese rupee	Do.
Netherlands	1,565,083	2,561,436	Guilder	Do.
New Zealand	280,000	140,000	New Zealand pound	25 percent in sterling.
Nicaragua	2,571	3,857	Cordoba	Nonconvertible.
Nigeria	70,008	140,017	Pound sterling	Do.
Norway	604,788	597,088	Kroner	25 percent convertible.
Pakistan	170,000	129,998	Pakistan rupee	50 percent convertible.
Panama	4,000	1,000	U.S. dollar	
Peru	40,000	70,000	do	
Philippines	66,000	66,000	Peso	Nonconvertible.
Poland	100,000	125,000	Zloty	Do.
Romania	16,667	16,667	Lei	Do.
Senegal	(3)	(3)		
Saudi Arabia	25,000	25,000	U.S. dollar	
Spain	50,000	50,000	Peseta	Do.
Sudan	32,000	29,000	U.S. dollar	50 percent in sterling.
Sweden	1,005,219	2,103,228	Swedish krona	Fully convertible.
Switzerland	465,116	465,116	Swiss francs	Do.
Thailand	38,095	160,000	Baht	Do.
Tunisia	17,000	13,000	U.S. dollar	
Turkey	266,667	322,222	Lira	Nonconvertible.
Ukrainian S.S.R.	250,000	125,000	New ruble	(2).
Union of South Africa	10,000		U.S. dollar	
U.S.S.R.	2,000,000	1,000,000	New ruble	(2).
United Arab Republic	143,596	287,191	Egyptian pound	Nonconvertible.
United Kingdom	3,000,000	5,000,000	Pound sterling	Convertible into sterling area currencies.
United States	17,927,069	19,044,317	U.S. dollar	
Uruguay	100,000	20,000	Peso	Fully convertible.
Venezuela	550,000	100,000	U.S. dollar	
Vietnam	25,714	16,686	Piaster	Nonconvertible.
Yugoslavia	138,000	192,000	Dinar	20 percent convertible.
Total	41,667,670	46,476,640		

[1] Where no conditions are indicated, payment is made in dollars.
[2] Convertible into other currencies to cover travel, expenses of experts and fellows; salary payments to experts in currencies other than rubles; freight and transportation on equipment shipped from U.S.S.R.
[3] Senegal pledged a total of $40,000 for both programs, the distribution of which has not yet been announced

Mr. GARY. A matter of great concern to the Congress in the past has been the question of the use of these Russian technicians in these various countries because we cannot conceive of a Russian technician going into one of these countries without spreading Communist propaganda, which makes it a little difficult to accept.

BASIS OF ALLOCATIONS FROM SPECIAL FUND

On what basis are allocations made from the Special Fund?

Mr. CLEVELAND. They are made on the basis of specific projects worked up usually by one of the specialized agencies, or sometimes several of them together, with the country involved and approved by the resident representative of the United Nations, the overall resident representative in the country who also serves as Mr. Hoffman's representative, submitted then to the staff of the Special Fund

and recommended by the staff of the Special Fund to the Executive Board of the Fund.

Mr. GARY. And I believe you stated yesterday in your general statement that there are certain coordinated boards that review it? Is that correct?

Mr. CLEVELAND. Well, of course, as far as the discussion we were having yesterday as to the coordination between multilateral and bilateral aid, the matter comes to us really at two points, one while it is being discussed on the ground in the country, where our people, the ICA people, and the economic people in the embassy are all involved in the discussions; then on the New York end, as soon as the project comes to the surface in New York they make it available to us and we check it out with the ICA here, so that by the time it comes up to the Executive Board it is more or less pro forma.

COMMUNIST COUNTRIES RECEIVING BENEFITS

Mr. GARY. What Communist countries receive benefits from the program?

Mr. CLEVELAND. In the case of the expanded technical assistance program, Albania, Poland, Yugoslavia—you mean bloc or Communist?

Mr. GARY. Communist bloc countries.

Mr. CLEVELAND. Albania and Poland and Cuba.

In the case of the Special Fund it is only Cuba and not Albania.

AID RECEIVED BY CUBA

Mr. GARY. You say Cuba is receiving aid from the Fund?

Mr. CLEVELAND. It is about to.

Mr. GARY. To what extent?

Mr. CLEVELAND. There is one project in the agricultural field which has been approved. It is $1,157,000 over a 5-year period. This is for an agricultural experiment station down there.

Mr. GARY. I heard on a television program last night that Mr. Dillon, in approving the plans for the joint economic program in Latin America, had stated very specifically that Cuba would not receive any aid. I wonder if that position would extend to this program now that we have taken it with reference to the Latin American program?

Mr. CLEVELAND. I take it what Mr. Dillon was referring to was our bilateral assistance to the various Latin American countries under the general plan that has been worked out in Uruguay. Of course we have no bilaterial plan at all in Cuba. In the case of an international organization, where it receives some contributions from the bloc, it is not really feasible to get the international organization not to accept requests from members of the bloc for assistance. Actually, the United Nations gets a good deal more from the bloc than it puts into the bloc countries, as things work out.

Mr. GARY. Well, it does not look like the United Nations would get much more if Russia itself is only contributing $1 million and we are spending $1 million in Cuba.

Mr. CLEVELAND. The $1 million in Cuba is over a 5-year period, so it is about $250,000 a year.

Mr. GARY. Does Cuba contribute to the program?

Mr. CLEVELAND. Yes. Cuba contributed to the program in 1960. She has not contributed, to date at least, in 1961. Of course, like most of the underdeveloped areas, the contribution they individually make is not equivalent to what they can draw from the Fund if they present a reasonable project. In the case of the expanded technical assistance program they have contributed $100,000 or more each year.

Mr. GARY. Off the record.

(Discussion off the record.)

Mr. GARY. Mr. Natcher.

CONTRIBUTIONS FROM LATIN AMERICAN COUNTRIES

Mr. NATCHER. Brazil and Venezuela are two of the countries listed as contributing nations to the United Nations expanded technical assistance program, and I am just wondering if any of the other nations in South America are contributing to this program?

Mrs. WESTFALL. Mr. Chairman, the reason that this list shows up the way it does in the red book on page 151 is that we simply showed the largest contributions. All Latin American countries except the Dominican Republic contribute.

Mr. NATCHER. All the other countries in South America are contributing nations to this Fund?

Mrs. WESTFALL. To the technical assistance program, and most of them contribute also to the Special Fund.

NEED FOR AWARENESS IN VARIOUS COUNTRIES OF U.S. CONTRIBUTIONS

Mr. NATCHER. Mr. Cleveland, I personally believe that this program has been a successful program all down through the years, and certainly the amount we contribute is a small amount in comparison to the overall amounts expended for mutual security by our country. I am just wondering where we are going in the overall program from the standpoint of the future when you keep in mind that now we have a good many organizations in this country that have quite a bit to do with the mutual security program, and under the present bill that is before Congress certain proposals are being made to expand the number of agencies administering this program.

I believe further, Mr. Cleveland, that now is the time to concentrate, as far as foreign aid is concerned, and I believe that countries like Brazil and India and some of the other countries must be given every consideration as far as the money appropriated by our country for mutual security is concerned.

You hear the complaint that the people have no way of knowing that our money is being received in their particular country and that the benefits derived from mutual security come from this Nation or from any particular country.

Not too long ago I talked to a student who is attending a State university and is a member of a group that contains a number of students from other countries on scholarships in this particular school. It seems the great majority of these students are very much against our country. They do not feel very kindly toward the United States. They say the money that our country has contributed through the

mutual security program in their particular country never goes beyond the top, it never gets down to the people; and their attitude is bad.

I am just wondering if this exists throughout the United States in the other universities where these foreign students are located? I think we are making a terrible mistake expanding the number of agencies administering the mutual security program. I personally believe that the Export-Import Bank, the World Bank, the International Monetary Fund, and these other organizations should have a separate and distinct function insofar as the free nations of the world are concerned and that we ought to pull this program together a little better in this country from the standpoint of administering the program. We are losing too much of the money otherwise with all these different agencies.

I personally believe this particular program has accomplished results, and certainly with no more money than we are contributing we cannot get hurt bad in this program, but as far as the people knowing that we are contributing over 40 percent of the total amount in the program, I have my doubts that the people in the 100 nations that are receiving benefits from this particular program know that. Maybe it is all right in this particular program if they do not know it, but I do believe we are making a lot of mistakes year after year, Mr. Cleveland, and you have had a lot more experience in this program than I have, but I hope sometimes we will concentrate this money I am not one of those people that believes the officials of the recipient nation should agree on every move that we make. I do not think it should be directed completely by the recipient nation. I think we are in a struggle for freedom in the world and we have to concentrate this program.

NEED FOR CONCENTRATION OF PROGRAMS IN FOREIGN ASSISTANCE

One of the members on this subcommittee, Mr. Cleveland, produced a letter written by a student from Denmark, and you would be surprised at the attitude of this student. I do not believe our country is in the position of trying to be a saber-rattling nation of the world. I think we are making mistakes in the mutual security program that are making us look bad every day. I am hoping that sometime we will get real smart in this program and try to concentrate it and, as I pointed out to the Secretary of State, Mr. Rusk, when he appeared before this committee, I believe one of the ablest men in the United States of America should head the overall mutual security program of our Government and it should not be chopped off to some draftee.

Sitting on this side of the table the last several years I have seen, I believe, six directors of ICA. Some of them are right able men. Some of them did not believe in the program and were ready to abandon the ship. I think we make some serious mistakes in this program.

This particular item that you have presented so ably to our committee, Mr. Cleveland, I believe has produced results all through the years, and I am very much in favor of the United Nations expanded technical assistance program and the Special Fund, but I do hope that sometime in the future we will start concentrating a little bit more on certain nations in the world, and if we do the benefits received

by these nations will be observed and respected by other countries in that particular hemisphere.

We cannot appropriate so much money to one hemisphere and succeed in the future. As to appropriating so much for Latin America and so much for the Near East and Africa, we are making a mistake.

What do you think about that, Mr. Cleveland?

Mr. CLEVELAND. I think that is a very thoughtful statement of a series of concerns that I share with you about this program and about the whole group of programs that go to make up the foreign aid business.

I think we have learned a good deal, or we should have learned a good deal by now since we have been in this business 15 or 16 years.

I think one of the things we have learned is that the purpose of the exercise cannot be, and should not be, gratitude or popularity, but results.

In India they tell a story about a rich Bengal who was told that a friend of his really hated him. He said, "I do not understand why that man should hate me, I never helped him in my life."

We are not so fortunate as that. We are not in a position to just stand off and watch the rest of the world. We have the kind of power that participation has to go with. So we are deeply involved in the problem of the character of the development in 60 or 70 countries, not in just how they develop economically, but in what kind of political and social institutions they develop.

I agree with you we cannot mastermind what kind of institutions. We can somehow or other hope those institutions have freedom of choice built into them and not the Castro type of freedom of choice.

I think we have to try to use the instruments at our command, and the most important and significant instrument at our command is our economic power, the fact we produce more than anyone else in the world by a tremendous margin, and with this production goes the know-how and the institution-building skill. What makes a country underdeveloped is its lack of institutions and people who know how to organize things.

We are doing this job in the world, I think, still in a rather scattery way.

As I testified before the Senate Foreign Relations Committee a couple of years ago in my capacity at that time as a professor and a dean rather than a Government official, it has gotten so if you are the minister of finance of a receiving country, you have to deal with a minimum of 15 or 16, and in some countries more than 20, technical assistance and investment agencies, international and bilateral, and the situation, if anything, is going to be worsened by the fact other countries are developing bilateral programs, which we want them to do because we want them to contribute to the process, but that increases the number of salesmen, if you will, at the point of sale in the country.

This is a matter that has been of great concern to President Kennedy and a good many of us in the administration. It has produced two rather major proposals:

One, in this field we are considering this morning of the U.N. programs, a proposal that we really go to work trying to get the whole of the U.N. input consolidated into what is in effect one agency in the

field, one family of technicians and administrators in the field, building up the position of the resident representative and relating all the various specialized agencies to the United Nations, rather than having them do all their business separately. This would greatly reduce the proliferation and confusion that has developed in the field.

The other thing that the President has decided is to take hold of our bilateral program, to put into one agency and into one bill most of the kinds of tools that we use in this business, and to develop the kind of strong administration of that that you recommend, and which I know he very deeply wants for this program. That will mean two major kinds of input into the economic development business in each country—the relatively small, but rather crucial part by the U.N. family of agencies, helping the country with their own economic planning and so on, and the relatively large program of the United States coordinated with other bilateral programs through the Development Assistance Committee of the OECD, and also coordinated with the very special function of the World Bank, which has in some countries, as in this Indus water proposal before you this morning, served as the catalyst and coordinator for a whole lot of different kinds of money being put in a single project.

As I said yesterday, this cannot be done by coordinating only in Washington, or New York; it has to be done by getting the country set up to handle its own affairs. We have to help them do that through 2 or 3 major channels, not 16 or 18 or 20 or 25.

So the concern you expressed, the response to which is not fully reflected in the presentation of the aid program this year, is very fully shared by the administration.

SUCCESSES IN GREECE AND TURKEY UNDER MARSHALL PLAN

Mr. NATCHER. Mr. Cleveland, the Members in Congress who defend this program on the floor each year are asked for examples of success in the mutual security program. I have heard a great number of them cite the Marshall plan and the fact we saved Turkey and Greece.

Do you agree with me on that the way we saved Turkey and Greece back in the days when quite a bit of money was appropriated for that purpose is certainly as different today under the procedure we are using as day and night? It may cost a lot of money in one particular country, considerably more than we may like to spend, but we can go in and save countries. What we accomplished in Turkey and Greece has been forgotten. The procedure that we used has been forgotten.

Am I right about that, Mr. Cleveland?

Mr. CLEVELAND. I agree with your judgment about the Greek-Turkey operation. It was both a bold move and an effective operation in the field. It required, however, a degree of direct involvement by the United States in the internal development of Greece particularly that was just feasible politically in a European country that was allied with the United States, that would not be feasible in India, or even Japan, let alone in Upper Volta, or a smaller, weak, sensitive country.

SUCCESS IN THE CONGO

That is why over the last few years the United States and some of its closer friends have in effect been helping through the U.N. to invent a new form of massive involvement from the outside. The most dramatic example of that is the Congo program that is also before you this morning. It is hard to image our putting 20,000 troops, marines say, into the Congo. Yet we can finance close to half of a multinational, multilingual army drawn from all sorts of small countries and put 20,000 troops in the Congo to sit on the internal security situation, and put two or three hundred administrators and technicians in to start the process of building a government in that chaotic situation of a year ago. In this indirect fashion we can do a better job than we could have done directly—do a better job, if you will, in the Congo, taking everything into account, than it turned out to be possible to do over the last 4 or 5 years with quite direct involvement of the United States, military and economically, in Laos. This is the lesson of the last 5 or 6 or 7 years. I think it will increasingly be the lesson in the future, that sometimes the most indirect use of our power is the most effective.

Paradoxically enough, that is so. This is the significance of these programs. That is why, if our foreign policy is successful, the kinds of programs that are before you in this title will tend to grow, because if we can get these international institutions fixed so they can go in and do in some of these new countries what we were able to do in Greece and Turkey, but which we could not do outside of Europe politically, it will be a major success for American foreign policy.

Mr. GARY. Mr. Conte.

CONTRIBUTIONS OUTSTANDING AS OF JUNE 30, 1961

Mr. CONTE. I would like to have in the record the assessments made by the United Nations to these countries, and the amounts that have been contributed and the amount not contributed.

Mr. CLEVELAND. What you want is an arrearage table?

Mr. CONTE. Right.

Mr. CLEVELAND. We can submit that for the record for this program.

(The information to be supplied follows:)

Contributions outstanding as of June 20, 1961

	1954 UNTA	1955 UNTA	1956 UNTA	1957 UNTA	1958 UNTA	1959		1960 (estimated)		Total	
						UNTA	Special Fund	UNTA	Special Fund	UNTA	Special Fund
Total pledged	$25,021,056	$27,626,707	$28,829,522	$30,823,189	$31,308,784	$29,658,008	$25,812,218	$34,165,416	$38,547,729	$207,432,682	$64,359,947
Total received	24,999,556	27,618,707	28,805,522	30,783,438	30,992,089	28,990,858	25,676,292	31,490,010	36,241,194	203,680,180	61,917,486
Total unpaid	21,500	8,000	24,000	39,751	316,695	667,150	135,926	2,675,406	2,306,535	3,752,502	2,442,461
COUNTRY											
Argentina							3,556	115,205	96,004	115,205	99,560
Belgium	13,500									13,500	
Bolivia						20,789		20,789		41,578	
Brazil					135,135	91,891		105,170		332,196	
Colombia									500		500
Cuba						125,000		125,000	5,000	250,000	5,000
Ecuador				9,863	11,333	11,333	10,000	20,000	40,000	52,529	50,000
El Salvador								7,700		7,700	
Ethiopia									29,000		29,000
France									464,417		464,417
Guatemala							8,000	12,000	8,000	12,000	16,000
Haiti						14,400	22,000	14,400	22,000	28,800	44,000
Honduras	8,000	8,000			10,000	10,000		8,000	5,000	44,000	5,000
Italy								500,000	600,000	500,000	600,000
Jordan									40,000		40,000
Malaya, Federation of									5,000		5,000
Morocco								10,000	20,000	10,000	20,000
Nicaragua					5,714					5,714	
Panama							1,000	4,000		4,000	1,000
Paraguay			12,000	12,000	12,000	12,000	10,000			48,000	10,000
Philippines								33,000		33,000	
Sudan							27,000	31,000	29,000	31,000	56,000
United Arab Republic						114,877				114,877	
United States			12,000	17,888	142,513	266,860	54,370	1,569,142	922,614	2,008,403	976,984
Uruguay								100,000	20,000	100,000	20,000
Total	21,500	8,000	24,000	39,751	316,695	667,150	135,926	2,675,406	2,306,535	3,752,502	2,442,461

VOLUNTARY NATURE OF CONTRIBUTIONS

Mr. CLEVELAND. These are not, strictly speaking, assessments. The U.N. for its administrative expenses, and all the international agencies for their operations, have mandatory assessments. These programs that are funded out of this legislation are voluntary contributions.

Mr. CONTE. All the technical assistance?

Mr. CLEVELAND. The expanded technical assistance program and the Special Fund are so-called voluntary contributions in which there is a general agreement ahead of time as to who is going to put up what, but they do not take the form of mandatory assessments. We fund all our mandatory U.S. assessments out of the contributions to international organization appropriation, which goes through Mr. Rooney's committee, and is part of the State Department appropriation bill. We fund the voluntary contributions from mutual security legislation.

Mr. CONTE. The Children's Fund, UNRWA, and the other funds, the Emergency Fund, are all voluntary contributions?

Mr. CLEVELAND. So-called voluntary contributions. That does not mean a lot of people do not contribute and there is not a central agreement among those countries as to who is going to put up how much, and so on, but they do not have the mandatory character of the regular U.N. budget, or the regular budget of the FAO.

Mr. CONTE. Has the U.S.S.R. voluntarily contributed to this Fund, Special Fund and Technical Assistance?

Mr. CLEVELAND. Yes.

Mr. CONTE. Have they fulfilled their agreement?

Mr. CLEVELAND. Yes.

As we were discussing before, they fulfill it in blocked rubles which are sort of hard to use.

Mr. CONTE. With limitations?

Mr. CLEVELAND. With limitations.

Mr. CONTE. Are there any countries that have voluntarily contributed to the Fund and have not fulfilled their contribution?

Mr. CLEVELAND. Well, at any point in time you can run an arrearage analysis and find some that have not put up the funds they said ahead of time they would. It is a discrepancy between pledges and performance and that is what you want.

Mr. CONTE. Yes.

U.S. TECHNICIANS IN THE PROGRAM

How many U.S. technicians do we have now in this particular program?

Mr. CLEVELAND. As of the first of this year, 134, which is just under 10 percent of the total.

Mr. CONTE. With regard to the 130 U.S. technicians, supply for the record their pay scale and their field of endeavor.

Mr. CLEVELAND. Yes.

(The information has been supplied to the committee.)

Mrs. WESTFALL. You mean the salary of each individual?

Mr. CONTE. Yes, each individual, and the field he specializes in.

RELATIONSHIP OF PEACE CORPS TO THIS PROGRAM

Mr. Cleveland, will the Peace Corps in any way supplement the workings of the Technical Assistance and Special Fund program of the United Nations?

Mr. CLEVELAND. The present plan is to have a general United Nations plan for the use of so-called volunteers which, as far as the United States is concerned, would be a kind of Peace Corps volunteer. This would not be run through this program exactly, it would be under a general procedure adopted by the Economic and Social Council just a few days ago.

The various countries would deal directly with the specialized agencies. FAO, for example, already uses some junior Dutch technicians. The Dutch have had a program for 3 or 4 years of this kind. The Dutch really pioneered the Peace Corps business, as you know. There was no longer an outlet for their young people in Indonesia, and they really invented a new kind of adventure through international organizations.

The arrangement would be that the Peace Corps volunteers would be made available under arrangements with international organizations, not too different from the kind of arrangements Mr. Shriver and his colleagues are working out with some of the voluntary agencies where groups of volunteers, or individual volunteers would be made available to serve as technicians' helpers in the field.

U.S. OPPOSITION TO CONTRIBUTION TO CUBA

Mr. CONTE. In answer to the chairman's question in regard to the Special Fund contribution for assistance to Cuba, Mr. Hoffman is the Managing Director of the Special Fund?

Mr. CLEVELAND. That is right.

Mr. CONTE. Was there any opposition made at the meeting for this contribution. Was this at the recommendation of Mr. Hoffman?

Mr. CLEVELAND. It was at the recommendation of Mr. Hoffman and the Special Fund staff. There was opposition. We opposed it.

Mr. CONTE. When you say "we"——

Mr. CLEVELAND. The U.S. member, Philip Klutznick, who is the U.S. member of the Executive Board of the Special Fund, and also the U.S. representative to the Economic and Social Council.

Mr. CONTE. This is a real odd situation. You have Mr. Hoffman, the Managing Director, proposing the contribution and our member opposing it.

Mr. CLEVELAND. Unlike the Soviets, we do not operate on the basis that all Americans on international organizations are on a string that goes back to the State Department. They are operating as international civil servants and under their criteria, if a country proposes a project and in their judgment it makes sense from an economical point of view, they are not allowed to put political criteria into it. That is ruled out by the agreement that sets up the Special Fund. They have to go ahead with it.

RUSSIAN ATTITUDE TOWARD INTERNATIONAL ORGANIZATIONS

Mr. GARY. I suppose the Russians observe that agreement just like they do all the rest of them.

Mr. CLEVELAND. There is a special case in this as there is in everything else. What makes international organizations useful from our point of view is that the Russians treat them one way and all the rest of us treat them another way, and that gives us a bridge that we would not otherwise have.

Mr. RHODES. You mean the other nations resent the fact that every Russian who is a member of an international organization is really on the end of a string that reaches from Moscow?

Mr. CLEVELAND. Very much so. This was very clearly demonstrated in the last General Assembly by the reaction of the various countries to the Russian troika proposal, the three-horse carriage, which is the nickname for the idea of three administrators running everything instead of one secretary-general.

No country outside the Soviet bloc supported the three-headed monster idea. Everybody is wondering these days whether the Soviets are going to come back to the attack on the troika. We made an analysis of all the things said on that subject in the last Assembly, and all kinds of countries that were cooperating with the Soviets on a lot of specific resolutions through the Assembly are on record as having said eminently sensible things about how you cannot have an executive operation with three people running it, and how it is very important to them, the little countries, that there be an executive side to the United Nations.

The great advantage we have in the U.N. is the Soviets just want the U.N. as a place for sort of loud talking and nothing else, and the small countries want the U.N. as an organization that does things, including the things that are before you today that help them in various ways. We want an executive U.N. too. This gives us a bridge to the less developed countries that is really of incomparable political importance in our foreign policy.

TECHNICIANS' KNOWLEDGE OF FOREIGN LANGUAGES

Mr. CONTE. With regard to these 130 technicians we have as part of our contribution to the program, are these technicians able to speak the language of the country they are sent to?

Mr. CLEVELAND. It would be hard to generalize. I guess we could probably get from the U.N. staff a judgment about the linguistic ability of each of the people.

Mr. CONTE. Could you also in that chart insert the length of time they have been in this particular program?

Mr. CLEVELAND. That they have been serving?

Mr. CONTE. The U.N. technical assistance program.

Mr. CLEVELAND. Or the Special Fund?

Mr. CONTE. Yes.

Mr. CLEVELAND. Yes.

(The information has been supplied to the committee.)

Mr. GARY. These 130 technicians are not employees of the U.S. Government; they are employees of the United Nations, are they not?

Mr. CLEVELAND. That is right. As far as things such as judgments about their linguistic ability, what we would have to do in effect is ask the Executive Chairman of the Technical Assistance Board, and the Managing Director of the Special Fund, for their judgment about these individuals who work for them.

Mr. CONTE. I think that is very important to have for the record.

AMERICAN TECHNICIANS DISCHARGED FOR CAUSE

I would also like to have for the record how many have been discharged and for what reason.

Mr. CLEVELAND. Of the Americans?

Mr. CONTE. Of the Americans.

Mr. CLEVELAND. You mean discharged after they already got on board?

Mr. CONTE. That is exactly right; not discharged for voluntary reasons, but because of some infraction.

Mrs. WESTFALL. If I may say on this point, when a person is hired for 1 or 2 years, normally it is a simple length-of-term contract and at the expiration of the contract the man is apt to go back home.

The thing you are looking for is anyone who has been discharged for cause?

Mr. CONTE. For cause. Let's have it for the last 4 years.

(The information to be supplied follows:)

AMERICANS EMPLOYED UNDER U.N. EXPANDED TECHNICAL ASSISTANCE PROGRAM

No Americans employed by the United Nations under the Expanded Technical Assistance Program or the Special Fund have been discharged for cause during the past 4 years.

Information on Americans employed by the specialized agencies has been requested from these agencies and will be submitted shortly.

Mr. GARY. Off the record.

(Off the record.)

U.N. RELIEF AND WORKS AGENCY FOR PALESTINE REFUGEES IN THE NEAR EAST

Mr. GARY. The next item is the United Nations Relief and Works Agency for Palestine Refugees in the Near East. The contribution for that fund for the fiscal year 1960 was $23 million; for 1961, $16.5 million, and the request for 1962 is $13,350,000.

That says "new appropriations." Does that mean you are asking to carry over some of the funds from 1961?

Mr. CLEVELAND. Yes, sir, Mr. Chairman. We have a general statement.

(The statement referred to follows:)

UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE REFUGEES IN THE NEAR EAST

The administration proposes to use $13,350,000 in new money and a reappropriation of $4,850,000 of unused funds from last year for the continuing care, welfare, and rehabilitation of the Palestine refugees during fiscal year 1962. This cash amount is intended to supplement food commodities to be provided to the Palestine refugees under the food-for-peace program which, for comparative purposes, will have an estimated valuation of $6½ million.

The genesis of the Palestine refugee problem is well known and need not be repeated here. Suffice it to say that the problem, with all of its potentially disruptive political, economic, and social repercussions, remains. It must regretfully be reported that neither Israel nor the Arab States directly concerned have during this past year come appreciably closer to showing that necessary spirit of compromise that might enable them to bridge this problem in a spirit of justice and equity. Israel continues to be unwilling to give the refugees the option of repatriation as provided in United Nations Resolution 194 of 1948 and demands resettlement as the solution to the problem. The Arab States, with equal determination, insist that the option of repatriation must be given to the refugees before any other of the alternatives cited in that same United Nations resolution may be implemented.

Although our efforts to be of help to the parties in resolving their differences have not thus far been successful, our Government remains ready to be of service to the Arab States and to Israel in this matter, either through the medium of the Palestine Conciliation Commission, of which this Government is a member, or through any other mutually agreeable means which may offer a hope of arriving at a solution. The task is difficult, but our efforts are continuing. We are convinced that these two great peoples should find a way to live in peace in the Near East and to use their talents for the productive benefit of the area in which they live.

In the meantime, however, the task of caring for the 1,100,000 Palestine refugees remains starkly present. Indeed, their number is increasing annually at an estimated rate of about 30,000 in view of the increase of births over deaths. For the immediate future at least, UNRWA appears to be the most efficient and economical means of providing essential basic services to the refugees. The regrettable failure to advance on resolving the basic problems dividing Israel and the Arab States is not the fault of UNRWA. The Agency's function under its mandate, as approved by the United Nations General Assembly in 1949, is not primarily a political one. Rather, it centers in the care and relief and rehabilitation of the refugees pending the achievement of a political solution. It is in this context that the administration believes that the U.S. national interest is best served by pledging support for UNRWA for yet another year.

U.S. support of UNRWA has three principal objectives: First, it represents support for a politically acceptable means of preventing the highly volatile refugee problem from erupting to the serious detriment of political stability in the Near East region. We share a deep responsibility of leadership for keeping the refugee problem from being cast adrift. Second, it represents support of the United Nations in that organization's continuing efforts to maintain world peace. Third, it has the humanitarian purpose of helping the million or more Palestine refugees to meet their basic subsistence and educational needs. In saying this, I would stress, however, that our Government is by no means wedded to the indefinite support of UNRWA, and that we are constantly exploring other possible means of meeting the Palestine refugees' basic requirements along lines which might more directly offer a feasible line of advance toward a solution of the basic problem.

The total proposed U.S. pledge for Palestine refugees in fiscal year 1962 is $24,700,000. This amount would consist of two component elements. The first is $23 million, inclusive of the value of food commodities, which is intended as support for the Agency's regular relief program. This amount is the same as that appropriated last year for this purpose.

The second component is a special grant of $1,700,000, in cash, specifically earmarked for direct support of the second year of the 3-year UNRWA expanded vocational training program. As you know, this program was formulated in the UNRWA director's report to the 15th General Assembly and has as its objective increasing by approximately sixfold the Agency's vocational training capability. Funds for the first year of this 3-year program, which coincides with the present mandate of UNRWA, were provided primarily through World Refugee Year sources. However, in response to a direct appeal from the Director of UNRWA, our Government, after careful consideration, has also pledged $500,000 from fiscal year 1961 mutual security contingency funds for this specific purpose to enable the program to proceed without delay.

The vocational training program is in our judgment highly constructive. It represents an imaginative and positive step forward in that it will provide training for a larger number of young refugees and will thereby enable them

to find gainful employment and reduce their dependence upon international charity. The skills taught through the program will contribute directly and immediately to the sound economic growth of the Near East area. The facilities developed under the program represent infrastructure of permanent value to the Near Eastern States irrespective of whether or not UNRWA continues after June 30, 1963. We believe that the UNRWA program, though limited in scope, is consistent with the express wish of the Congress and of the executive branch that no reasonable effort be spared to move ahead on a program which may in some measure advance a solution of the basic refugee problem. In the circumstances, the executive branch concluded that no time should be lost in supporting the program lest it fall short of its goals. We believe the program should continue to be supported and urge that funds be provided for this purpose.

Last year a number of questions were asked by several committees of the Congress about various aspects of UNRWA administration. These have been treated in our presentation request, but two major elements bear special emphasis. During this past year, we have made a determined effort to reduce the dollar component of the U.S. contribution to UNRWA to the absolute minimum. We have done so through two means: First, following a recommendation of the House Appropriations Committee, we have included a substantial title II, Public Law 480 food component, specifically 85,000 tons of flour and 4,000 tons of rice, as part of our contribution. The estimated world market value of the food commodities thus provided was $6½ million, a figure greater than we estimated could be utilized when appearing before Congress last year. A corresponding amount of the fiscal year 1961 appropriation for UNRWA was placed in reserve. Although it was subsequently necessary to utilize a portion of these reserve funds for expenses unrelated to UNRWA, $4,850,000 of the funds put aside remain and represent the amount now being requested for reappropriation. The inclusion of food commodities in our contribution to UNRWA, while not without certain problems for UNRWA, has on the whole worked fairly well and we plan to continue this procedure. Thus, as already indicated, a $6½ million food for peace component is contemplated for fiscal year 1962 for which no specific dollar appropriation is being requested. It should be emphasized, however, that if opportunities arise to increase the food commodities which UNRWA can take, we shall most certainly seize them and offset any additional amount by placing in reserve a corresponding portion of the dollar appropriation.

Additionally, arrangements were made for the first time in fiscal year 1961 to pay a portion of the U.S. contribution to UNRWA—specifically just under $1 million—in U.S.-owned Egyptian pounds by agreement with the Government of the United Arab Republic. It is our intention to continue to utilize available U.S. local currency holdings as part of our contribution and our tentative planning includes paying approximately $3 million of the fiscal year 1962 request, if approved, in Egyptian pounds and a further as yet undetermined amount in Syrian pound holdings.

A second criticism leveled at UNRWA last year was the continued existence of refugee ration roll abuses. Largely as a result of our Government's strong urging, UNRWA, in cooperation with the Government of Jordan—since it is in Jordan that the problem is most acute—has begun to come to grips with the problem of rectification of refugee ration rolls. After long negotiation and after consideration of the problem by a Jordanian parliamentary committee, UNRWA and the Jordanian Government have now worked out a three-point program designed (*a*) to remove the names of dead refugees and substitute on a 1-for-1 basis the names of refugee children entitled to rations but now not inscribed on ration lists, (*b*) to prohibit trafficking in ration cards, and (*c*) to remove from the lists those refugees whose incomes no longer require that they receive relief assistance and to substitute genuine refugee hardship cases not now inscribed.

During the 8-month period from October 1960, through May 1961, 5,783 persons were removed from the ration rolls in Jordan, the last reported rate of removal being about three times that of 1959 and most of 1960. On the basis of this 1-for-1 ratio, 2,228 children were added to the rolls during this same 8-month period. The above figures are not world shaking; indeed, even though they are a fair reflection of the difficulty of the problem, they belie the enormous effort that has gone and is going into attempting to correct ration roll abuses. They should not obscure the very salient fact, however, that at long last some motion has been introduced into the vexing rectification impasse.

Now that cooperation between UNRWA and the Jordanian Government has been established on rectification, we may expect that the pace of correcting ration roll inequities will be accelerated. No effort will be spared to urge the parties to proceed as expeditiously as possible with this important task.

ELEMENTS OF FUND REQUEST

Mr. CLEVELAND. There are a few things I would like to say about this program, covering the question you just raised.

Actually, there are three elements to the program, three kinds of funds.

One is the $13,350,000, which is the new one.

Another is a reappropriation of $4,850,000 of funds not yet used out of last year's appropriation.

And the third is an estimate we would use $6.5 million of Public Law 480 food-for-peace materials which does not come out of this appropriation, but which is still an element.

If I may say a few words about this program, somewhat shorter than the prepared statement. In my prepared testimony yesterday I referred to the fact that international agencies do not have any magic wands, and like national agencies they can get stuck with unyielding problems. Apart from the great cold-war issues, I know of no more unyielding problem than the sad and stubborn case of the Palestine refugees who are cared for by the agency.

We deeply regret we have to come back to Congress year after year and ask for more money for this purpose. I have not been in the Government for 8 or 9 years, but I remember this program from back then.

Israel flatly declines to grant the refugees a choice of repatriation, and the Arab States insist just as——

Mr. RHODES. I would like to ask a question.

Is that precisely correct? In other words, will Israel not take these people back under any conditions?

I was rather of the opinion that there was a matter of property settlement involved in the willingness or unwillingness of Israel to repatriate. In other words, repatriation under conditions whereby the property that the Arab had had could be purchased at a certain figure might be acceptable, but repatriation with property restoration, or payment for the property at a higher figure, would not be acceptable. Is that completely wrong?

Mr. CLEVELAND. Israel has never agreed to grant a right of repatriation to the whole group of refugees. Their concern is that they could not possibly manage that big an influx of Arabs.

Mr. RHODES. How many are there, by the way?

Mr. CLEVELAND. More than 1 million now, a little over 1,100,000. As you know, the number grows because the birth rate is unusually high in the camps.

This deadlock has persisted now for 13 years. It is not the fault of the U.N. Relief and Works Agency. Its job is to take care of the refugees until a political agreement can be reached so that the U.N. Agency can begin to wind up its business.

In the meantime, unless we are prepared to abandon 1,100,000 people who are no more at fault than the Relief Agency, unless we are prepared to run the risk of unleashing the explosive issue in the uneasy

Near Eastern environment, there is nothing to do but to try to make the refugee program as efficient and inexpensive as possible.

PROGRAM IMPROVEMENTS

On our own initiative, and with helpful suggestions from this committee, we have done what we could along these lines. The "we" here is both the last administration and this administration. They really have the same problem on this.

First, we have been following the recommendation of this committee last year by including a substantial title 2, Public Law 480 component in the American contribution. It was an idea first produced in this committee. This worked even better than had been the estimate last year. The flour and rice provided from surplus U.S. stock last year had an estimated value at world market prices of $6.5 million, more than was estimated in testimony before this committee last year.

Second, we arranged last year for the first time to pay a portion of our contribution with U.S.-owned foreign currency, specifically, just under $1 million worth of Egyptian pounds. We hope to triple the foreign currency component this year.

Third, we have made progress toward cleaning up the refugee ration roll abuses, though it has taken some tedious negotiating. One trouble is, the abuses were not all one way. The rolls included the names of some dead people and the names of some whose income disqualified them. They made more money than the means test was supposed to allow. But the rolls did not include some children entitled to rations, and some qualified hardship cases.

In any event, during the 8 months between last October and May of this year, 5,783 names were removed from the ration rolls, while 2,228 children entitled to rations were added. This is not world-shaking in the total numbers involved here, but it is progress in a situation where there was not any progress for years. And the rate of removals earlier this year tripled the rate of removals before.

Fourth, we have encouraged and helped finance the 3-year expanded vocational training program now going into its second year. This program has the merit of providing at least some of the refugees with skills which permit them to find employment and cease to be dependent on international charity. It contributes something to economic development in the area, and it leaves facilities of permanent value behind it.

We will make every effort this year to increase both the food and the foreign currency component of this program. In the meantime, the per capita cost of maintaining the Palestine refugees is 9 cents a day, which, I am advised, is a bedrock minimum, and I must say I am not clear how they do it for that little.

COMPONENTS OF FUND REQUEST

The proposed U.S. pledge for Palestine refugees for fiscal year 1962 totals $24.7 million. This includes $1.7 million earmarked for direct support of the vocational training program. However, we estimate that we can again supply about $6.5 million worth of food supplies out of Public Law 480. We are also requesting a reappropriation of $4.85 million remaining from the 1961 appropriation,

which was put in reserve to match the value of the surplus foods supplied last year, so this brings the new fund required for next year's contribution down to $13.350 million, and we hope to be able to cover about $3 million of that with Egyptian and Syrian pounds this year. They have to be appropriated as well.

Mr. Herman Eilts is here and knows more about this program than I will ever know.

SPECIAL CONTRIBUTIONS FOR REFUGEE YEAR

Mr. GARY. What became of the refugee year program? Did they have any appreciable effect?

Several years ago we were asked to make special contributions for refugee year, and we were told if those larger contributions were made, they asked for $5 million additional, and with that they hoped to clean up some of these problems and relieve us of expenditures in the future.

Was that successful?

Mr. CLEVELAND. My recollection is, but I was outside the Government at the time, that that arrangement did not apply to this program, but applied more to the hard core of European refugees.

Is that right, Mr. Eilts?

Mr. EILTS. That is right.

If I may add a point, the Palestine refugee program has benefited from world refugee funds in terms of the vocational training program. The UNRWA Director, in formulating a 3-year program for expanding vocational training for the years 1961, 1962, and 1963, that is, the remaining mandate of UNRWA, counted rather heavily in his first year on these world refugee year funds, and he indeed got something like $3 million out of World Refugee Year funds for the vocational training program, but that is the extent to which UNRWA and Palestine refugees have benefited from that.

Mr. GARY. Do you have some general statement you want to make?

Mr. EILTS. No. I am in support of Mr. Cleveland's statement.

Mr. GARY. You are the administrator of the program?

Mr. EILTS. I was until yesterday.

Mr. GARY. What happened yesterday?

Mr. EILTS. I have begun a War College course as of this morning, sir.

LONG-TIME NATURE OF PROGRAM

Mr. GARY. The justification says this situation remains substantially unchanged. It has for a long time, has it not?

Mr. CLEVELAND. Yes. We are engaged now in trying to see whether there is any possibility of accommodation between the two sides on this subject through the so-called Palestine Conciliation Commission which is an organ of the United Nations. We are one of three countries, the French and the Turks are the other two members. The Conciliation Commission was instructed by the U.N. General Assembly last year to see what could be done, and we are seeing what can be done in a very private way. It is about as unyielding a diplomatic situation as exists anywhere in the world. It is a rough business.

Mr. GARY. Paraphrasing the Scripture, it looks like we will have the refugeess with us always.

Mr. CLEVELAND. The trouble is, this refugee problem gets worse because the number of babies they have exceeds the number of people that leave the camps.

Mr. RHODES. Is not the situation these people are in in many ways better than that of the citizens of the country in which they are residing? Is there any incentive for either the countries or individuals to help in solving the problem?

POSSIBILITIES FOR REDUCING RELIEF ROLLS

Mr. CLEVELAND. This is the significance of the so-called rectification of the relief rolls. If you have a situation where a person can go out and get a pretty good job and also get rations from the U.N., this is really sort of a minor kind of corruption. The hope is to get the relief rolls down to the people who are really destitute.

Mr. RHODES. Is there not a way to give the nations a sense of urgency on this? If we were to say to them, "in 5 years we will completely have withdrawn our support, and we are going to reduce it gradually through the next 5 years," would that not give them some reason to try to solve this problem?

Right now I see no reason for them to worry about it. It costs them nothing.

Mr. CLEVELAND. I think you have put your finger on precisely the problem, which is to introduce into the situation some incentive to do something besides stand still. I must say I have had very much the same feeling, if we could indicate the fact we are not going to stand here disbursing this money forever. After all, we and the British and the Canadians put up 85 percent or so of the total funds.

The problem is, if we do it too fast, you get a sense of desperation, possible rioting, and you upset the precarious calm. It is a notable fact the Middle East is the only region that has not erupted yet in the course of the Kennedy administration. So the problem is really to introduce some incentive into the problem. If you overdo the threat, then it may actually be counterproductive and that is the delicacy of it.

PROGRESS BEING MADE AND OUTLOOK

Mr. GARY. What is your idea, Mr. Eilts, as to the progress being made, and the outlook for progress in the future?

Mr. EILTS. Answering the last first, because in a sense it is the easiest aspect, it is going to be a long and slow process in any case. The number is so great and the job opportunities in the area are so limited that when you begin resettlement it is going to be a long and slow process.

But on the first point, the question of seeking to make clear to the governments of the area that there is a sense of urgency about this, that we are becoming somewhat impatient with the continuation, the indefinite continuation of his problem, we set ourselves to do that this past year, in the first instance, by making it clear to UNRWA that we expected certain major changes to be made in the way in which the program would be handled. One of those changes was, of course, the question of giving them food commodities. This had not been done before. Normally contracts had been let by the agency and it

had developed into a rather smooth operation, but this shook not only UNRWA, it shook some of the host governments as well.

This was also true in connection with rectification. We made it very clear that we were very dissatisfied with the padded relief rolls which exist in some of these countries. We made it clear not only to UNRWA, but to the governments of the area. And we insisted in a rather extensive series of demarches at every level that something had to be done about this.

We have gotten some response out of this. I think we have instilled in the minds of some of the governments of the area that we may not continue indefinitely supporting this organization. Up to that point, it is constructive.

I will say that one of the first destructive aspects of this has been the initial reaction on the part of some of the host governments. The initial reaction to the suggestion that U.S. support for UNRWA would no longer be forthcoming, and that has been, according to various Arab circles, a growing pressure which was reflected in the last session of the General Assembly to have appointed a refugee property custodian with the attendant suggestion of an ongoing title concept for refugee property still in Israel. Needless to say, that disturbed the Israelis greatly, it disturbed a good many other states a great deal, and it did not help, or make for a harmonious session at the U.N., nor for a harmonious situation out there.

Well, this is not to say we should not continue this.

As I said earlier, we have set ourselves the task of trying to find some way of making it clear to the host governments that we are not going to continue indefinitely with this sort of business, but at the same time it does point up the problem of being extremely cautious, probing very carefully before going too far in any of these steps.

SUCCESSOR TO MR. EILTS

Mr. GARY. How long have you been director of the program?

Mr. EILTS. For 1 year, sir.

Mr. CLEVELAND. Mr. Eilts was in charge of the work in the State Department on this subject. He was not the administrator of the program in the field.

Mr. RHODES. Who will be your successor?

Mr. EILTS. A gentleman named Mr. Seelye.

Mr. RHODES. What is his present assignment?

Mr. EILTS. Arabian Peninsular and Near East Regional Affairs, the same one I had yesterday.

Mr. RHODES. Is he here in the room?

Mr. EILTS. He is not.

Mr. RHODES. Is he abroad?

Mr. EILTS. He arrived in the office a week ago.

Mr. CLEVELAND. He is a Foreign Service officer on rotation.

Mr. RHODES. It seems to me that he could learn quite a bit about his job if he were here.

Mr. CLEVELAND. If I may go off the record?

(Off the record.)

USE OF PUBLIC LAW 480 FOOD COMMODITIES IN PROGRAM

Mr. GARY. Mr. Eilts, our committee last year suggested the use of Public Law 480 food commodities in lieu of dollars. I believe you said considerable progress has been made in this respect.

Mr. EILTS. Very much, sir.

You may recall last year when discussing the possible amount that might be provided in Public Law 480, a $6 million figure was mentioned. In actual fact, we were able to go above that, to $6.5 million. This consisted of 85,000 tons of flour and 4,000 tons of rice.

In the case of the flour, it was practically nine-tenths of UNRWA's annual flour requirement. In the case of rice, it was a little less than half of UNRWA's rice requirement.

Those are the two major items of foodstuffs which are brought from abroad. It has been our hope to continue this program. It has created, I must confess, some problems for UNRWA. Perhaps the most serious have been the problems of getting delivery on time. This is done on a monthly basis, one ship touches at Beirut one month with 10,000 tons, another ship the next month at either Alexandria or Aqaba with another 10,000 tons. The question of delivery has sometimes created problems, but UNRWA has cooperated extremely well. On the whole, the program has been a great success.

Mr. RHODES. As I recall, I think Congressman Conte first suggested this.

I think not only should Congressman Conte be congratulated for going ahead with this, but the people should be congratulated for taking the suggestion and overcoming the difficulty. I think this is a very good example of the congressional committee and the executive department working together for the benefit of all.

Mr. GARY. I agree with the gentleman thoroughly. I am delighted that the program has been as successful as it has turned out.

NUMBER AND LOCATION OF CAMPS

How many camps do you have now?

Mr. EILTS. There are now 57, sir. One was closed last year so the number has gone down from 58 to 57 in the last year.

Mr. GARY. Where are those camps located?

Mr. EILTS. Most of them are located in Jordan, 25 of them are there. In addition, there are camps in Gaza, Lebanon, and Syria.

NEED FOR INCREASED FUNDS

Mr. GARY. Taking into consideration the reappropriation of unobligated balances and Public Law 480 food donations, the program level is expected to go up from $23 million in 1961 to $24,700,000 in 1962. What accounts for this increase?

Mr. EILTS. Mr. Chairman, the increase is entirely due to the added support that we believe ought to be given to the expanded vocational training program, that is, the second year of that program. I referred to the 3-year program earlier. The director has gotten underway, as he had anticipated in his first year; now the second year this $1.7 million figure would be exclusively in support of the vocational

training program. It would be earmarked for that, and with the remainder of the program, it would be subject to the 70–30 matching formula.

PLACEMENT OF TRAINED STUDENTS

Mr. GARY. Are you able to find positions for these students after they have been trained?

Mr. EILTS. Thus far, Mr. Chairman, UNRWA has had phenomenal success on that, which has encouraged it to go ahead. The UNRWA director in a recent meeting commented that up to now 95 percent of his vocational school graduates were engaged even before graduation, and the number that it is suggested be the top level for the increased program is still sufficiently low that that number can very easily be absorbed into the Near Eastern economy.

Mr. CLEVELAND. This is not yet a big thing, but it is nice to have some part of this program that looks toward the future of these refugees rather than just to their current maintenance.

Mr. GARY. I agree with that thoroughly. I think that is one of the ways in which we might gradually reduce our contributions to the program and perhaps gradually retire from the program, as was suggested by Mr. Rhodes a few moments ago. But apparently now, instead of decreasing our contributions we are increasing them, and I hate to see it go in that direction. I would much prefer to see it go in the other direction.

U.S. PERCENTAGE OF CONTRIBUTIONS

In 1960 we contributed $23 million. What did the other countries contribute?

Mr. EILTS. Leaving aside world refugee funds, which came to $3 million, the other countries contributed $13 million.

Mr. GARY. Was our percentage contribution greater or less in 1961 as compared with previous years?

Mr. EILTS. Our actual disbursements have not yet been completed here, but it was cast at 70 percent, the same as in previous years.

Mr. GARY. And what about 1962?

Mr. EILTS. It would again be subject to the 70–30 matching formula. We would not exceed 70 percent.

Mr. GARY. Will you place in the record a table showing by country the total pledges through 1961 and the unpaid pledges, and then the same information just for the year 1961?

Mr. EILTS. Sir, would this be for 1960, because the entire payments for 1961 of course are still in the process of being made. The latest data compiled by UNRWA is for calendar year 1960. UNRWA budgets on a calendar year basis.

Mr. GARY. Give it to us on the calendar year basis for 1960.

Mr. EILTS. We have the information here, sir.

(The information follows:)

1960 pledges and contributions from governments to UNRWA (Jan. 1–Dec. 31, 1960)

[In U.S. dollars]

Name of contributor	Description	Pledge		Contribution received		Balance of unpaid pledge	
		Unpaid from prior years	For 1960	From prior years' pledge	From 1960 pledge	Prior years' pledge	1960 pledge
Australia	£42,500 Australian (half of 1959–60 pledge)		$95,200		$95,200		
Do	£45,000 Australian (half of 1960–61 pledge)		100,800		100,800		
Austria	U.S. dollars		2,000		2,000		
Belgium	1,000,000 Belgian francs		20,000		20,000		
Brazil	U.S. dollars	$25,000		$25,000			
Burma	do.[1]		1,046		1,046		
Canada	17,464 metric tons of flour		1,530,000		1,530,000		
Do	11,596 metric tons of flour [1]		1,020,000		1,020,000		
Do	500,000 Canadian dollars		510,000		510,000		
Denmark	300,000 Danish crowns (1959–60 pledge)	21,720	21,720	21,720	21,720		
Do	150,000 Danish crowns (half of 1960–61 pledge) [2]		21,720				$21,720
France	600,000 new francs		122,450		122,450		
Do	16,982 Lebanese pounds for scholarships		5,307		5,307		
Do	Rent of camp and warehouse sites		55,000		55,000		
Gaza authorities	Rent of clinics and campsites		130,045		130,045		
Germany, Federal Republic of	1,000,000 German marks		238,095		238,095		
Ghana	U.S. dollars		3,000				3,000
Greece	53 metric tons of raisins	15,000		15,000			
Do	U.S. dollars		15,000				15,000
Do	do.[1]		2,500		2,500		
India	44 metric tons of vegetable ghee	10,504	13,235	10,504	13,235		
Iran	225,000 Iranian rials (half of 1959–60 pledge)		3,000		3,000		
Do	225,000 Iranian rials (half of 1960–61 pledge)		3,000				3,000
Ireland	£2,500 sterling		7,000		7,000		
Israel	Port services, wharfage and storage	35,616				$35,616	
Italy	U.S. dollar equivalent of 75,000,000 lire	120,000				120,000	
Do	U.S. dollar equivalent of 50,000,000 lire [2]		80,000				80,000
Japan	U.S. dollars		10,000		10,000		
Do	U.S. dollars [1]		2,500		2,500		
Jordan	Water, rents and medical supplies		98,550		98,550		
Laos	U.S. dollars		500		500		
Lebanon	Refund of port charges (Nov. 1, 1949, to June 30, 1951)	100,063				100,063	
Do	Water and rent of campsites		23,844		23,844		
Liberia	U.S. dollars		5,000		5,000		
Libya	do	14,000				14,000	
Luxembourg	do		2,000				2,000
Malaya, Federation of	do		1,500		1,500		

Monaco	1,000 new French francs		204		204		
Morocco	2,000,000 Moroccan francs		4,000				4,000
Netherlands	250,000 Dutch florins		65,790		65,790		
New Zealand	£50,000 sterling		140,000		140,000		
Do	£10,000 sterling [1]		28,000		28,000		
Norway	300,000 Norwegian crowns (1959–60 pledge)	21,000	21,000	21,000	21,000		
Do	150,000 Norwegian crowns (half of 1960–61 pledge)		21,000		21,000		
Pakistan	100,000 Pakistani rupees		20,964		20,964		
Do	5,000 Pakistani rupees [1]		1,050		1,050		
Saudi Arabia	4,000 metric tons of kerosene	170,618		85,618		85,000	
Spain	1,000,000 pesetas	16,667		16,667			
Sweden	300,000 Swedish crowns		57,915		57,915		
Switzerland	150,000 Swiss francs		35,046		35,046		
Thailand	25 metric tons of rice [1]	3,125		3,125			
Tunisia	U.S. dollars	4,000				4,000	
Turkey	do		5,000		5,000		
United Arab Republic:							
Egyptian region	Transport and port services		339,083		339,083		
Syrian region	Rent, transport, teachers' salaries, sanatorium and camp services		83,474		83,474		
United Kingdom of Great Britain and Northern Ireland.	£1,928,572 sterling		5,400,000		5,400,000		
Do	£80,000 sterling (through United Kingdom Committee for World Refugee Year).[1]		224,000		224,000		
United States of America	U.S. dollars (half of 1959–60 pledge)		11,500,000		11,500,000		
Do	U.S. dollars and foodstuffs (half of 1960–61 pledge) [3]		11,500,000		10,647,418		852,582
Uruguay	U.S. dollars	5,000		5,000			
Yugoslavia	274 metric tons of rice		40,000		40,000		
Total		562,313	33,630,538	203,634	32,649,236	358,679	981,302

[1] Special contribution for World Refugee Year.
[2] Subject to parliamentary approval.
[3] The U.S. pledge is $23,000,000 in cash and foodstuffs for fiscal period July 1, 1960, to June 30, 1961, payable on a matching basis not to exceed 70 percent of contributions paid by all governments. The Agency has for its own accounting purposes allocated this pledge half to its 1960 fiscal year and half to its 1961 fiscal year. The balance shown as unpaid is therefore only in terms of the Agency's allocation of the pledge. A further payment of $4,250,000 was received on Jan. 14, 1961.

Source: UNRWA financial statements for 1960.

United Nations relief and works agency contributions outstanding as of June 30, 1961

Country	1956–57	1958	1959	1960	Total
Iran				$3,000	$3,000
Israel	$35,616				35,616
Italy				80,000	80,000
Lebanon [1]					100,063
Libya		$14,000			14,000
Morocco				4,000	4,000
Saudi Arabia			$85,000		85,000
Tunisia		2,000	2,000		4,000
Total	35,616	16,000	87,000	87,000	325,679

[1] Refund of port charges to June 30, 1961.

VOCATIONAL TRAINING PROGRAM

Mr. GARY. Why do you estimate that the amount used for the vocational training program will go down from $4 million in 1961 to $2,366,000 in 1962?

Mr. EILTS. This, sir, is the UNRWA Director's estimate. In drawing up his program, which consists of two phases, the first being the building of additional schools and the second phase being the doubling of the capacity of the existing vocational schools, he thought it important that the first phase should get underway as quickly as possible the first year, which would require $4 million the first year and then $2.3 million for the following years.

Mr. GARY. What type of training is given in this program?

Mr. EILTS. The types of training that have been taught and are contemplated for the new schools include the training of electricians; wiremen and cable joiners; radio and television technicians; telecommunication technicians; builders and shutterers; carpenters and woodworkers; plumbers; plasterers and tile setters; upholsterers; fitters and machinists; blacksmiths and welders; sheet-metal workers; auto mechanics; diesel mechanics; welders (general); molders; draughtsmen (architectural and engineering); surveyors (land and quantity); business and office practice; and teachers (men and women).

NUMBER OF STUDENTS TRAINED AND PLACED IN JOBS

Mr. GARY. How many were trained in 1961?

Mr. EILTS. In 1961, sir, that is, up to August 1961, the latest information available, the number of graduates for the year was 849. Again going back to the calendar-year basis, there were just over 400 graduates in 1960. So the expanded program is already beginning to take place, as evidenced by these increases.

Mr. GARY. How many of these were placed in jobs?

Mr. EILTS. So far as we are aware, sir, all of them.

Mr. GARY. And where?

Mr. EILTS. Most of them in the Arab countries, that is, in the host countries as well as some of the adjacent countries such as Kuwait, the Persian Gulf area. There is a constant drift of employees from the Arab countries to the Persian Gulf area.

Mr. RHODES. Will the gentleman yield?

Mr. GARY. Yes.

Mr. RHODES. What do the Arabs think of this drift of refugees?

Mr. EILTS. In political term they do not like it. The moment it is called resettlement, then it breaks down and problems are created. When it is simply an economic movement they welcome it. For instance, a goverment like Iraq is one of the most helpful governments to Arab refugees in terms of finding jobs.

Mr. RHODES. These people, I think, would be a shot in the arm to the Arab nations if they are well trained.

Mr. EILTS. And yet as time goes on, as these people find good jobs, as they find a home and are able to bring their families, the problem is so many are leaving their families behind in the camps. This is partly political but it is also partly a social problem.

POPULATION INCREASE IN CAMPS

Mr. GARY. Mr. Cleveland says the birth rate is exceeding the number that are leaving the camps; is that correct?

Mr. EILTS. It is, sir.

Mr. GARY. So we are getting no place fast.

Mr. CLEVELAND. It affects the distribution of the population in the camps with the bright ambitious youngsters getting trained and getting out and the others staying.

Mr. GARY. We go up one step and slide back two.

Mr. EILTS. This is one of the problems but this is where we hope the vocational training program will be helpful. So far the number trained has been very small. As that number goes up more will leave, taking their families with them, we hope.

Mr. GARY. Then the total population in the camps is increasing rather than decreasing?

Mr. EILTS. That is right. It is now 440,000, which is a 20,000 increase over last year's figure.

NUMBER OF PERSONS RESETTLED

Mr. GARY. How many have been resettled in each of the last 5 years?

Mr. EILTS. Sir, in terms of resettlement—that is, finding homes outside of the camps—I do not have the statistics because the number is so small, but I would guess in terms of resettlement in the host country the number has been no more than four or five thousand a year.

Mr. GARY. Is there much incentive for the people to want to be resettled? That is following up on the question which was asked a few minutes ago.

Mr. EILTS. I think, Mr. Chairman, on the basis of my own contacts with the refugees over a good many years, not just this last years, that this varies. With the older element of Palestine refugees, say people 35 and up who have been settled in the camps and who still look toward the possibility of going home—home being what they call Palestine—there is not a great deal of incentive to resettle. On the part of the young people, they are torn. On the one hand they are imbued with the political spirit of wanting to recover Palestine. They feel very keenly that the Arabs, including themselves, have

suffered a great defeat and they want to right that wrong, as they see it.

On the economic side there is a great urge to find employment, and when job opportunities present themselves they will seize them. I have had Palestine refugees tell me they would rather earn 10 dinars of their own money than get 50 dinars not earned.

STANDARD OF LIVING IN CAMPS COMPARED WITH OUTSIDE

Mr. GARY. How does the standard of living outside the camps compare with that in the camps?

Mr. EILTS. There are certainly, Mr. Chairman, in Gaza and in Jordan, people outside the camps who are a lot worse off than the refugees, the so-called economic refugees, people who did not lose their homes but who lost their means of livelihood as a result of the war. They are in very bad shape indeep and are not helped by UNRWA or any government agency. But generally speaking my impression is that the refugees do not fare as well as, let us say, the established villagers, with the single exception of Gaza, which is such a poor place that refugees or nonrefugees have a hard time.

Mr. GARY. As a matter of fact, nomads have been roaming that land since the time of Abraham or before?

Mr. EILTS. That is right.

Mr. GARY. And those nomads roam in some places that are absolutely barren. I saw some when I was over there about a year ago and I wondered how they existed. Their condition is much worse than that of those in the camps, is that not true?

Mr. EILTS. That is very true.

Mr. GARY. Any questions?

UTILIZATION OF TRAINED STUDENTS

Mr. CONTE. I just want to compliment the gentlemen in UNRWA for instituting the food commodity program, which I was so vitally interested in last year, and also your expanded vocational training program. I have made many speeches on it. It is one of the remedies. You do not teach machinists?

Mr. EILTS. Yes, we do.

Mr. CONTE. I thought they could provide skills not only for the Middle East but maybe West Germany, Italy, and other countries which are looking for people of these skills, we might get some of these people off the rolls and get them working rather than sitting around all day.

Mr. EILTS. I think that is very true. I might add that in addition to the countries I mentioned some are moving in the direction of Libya where, in the oil industry, there are job openings developing.

Mr. CONTE. You have my wholehearted support in this. I think you are moving in the right direction.

Mr. GARY. The committee will recess until 2 o'clock.

AFTERNOON SESSION

Mr. GARY. The committee will come to order.

UNITED NATIONS MILITARY AND ECONOMIC ASSISTANCE TO THE CONGO

We will next take up the United Nations Congo Fund for the military and economic operations.

In fiscal year 1961 our contribution to this fund was $64,960,000. The request for 1962 is $62 million, and that represents $27 million for United Nations military operations and $35 million for economic assistance.

We have a statement with reference to these funds which we will insert in the record at this point.

(The statement follows:)

UNITED NATIONS MILITARY AND ECONOMIC ASSISTANCE TO THE CONGO

As the committee will recall, when the Congo was given its independence many of the preconditions for an effective sovereign state were lacking; there had been little experience in self-government at any level; there were no political personalities of national stature; the society in general lacked an educated, professional class; there was a startling deficiency of skilled administrators. Political and economic deterioration set in almost immediately.

Politically, the regime of Patrice Lumumba began its erratic course, which threatened to place the country in Soviet hands; and the Congolese Army, initially regarded as a stabilizing and unifying force, revolted against its Belgian officers, turned savagely on Belgian settlers and fell apart into independent factions. Belgian armed forces intervened to protect Belgian nationals; the Congo Government appealed to the United Nations for a security force to restore order; and the Soviets moved vigorously to exploit this situation, to secure the expulsion of Belgium and to move into the Congo themselves.

The United States believed that the U.N. was the best hope for coping with this explosive situation and arriving at some ultimate solution not inimical to Western interests. We fully supported the subsequent U.N. move into the Congo. We made it clear that we would channel our aid through the U.N. and attempted to discourage major bilateral assistance, particularly since this was being provided primarily by the Soviets.

In the economic sphere, too, crisis followed upon crisis. The loss of Belgian financial and managerial skills prevented the private and public financial institutions from functioning effectively. In the countryside, tribal warfare prevented the planting and harvesting of crops and resulted in mass migration, disease, and death, most notably among the unfortunate Baluba refugees. The breakaway of Katanga Province and the blockade on exports from the Gizenga-controlled Orientale and Kivu Province virtually halted economic activity in the areas controlled by the Central Government. Unemployment rose sharply, malnutrition and even starvation were widespread. Government revenues dropped while expenditures mounted alarmingly, due in large part to the demand of the undisciplined troops for increases in pay. Exports and imports declined sharply and foreign exchange reserves shrank. Inflationary pressures mounted and the real value of the Congolese franc plummeted.

In this tragic scene the United Nations began performing its historic experiment. Its efforts over the months have been marked by occasional confusion and a few reverses, but, more importantly, by a slow emergence from the chaotic depths of late 1960 through restoration of a semblance of public order, hopeful first steps toward political reunion, an economic stabilization agreement involving disciplined measures to restore the basically strong Congolese economy and determined efforts to train Congolese to run their own country. It is imperative that the United States continue its support of this U.N. operation with which we have been closely identified from the start and which now gives evidence of a rewarding measure of success.

MILITARY PROGRAM

Funds in the amount of $27 million are requested to permit the United States to make voluntary contributions toward the support of the United Nations Emergency Force operation in the Congo (ONUC) for the period January 1, 1961 through October 31, 1962.

This Force was established in July 1960 when political chaos erupted in the Congo shortly after it received its independence from Belgium. The United Nations presence in the Congo may very well have prevented a conflict which could have developed into one of worldwide proportions. It has not as yet restored law and order to the Congo as a whole. But this much is certain: it has prevented an even deeper tragedy and it has frustrated the designs of Soviet expansionism in Africa.

Unlike the United Nations Emergency Force (UNEF) in the Middle East, the Force in the Congo has found it necessary at times to conduct military and even combat operations. The maintenance of peace and security in this delicate and dangerous situation is the responsibility of the United Nations and its Force in the Congo. This Force is now a stabilizing element in the Congo.

By November 1960 some 28 nations had provided troops totaling close to 20,000 men and on July 11 of this year the troop strength of this geographically representative international force stood at 20,067 men provided by 21 nations.

The program in the Congo is one of the operational achievements of the United Nations. It has demonstrated that the Organization has the ability to take action in the critical field of peace and security in the face of a fast-moving crisis fraught with danger to the peace of the entire world.

The maintenance of peace and security—a basic foreign policy objective of the United States—is of prime importance in ONUC's area of operations. By checking the efforts of certain nations to gain a foothold in Africa through their support of various Congolese personalities, the United Nations has given the Congolese a chance to put their own political house in order. The Congolese now appear to be on the road to doing that.

Financing the costs of the United Nations operation in the Congo for the period January 1, 1961, through October 31, 1961, was one of the thorniest problems confronting the United Nations General Assembly at its recent session in New York. Even though the continuation of the Congo operation was approved earlier, it was not until the last day of the resumed session of the General Assembly that a financing resolution was approved. It was chiefly the reluctance of the smaller countries to assess themselves the considerable sums involved and their belief that the major share of the costs should be borne by the Permanent Members of the Security Council and Belgium that made it almost impossible to find a financing formula that they would support.

Resolution 1619 of the 15th General Assembly, as finally approved, appropriated $100 million for the period January 1, 1961, through October 31, 1961. Under this resolution, the General Assembly agreed to apportion these costs on the basis of the regular United Nations scale of assessments, subject to certain reductions in the assessments of those countries least able to pay. It also urged the Permanent Members of the Security Council, other members who were in a position to assist, and Belgium, to make additional voluntary contributions.

As a result of the rebate procedure, 79 United Nations members out of a total membership of 99, received reductions totaling $15,305,596. The U.S. assessment at 32.51 percent, after taking into account the contributions of new members, amounted to $32,204,061. In view of the urgent cash requirements of the United Nations, the U.S. assessment of $32,204,061 was handled as a supplemental fiscal year 1961 request to the regular State Department budget. That amount was recently appropriated by the Congress.

In addition to this assessed contribution, the United States offered a voluntary contribution to cover the rebates of $15,305,596, making a total U.S. contribution of $47,509,657 toward the total cost of $100 million.

The funds requested today are required to permit the United States to fulfill this pledge of a voluntary contribution of $15,305,596 toward the $100 million ONUC budget for the period January 1961, through October 1961, and to permit the United States to make a voluntary contribution of approximately $18.1 million toward an estimated $120 million budget for the Congo operation for the period November 1961, through October 1962.

As indicated earlier, it was difficult to arrive at a formula for financing this operation which would be satisfactory to the majority of United Nations member governments. A General Assembly resolution on this subject was not adopted

until over 3 months of the financial year had passed. The United States considered it essential that member governments acknowledge that the costs of an operation such as this were the responsibility of the entire membership and was successful in incorporating into the resolution finally adopted a provision that the costs of the Congo operation would be apportioned among all member governments.

At the same time, it was clear that an opportionment according to the regular scale of assessment would be unrealistic in the case of many of the member governments which have difficulty meeting their assessed share of the regular budget. Each country's assessment was equal to four-fifths of its assessed share of the United Nations regular budget. The rebate procedure finally agreed upon preserved the principle of universality of responsibility for sharing in the expenses of the operation but made allowance for the inability of many member governments to pay their full share of those expenses. To offset the amount of the rebates, the United States pledged a voluntary contribution of $15.3 million. It is proposed to make this contribution by paying $6.45 million from fiscal year 1961 funds and $8.85 million from fiscal year 1962 funds.

It is estimated that the cost of the emergency force operation for the period November 1, 1961, through October 30, 1962, will continue to run about $10 million per month. This will mean a total budget of $120 million for this period. It is anticipated that these costs will be apportioned among the member governments in the same way that the 1961 costs were apportioned, and that the 1961 rebate procedure, or one substantially the same, will be adopted by the General Assembly in connection with financing the ONUC costs for the period November 1961–October 1962.

In order to finance the Congo operation for this later period, an estimated voluntary contribution will be required from the United States of approximately $18.1 million, to reduce the assessments of the members least able to pay.

The U.N. Force in the Congo is clearly a temporary operation. Once its objectives have been achieved, the need for ONUC's existence will obviously disappear. At the same time, unless and until it is certain that peace is secure in this area, the United States must—in its own interest—assure the success of the United Nations operation in the Congo.

The achievement of the U.N. Force in the Congo in maintaining peace and security, and preventing a complete breakdown in that country, is both demonstrable and impressive and merits your favorable consideration of this request, which is in the best interests of the United States.

ECONOMIC ASSISTANCE

The U.N. effort could not have been carried out without the economic assistance provided by the United States and our aid partners in fiscal year 1961. For fiscal year 1962 substantial contributions must be continued. Now that a basic stabilization program has been agreed upon between the United Nations and Government of the Congo we have every expectation that our European allies will substantially increase their assistance. As in fiscal year 1961 a substantial portion of the U.S. contribution will be made through the food for peace program.

PROPOSED U.S. CONTRIBUTION IN FISCAL YEAR 1962

The proposed fiscal year 1962 contribution to the U.N. economic stabilization program in the Congo is expected to prove of crucial importance in the U.N.'s continuing efforts to bring political and economic order out of the chaos of the past year. Current estimates are that during fiscal year 1962 at least $100 million of external assistance will have to be contributed to the U.N. from all sources in order for it to carry out a program of stabilization and economic rehabilitation in cooperation with the Government of the Congo. These funds are required to raise the level of imports, especially of consumer goods, by some $8 million per month, to help prevent runaway inflation and to induce and support sound financial policies. The counterpart of the $8 million of imports would go a long way toward covering the budgetary deficit, now averaging about $12 million a month; the remaining inflationary deficit would have to be taken care of by measures undertaken by the Congo Government to increase revenues and decrease expenditures and some further drawdown of foreign exchange balances. The prospects for achieving success in this undertaking were strongly advanced by the signing of an agreement on June 12, 1961, between the U.N. and the government of the Congo detailing specific measures required to bring

about effective control over such sectors of the economy as wage and price levels, imports, budgetary expenditures, and trade within the country.

If the U.N. fund is to reach the required $100 million, it seems clear from experience that the U.S. contribution will have to be at least 50 percent, i.e., $50 million: $35 million would be in the form of grant aid from AID appropriations and used primarily to finance nonagricultural commodity imports from the United States; approximately $15 million would be provided through the food for peace program.

The $35 million request for fiscal year 1962 represents an increase of $6.5 million over similar contributions in fiscal year 1961. This amount represents a substantially smaller percentage of the total U.N. economic program than the United States provided in fiscal year 1961 and assumes substantially larger contributions from our AID partners. The increase in the total cost of the U.N. program is inevitable, since a major stabilization program could not be undertaken in fiscal year 1961 due to political turmoil.

In addition to emergency programs to meet the present crisis, the U.N. and its specialized agencies are creating projects which are designed to meet the long-run structural needs of the Congo. To illustrate, the World Health Organization provides assistance to the medical and nursing schools of the University of Lovanium in Leopoldville—one of the best in Africa—to expand and improve its facilities. This is in recognition of the fact that the fundamental solution to health problems of the Congo lies in the availability of local, well-qualified staff.

RELATIONSHIP TO BILATERAL U.S. PROGRAMS OF SIMILAR NATURE

Although most U.S. assistance to the Congo is provided through the United Nations, the United States sponsors several bilateral scholarship and training grant projects. This technical assistance was initiated on the Congo's Independence Day when 300 scholarships were offered for study abroad, primarily in the United States. Approximately 200 of these scholarships and participant training grants have already been implemented in such fields as teacher training, school administration, office management, and legislative services. During recent months, U.S. activities have been broadened to include the financing of 50 scholarships for the training of Congolese magistrates and civil servants at the National School of Law and Administration; the establishment of an English language teaching program in the Congo; the creation of up to 400 scholarships at Lovanium University in Leopoldville; and the financing of a portion of the agricultural section of the Congo Polytechnic Institute, and a presecondary and a secondary school. The bilateral program cost $2,575,000[1] in fiscal year 1961.

The U.S. bilateral program complements the technical assistance provided by the United Nations and its specialized agencies. For example, our participant training programs are expressly designed to provide those educational facilities and opportunities which are not available in the Congo itself, whereas the U.N. concentrates primarily on activitities within the Congo. Furthermore, the sheer magnitude of the country's needs is such that the U.N. alone cannot adequately satisfy them. Each of our projects is fully coordinated with the U.N. to avoid duplication of effort.

The committee will be especially pleased to note the instrumental role played by the food for peace program in literally sustaining life for hundreds of thousands of famine-ridden Balubas who had experienced a painful mass migration into south Kasai. Thousands of tons of foodstuffs—primarily from the United States—were brought into the afflicted area through the United Nations. It is gratifying to report at this time that famine conditions have largely been eliminated, although food continues to be required on an emergency basis.

Our surplus agricultural commodities, in addition to being distributed free to the needy, are sold through normal Congolese commercial channels in order to prevent a serious breakdown of food supplies in that politically and economically sensitive sector. Moreover, the local funds generated by the sold commodities are utilized to support necessary public works projects, thereby helping relieve unemployment and associated hardships.

Thus far, approximately $10 million of food for peace commodities have been contributed to the U.N. One-half million dollars' worth of food has been pro-

[1] Not identical with the figure in the congressional presentation green book; includes the cost of the Congo Polytechnic Institute ($500,000) and Lovanium University projects ($200,000).

vided to American voluntary agencies in the Congo to assist in wide-ranging operations, from school lunch programs to feeding Angolan and Baluba refugees.

While there are many problems to be solved before a viable state is achieved, definite progress has been made. The contribution of $35 million toward the U.N. economic program in the Congo requested today will move the Congo further toward the goal of economic and political stability that is clearly essential to U.S. interests in that country.

United Nations military operations

[In millions of dollars]

A. 10-month period, Jan. 1–Oct. 31, 1961, total U.N. costs $100 million (U.S. contribution, $47.5 million):	
Assessed: Contributions to international organizations (fiscal year 1961 supplemental appropriation, State Department budget)	32. 2
Voluntary:	
Fiscal year 1961 mutual security program contingency funds	6. 45
Fiscal year 1962 AID request	8. 85
Subtotal, U.S. contributions	47. 5
B. 12-month period, Nov. 1, 1961–Oct. 31, 1962, total U.N. costs $120 million (U.S. contribution, $56.6 million):	
Assessed (32.03 percent): Contributions to international organizations (fiscal year 1962 appropriation request, State Department budget [1])	38. 42
Voluntary: Fiscal year 1962 AID request	18. 15
Subtotal, U.S. contributions	56. 6
Total U.S. contributions, military operations	104. 1
C. Source of funds (summary):	
Contributions to international organizations	70. 6
MSP contingency funds	6. 5
AID request	27. 0
Total U.S. contributions, military operations	104. 1

In sum, therefore, a total of $63.5 million is requested for the Congo, to be allocated as follows:

AID request for fiscal year 1962

[In millions of dollars]

U.N. military operations (voluntary contribution)	27. 0
U.N. economic programs	35. 0
Bilateral economic assistance	1. 5
Total	63. 5

Altogether, the U.S. assistance envisaged for the U.N. economic program in fiscal year 1962 would total $50 million. Of this amount, it is hoped that as much as $15 million would be provided through a food for peace program.

[1] To be requested of the Congress in January 1962.

U.S. funding for military and economic assistance for the Congo (Léopoldville)

MUTUAL SECURITY FUNDS

	Fiscal year 1961	Fiscal year 1962
U.N. military operation:		
July to December 1960:		
Assessment	$15,745,211	
Voluntary:		
Cash	3,900,000	
Airlift waiver [1]	10,317,622	
Total	29,962,833	
January to Oct. 31, 1961: Voluntary	6,450,000	
Nov. 1, 1961, to Oct. 31, 1962		$8,855,596
		18,144,404
Total	36,412,833	27,000,000
Economic assistance:		
Multilateral:		
U.N. fund for Congo and commodity import program	27,950,000	35,000,000
Emergency airlift of food (reimbursed to Defense Department)	562,000	
Total multilateral economic	28,512,000	35,000,000
Bilateral	1,875,000	1,500,000
Subtotal	30,387,000	36,500,000
Total, MSA	66,799,833	63,500,000

OTHER APPROPRIATIONS

Public Law 480 (food)	$10,100,000	$15,000,000
State Department contributions to international organizations:		
Assessment, January to October 1961	32,204,061	
Assessment, November 1961, to October 1962		[2] 38,420,000
Total, all sources	109,103,894	116,920,000

[1] Reimbursed to Department of Defense.
[2] Estimated to be submitted in January, 1962.

Mr. GARY. Mr. Cleveland, we will be glad to hear from you with reference to these requests.

U.N. MILITARY ASSISTANCE TO CONGO

Mr. CLEVELAND. Mr. Chairman, if I may I would like to make an opening remark or two on both of these programs. They are, of course, closely connected with each other.

The $27 million is our contribution toward the support of the United Nations military force in the Congo. I do not think I have to remind this committee of the conditions in this former Belgian colony in July 1960, just a year ago, when the Prime Minister of the Congo appealed to the United Nations for a security force to restore order. You remember the rampaging forces, the breakaway of Katanga Province and the blockade on exports from the Gizenga-controlled Orientale and Kivu Provinces, virtually halting economic activity in the areas controlled by the central government; the mass migration, starvation, and economic chaos, and the Soviet presence in Leopoldville. A year ago it would not have been a bad bet that at least a part of the Congo would become the first African satellite of the Soviet empire.

The performance of the United Nations in trying to make Congo what the Congolese want it to be; namely, an independent country, will, in my view, turn out to be a watershed in the history of the United Nations and a very bright spot indeed in the history of the world.

By November the United Nations had a force of 20,000 men, provided by some 28 nations, on duty in the field. Under incredibly difficult conditions the United Nations established the force and transported it in a very short time and a degree of order was somehow maintained.

A little over a year after the first appeal, a new Congolese Government has now been installed by parliamentary procedure and the Congolese have a second chance to put their own house in order.

CHARACTER OF THE NEW GOVERNMENT

Mr. GARY. What is the character or shade of that new government?

Mr. CLEVELAND. Well, it is a coalition government under leadership, for the most part, by the people who have been clustered around President Kasavubu and led, I think it is fair to say, by the Léopoldville group. As you will recall, there have really been three primary factions with many, many subfactions. The three primary factions are: The Léopoldville group; the Gizenga group, which is really the political heir of Lumumba, based for the last few months in Stanleyville and claiming to be the legitimate government, recognized by a few Soviet satellites and very few other countries; and the Katanga group which has been calling itself a separate country and which is the richest part of the old Belgian Congo, run by Mr. Tshombe.

Mr. GARY. He is very friendly to the West, is he not?

Mr. CLEVELAND. Well, I think he is very anxious to have power himself and he has been trying very hard to get the West to support his ambitions on the ground the rest of the Congo would go into chaos and at least they could depend on Tshombe. The West made another bet, namely, that the whole of the Congro could be kept from chaos and that Katanga could be kept in a united Congo because of the economic and other strength it could add to a Congolese Union.

It is probably fair to say of all the Congolese politicians that they are essentially pro-Congolese; they want to run things themselves and they want to get help where they can get it. In the case of Tshombe, he has been able to get some help from Belgians, though not so much from the Belgian Government in recent months.

The Government headed by Prime Minister Adoula under Kasavubu as President is a very impressive group under the man who by all accounts is the most effective organizer and leader that is probably available there, a man of 39 or 40 years of age.

Mr. GARY. In other words, you would say that the Government is nationalist rather than leaning toward either the East or the West. Is that right?

Mr CLEVELAND. Yes. Gizenga is one of three Vice Premiers, although he has not yet agreed to serve. His people in the Parliament voted for Adoula and for the new Cabinet.

The leftist group have Gizenga; they have the Minister of the Interior, but they do not have the Minister of Defense, which is the crucial one. That portfolio is held by the Prime Minister himself. And the Finance Minister is also in the hands of the moderate cluster of politicians.

So our feeling is that this is a very good outcome, not because these people are pro-American, but because they really are concerned to

have an independent Congo and are concerned in working with the United Nations to bring that about.

ATROCITIES IN THE CONGO

Mr. GARY. Were the atrocities in the Congo as bad as they were pictured in the newspapers?

Mr. CLEVELAND. Well, there was considerable publicity. I think in the early weeks and months it was really quite chaotic and the internal situation was really quite bad. A lot of people were murdered and there was a good deal of mutual massacre among the tribes. This has calmed down a good deal. There have been some highly publicized problems—Lumumba's assassination and the holding and assassination of some of the central government leaders by people in Stanleyville, and so on.

Mr. GARY. There were numerous newspaper reports about atrocities against white people, including nuns, crimes of that nature.

Mr. CLEVELAND. This was relatively more on the early side than now. There has been some concern about missionaries, principally in the Orientale Province recently.

Shall I proceed with my general statement?

Mr. GARY. Yes, go ahead.

FORMULA FOR FINANCING CONGO OPERATION

Mr. CLEVELAND. My point really is that the United Nations operation in the Congo may very well have prevented not only a great deal more internal mutual massacre but an internal war. If we think back to how different it might have been had there been some internal arrangement to keep things under some control at the time of the division of India and Pakistan, we might have saved several million lives in that much larger situation.

Under the circumstances, it would be a strange commetary if nations that spend tens of billions in preparing for war would find it difficult to spend tens of millions to keep the peace. At any rate, it took days of debate in the United Nations General Assembly to establish a formula for financing the Congo operation. The U.S. delegation considered it essential that member governments acknowledge that the costs of an operation such as this were the responsibility of the entire membership, and was successful in incorporating into the resolution finally adopted a provision that the costs of the Congo operation would be apportioned among all member governments. At the same time it was recognized that the financing would put an intolerable burden on the member governments least able to pay. The formula finally adopted was one by which the 20 nations who could afford it best were assessed the full amount, and the United States offered a voluntary contribution to offset the rebates to the countries that could not bear their full share.

Mr. GARY. Was Russia included in that?

NONCONTRIBUTION BY RUSSIA

Mr. CLEVELAND. Russia is included in the ones that can afford to pay. They are not paying.

Mr. GARY. That is what I thought. Did they not refuse to pay?

Mr. CLEVELAND. They have refused to pay for this operation because they feel it is against their interests, and I think they are probably right—not right not to pay but right that this is operating against their interests—because without the United Nations operation they could have gone in and taken over at least a part of the Congo. They were frustrated by the fact there was an independent force in the country. Whether it is wise from their point of view to boycott the financing of this operation is another question. In my opinion it is very stupid. It may turn out in the long run to be about as bright as their boycott of the Security Council in 1950 which led directly to the United Nations Korean operation.

SOLVENCY OF CONGO OPERATIONS

Mr. GARY. As I recall there was a deficit in 1961?

Mr. CLEVELAND. In the U.N. as a whole?

Mr. GARY. No, in this Congo operation.

Mr. CLEVELAND. There has been a cash problem. The United Nations did not have enough cash for quite a long period to pay for the current costs of operation. As it happens, at this particular moment they are solvent. The way they did their deficit financing was really by borrowing from themselves. That is, they borrowed funds that had been contributed for the Special Fund and for the Children's Fund, I think, but with the payments that have recently come in, including a relatively large payment from us, they have now repaid funds to the Special Fund and the Children's Fund and for the moment they are solvent, but by next spring there will again be a very difficult cash problem.

BUDGET FOR CONGO PROGRAM

Mr. GARY. The amount you are requesting in this budget is for this current fiscal year and not for the past fiscal year; is that correct?

Mr. CLEVELAND. The amount we are requesting for this year is to put us in funds so that we can in this next General Assembly make an arrangement to carry through from October until a year from then; that is, until 1962. The financing is for curious periods for this program, so it does not quite fit our fiscal years.

We have a table here, Mr. Chairman, I think it would be worth while to place in the record.

Mr. GARY. Without objection this table will be inserted at this point in the record.

(The table follows:)

UNITED NATIONS CONGO ACCOUNT

Budget	July to December 1960	Jan. 1 to Oct. 31, 1961	Total
Total budget	$60,000,000	$100,000,000	$160,000,000
Waiver of airlift	−11,500,000		−11,500,000
Total assessments	48,500,000	100,000,000	148,500,000
U.S. contributions: Assessed (32.51 percent)	15,745,211	32,204,061	47,949,272
Voluntary:			
Waiver of airlift costs	10,317,622		10,317,622
Cash contribution	3,900,000	15,305,596	19,205,596
Total U.S. contribution	29,962,833	47,509,657	77,472,490
U.S. percent of total budget	49.94	47.51	48.42

SOURCE OF FUNDING U.S. CONTRIBUTIONS

Assessment	[1] 15,745,211	[2] 32,204,061	47,949,272
Voluntary	[1] 3,900,000	[1] 6,450,000	
Do	[1] [3] 10,317,622	[4] [5] 8,855,596	29,523,218
Total	29,962,833	47,509,657	77,472,490

[1] MSA fiscal year 1961.
[2] State fiscal year 1961 supplement.
[3] Reimbursement to Department of Defense for waiver of initial airlift costs.
[4] MSA fiscal year 1962.
[5] In addition, a voluntary contribution of $18,144,404 from MSA fiscal year 1962 funds is proposed toward the expenses of ONUC for the period Nov. 1, 1961, to Oct. 31, 1962.

JULY TO DECEMBER 1960 COST OF CONGO OPERATIONS

Mr. CLEVELAND. If you will refer to the period from July to December 1960, the total budget is $60 million and we made three different kinds of payments which added up to just under $30 million. We made our assessed contribution; we made a voluntary cash contribution, relatively small in this context, $3.9 million; and then we waived the cost of the initial airlift. You see, the U.S. Air Force does practically all the airlift for this operation. This in itself has been a fantastic story. The Air Force transported 20,000 troops and has not had a single accident. It is a remarkable achievement.

Mr. GARY. I think the Berlin airlift was a remarkable feat some years ago.

Mr. CLEVELAND. Yes. The airfields they have to land on present quite a problem. But we picked up just under half of the check for that 6-month period.

Mr. GARY. The President, as I recall, set aside the 40-percent requirement of the law with respect to these funds?

Mr. CLEVELAND. Yes. And the funds themselves came from the contingency fund of the mutual security appropriation, including the funds to reimburse the Air Force. While we waived the costs as far as the airlift was concerned, internally this cost had to be reimbursed to the Department of Defense.

JANUARY TO OCTOBER 1961 COSTS

For the period from January to October the estimated costs are about $10 million a month or $100 million for the 10 months. Our assessed contribution is $32.2 million and we are proposing to make a

voluntary contribution of $15.3 million in addition to that, bringing our total up to $47.5 million out of the $100 million, or 47.5 percent.

The assessed part is funded through Mr. Rooney's committee. The voluntary part is partly funded out of fiscal 1961 funds that are already in hand; and the balance of $8.8 million voluntary contribution would be funded out of the funds requested in this appropriation. The source of funding U.S. contributions is shown at the bottom of this table.

NOVEMBER 1, 1961, TO OCTOBER 31, 1962 COSTS

Our new program reflects a request for the $8.8 million plus a contribution of just over $18 million for the period from November 1, 1961, to October 31, 1962, on the assumption that this thing will continue to run at about $10 million a month. Our hope is that with this new government and things calming down in the Congo it may be possible to cut some of this down, in which case we can save some of this, but we cannot count on it and for us to count on it might cause eruptions in the Congo that would be going in the wrong direction from the direction we want to go.

I think that is all I wanted to say by way of introduction on the military program. If I could just say a word on the economic program while I am at it, Mr. Chairman.

Mr. GARY. Yes, sir.

ECONOMIC ASSISTANCE IN THE CONGO

Mr. CLEVELAND. I must say I do not know whether the military or the civilian performance in the Congo has been the more remarkable. When things came apart last summer some 9,000 Europeans who had been providing the financial and managerial skills in the Congo left for home. Some 200 United Nations experts, some drawn hurriedly from the United Nations in New York or from the specialized agencies, were sent to the Congo at a time when economic activity was virtually halted and there was widespread unemployment, malnutrition, and starvation. Inflation was mounting and public services were disrupted. Largely through their unsung efforts a semblance of order emerged slowly from chaotic depths without epidemics and without further starvation.

Now that the emergency is receding, the United Nations is getting to the long-range job of helping the Congolese to bring political and economic order out of the chaos of the past year. The prospects were greatly improved when a basic stabilization program was agreed upon between the U.N. and the Government of the Congo.

NEEDS FOR FISCAL YEAR 1962

Current estimates are that to sustain this stabilization program and to carry out a training program at least $100 million of external assistance will be needed during fiscal year 1962. If the U.N. fund is to reach the required $100 million, it seems clear from experience that the U.S. contribution will have to be at least half of this amount, but we estimated approximately $15 million would be provided through the food-for-peace program under Public Law 480 which, incidentally,

saved the lives of many uprooted people in the Congo during the past year. So we will need $35 million. This represents an increase of $6.5 million over last year, but of course it is for a longer period. If we are to build on the heartening gains in the Congo in the last year, I do not think we can afford to do less. This, in my personal judgment, is the most crucial operation. It is by far the largest executive operation that the U.N. has taken on. It has both a military and a nation-building side to it. It is going a whole lot better than a lot of people thought it would.

NATURE OF ECONOMIC AID PROJECTS

Mr. GARY. What would be the nature of the projects that would be financed with this economic aid?

Mr. CLEVELAND. Well, it covers really the whole range of the nation-building problem. First of all it covers people in large numbers, not only technical advisers but administrators. Then it covers food and other commodities imported into the country. Fortunately, the Congo, once it gets put back together again is really one of the sweetest underdeveloped areas in the world. It has a lot of resources. It has quite an infrastructure of economic life. It has considerable urban districts already. The problem is they really have not had Congolese leadership. The Belgians furnished the leadership.

AVAILABILITY OF TRAINED PERSONNEL

Mr. GARY. Do they have the leaders that would enable them to take advantage of their resources?

Mr. CLEVELAND. They do not as yet, and that is the problem, but the United Nations over the last few months has concentrated very heavily on training Congolese, putting Congolese into schools in France and elsewhere, and some Congolese have even been brought here, and they are beginning this process of getting a middle layer in there that really did not exist before. You cannot grow people overnight. You can grow other things but you cannot grow people.

Mr. GARY. It takes time to train them. That was the problem we had in Korea.

Mr. CLEVELAND. You are very right. It was a very similar problem. The Japanese did not train the Koreans.

Mr. GARY. They did not let the Koreans do anything but shine shoes or do menial jobs like that and none of the Koreans were trained to carry on when the Japanese stepped out.

Mr. CLEVELAND. The U.N. now has programs that are training about 1,000 Congolese.

Mr. GARY. I imagine the Congolese fared a little bit better under the Belgians than the Koreans did under the Japanese, but I doubt they were given much training.

Mr. CLEVELAND. Part of the problem was that the Belgians had an interesting policy. Their policy was to help the Congolese become technicians but to keep them out of the management jobs and the administrative jobs that might imply eventual political power. This unbalanced policy just could not last because once the Congolese learned to read books they would not read only technical books; they would read political tracts too.

You will remember in Indonesia the Dutch had a policy of only allowing Indonesians to become doctors, feeling this was safe. The result was all the brightest radicals became physicians but they came back to be revolutionists.

Mr. CONTE. Mr. Chairman, will you yield?

Mr. GARY. Yes.

Mr. CONTE. They do not have too many doctors in Indonesia. I was told they had only 1,200 doctors in the whole country of 85 million people.

Mr. CLEVELAND. That is right, but we made a survey when Indonesia first became independent. A mission was sent over there to look it over and there came back some very interesting statistics. The population of the country was 80 million and there were 700 doctors, 70 engineers, and 7 economists. We looked around Washington and found we had 8 economists working on Indonesia in Washington alone, more than the whole of the Indonesian economy could support.

Mr. CONTE. They do have a small percentage of doctors.

Mr. CLEVELAND. For instance, the Foreign Minister in the present Indonesian Government is a physician.

Well, that was a digression, I am afraid.

NATURE OF ECONOMIC AID PROJECTS

Mr. GARY. We were discussing the nature of the projects and I believe you were answering my question as to the nature of the projects which would be handled under this economic program.

Mr. CLEVELAND. I believe perhaps Mr. Brecher could give you the details on that.

Mr. BRECHER. It would emphasize first, sir, the basic infrastructure, communications, transportation systems, public works projects, essential to the overhead facilities of the Congo, to maintain them primarily rather than to build new ones.

It would also go for other worthwhile purposes in terms of the budgetary needs of the Congo.

We are referring now to what we know as the counterpart funds which are, of course, the local currencies generated by the sale of imported commodities, and these local currencies would be used to maintain the basic overhead facilities and for budgetary support to help fill the deficit.

COST OF PROGRAMS IN CONGO IN FISCAL YEAR 1961

Mr. GARY. What was the total cost to the United States for all these programs in fiscal 1961?

Mr. CLEVELAND. You are speaking now of costs out of fiscal year 1961 funds?

Mr. GARY. Yes.

Mr. CLEVELAND. Because these periods are chopped up.

The total cost out of fiscal 1961 mutual security funds for military was $36,400,000, as against the $27 million in this request.

Out of fiscal 1961 funds on the economic side, it was $28.5 million plus $1.8 million of bilateral aid to the Congo through the ICA, a total of $30.3 million as against the $35 million in the request before

you, plus an estimate of $1.5 million for a bilateral technical assistance program through ICA, or a total of $36.5 million.

So it is going up on the economic side and down on the military side.

COST OF BILATERAL TECHNICAL ASSISTANCE IN CONGO

Mr. GARY. Do you have some idea as to what that bilateral technical assistance program will be, or will we have to get that from the ICA?

Mr. BRECHER. We hope to spend on the bilateral side approximately $5 million to $6 million next year of which $1.5 million will be for continuing costs.

Mr. GARY. For continuing costs?

Mr. BRECHER. Yes, of the projects that are underway as of fiscal year 1961.

Mr. GARY. And that will leave you——

Mr. BRECHER. Approximately $4 million.

Mr. GARY. Approximately $4 million for new projects?

Mr. BRECHER. Yes, sir.

CONTRIBUTIONS OF OTHER COUNTRIES IN THE CONGO

Mr. GARY. Could you give us a table showing the amounts contributed by other countries to this program during the last accounting year period?

Mr. CLEVELAND. Yes. May we do that in the periods in which the United Nations has been operating; that is, the last 6 months of 1960 as one period and the first 10 months of 1961 as the second period?

Mr. GARY. Could you give us comparative figures for the periods listed in the table that you filed a few moments ago?

Mr. CLEVELAND. The one called United Nations Congo Account?

Mr. GARY. Yes.

Mr. CLEVELAND. Yes.

Mr. GARY. And you have the total budget but what we would like to have are the contributions of other nations itemized for those periods.

Mr. CLEVELAND. Yes. We will submit that for the record.

(The information requested follows:)

United Nations Fund for Economic Assistance to the Congo

[Statement as of Aug. 12, 1961, of pledges and contributions made to the United Nations Fund for the Congo since its inception in September 1960]

SUMMARY

Period	Amount due	Amount received	Percent received	Balance due
September 1960 to Aug. 12, 1961	$31,930,486	$17,937,750	56.18	$13,992,736

BREAKDOWN BY COUNTRY

Country	Amount pledged	Amount received	Country	Amount pledged	Amount received
Australia	$750,000	$750,000	Netherlands	$1,000,000	$185,457
Cambodia	2,040	2,040	Norway	490,616	490,616
Canada	1,000,000	1,000,000	New Zealand	280,000	280,000
Denmark	600,000	600,000	Philippines	10,000	----------
Haiti	2,000	----------	Sweden	1,391,304	1,391,304
India	105,000	105,000	Tunisia	10,000	----------
Iran	25,000	25,000	United Kingdom	3,000,000	3,000,000
Ireland	25,000	25,000	United States	[1] 22,950,000	10,000,000
Liberia	250,000	83,333	Total	31,930,486	17,937,750
Morocco	39,526	----------			

[1] Does not include U.S. contribution of $5,000,000 to the United Nations, made before the inception of the United Nations Fund for the Congo, to finance commodity imports into the Congo.

Contributions to the United Nations military program in the Congo as of July 31, 1961

SUMMARY

Period	Amount due	Amount received	Percent received	Balance due
July 1960–December 1960	[1] $48,500,000	[2] $28,290,571	58.33	$20,209,428
January 1961–December 1961	100,000,000	41,709,123	41.71	[3] 58,290,877
Total	148,500,000	69,999,694	47.14	78,500,305

COLLECTED CONTRIBUTIONS

Country	Contribution to 1960 account	Contribution to 1961 account	Total
Australia	$433,465	----------	$433,465
Canada	1,506,232	----------	1,506,232
Ceylon	24,216	----------	24,216
Denmark	290,591	$594,354	884,945
Finland	174,355	----------	174,355
Gabon	1,065	----------	1,065
Iceland	9,686	----------	9,686
India	595,712	1,218,425	1,814,137
Ireland	77,491	----------	77,491
Ivory Coast	1,622	10,264	11,886
Japan	530,329	----------	530,329
Liberia	9,686	----------	9,686
Malaya	41,167	----------	41,167
Netherlands	489,162	1,000,495	1,489,657
New Zealand	203,414	416,047	619,461
Norway	237,316	485,389	722,705
Pakistan	96,864	----------	96,864
Tunisia	12,108	----------	12,108
Turkey	142,874	----------	142,874
United Kingdom	3,768,002	5,780,088	9,548,090
United States	[2] 19,645,211	32,204,061	51,849,272
Total	28,290,568	41,709,123	69,999,691

[1] Does not include waivers of initial airlift by the United States ($10,317,622), Canada ($650,000), and United Kingdom ($520,000).
[2] Includes U.S. voluntary contribution of $3,900,000.
[3] Includes amount of $15,305,596 pledged by the United States as a coluntary contribution.

EMERGENCY NATURE OF CONGO PROGRAM

Mr. GARY. Is this program considered to be strictly an emergency program?

Mr. CLEVELAND. At this time it is quite strictly an emergency program. Once the Congo gets put back together like humpty-dumpty, then there will be a substantially less underdeveloped area in which we will probably have a continuing interest in assisting its development, but at the present time it is an emergency situation as indicated by the fact that it is costing more so far for U.N. military operations than it is for the whole aid program.

Mr. GARY. On what basis will it be phased out?

Mr. CLEVELAND. Well, the military side of it will be phased first of all once the internal situation is under better control, that is, once we do not actually have the potential of the provinces making war on each other. Then there will have to be some U.N. military operation for retraining and regrouping the Congolese military forces as internal forces. These forces, notably in one province, Katanga, still have a number of white, mostly Belgian, officers, and there is the problem again of training Congolese officers, and again this cannot happen overnight. So the U.N. will have a continuing responsibility for retraining the local forces for quite some time.

Then on the economic side will be the problem of economic development. But the Congo should not be, in the long run, as costly as its size and population would indicate, assuming that Katanga riches can be married to the rest of the country, because, after all, under the Belgians the Congo made a net contribution to the Belgian economy and accounted for the very strong Belgian balance of payments position when the Congo was a Belgian colony.

So I would predict that the military operation could be phased down before very long, within the next year or two, but there will be a continuing retraining operation for some time thereafter; and the economic input, both through the U.N. and bilaterally, will continue to be relatively heavy over several years while they are getting organized.

BELGIAN ATTITUDE TOWARD THE U.N. PROGRAM

Mr. GARY. What is the present Belgian attitude toward the U.N. program?

Mr. CLEVELAND. They were very much distressed about the U.N. in the early days, of course, because the U.N. members kept passing resolutions criticizing the Belgians for being in there. Now, particularly with the new Belgian Government after their elections and under the leadership of Vice Premier and Foreign Minister Paul Henri Spaak, they have adopted a very different attitude and are cooperating very strongly with the U.N. both on the military side and on the side of withdrawing Belgians, and we are hopeful also in developing financial arrangements to maintain a certain support for the Congo from Belgian sources, which is obviously very important because the Belgians know more about the Congo than the rest of the world will ever learn, and if they can be in there on a cooperating basis rather than a dominating basis it will be very important to the future of the Congo.

PRESENT SOVIET STATUS IN THE CONGO

Mr. GARY. What is the present Soviet status in the Congo?

Mr. CLEVELAND. The Soviets have boycotted the U.N. operations. A curious thing is they voted three times for this thing in the Security Council last summer and fall and then they gradually realized this probably would prevent their taking over the Congo or any considerable part of it, and they shifted to a quite different policy of supporting a breakaway faction, the Gizenga faction, the heir to Lumumba, and they even went so far as to recognize Gizenga as the acting Prime Minister even though he was sitting off in Orientale Province in Stanleyville, which was a separatist regime. A few other countries, Ghana, Guinea, and so on, also recognized Gizenga. But the table got turned on them really by action of the Congolese themselves. The Congolese got together in the Parliament and agreed on a new government which is fully legitimate, which the United Nations has recognized, and so there is no color of legitimacy to the Gizenga regime, and the Soviets are in the embarrassing position of having a delegation in Stanleyville. They have not gone so far as to veto the whole operation in the Security Council the last time it came up, presumably because it was so necessary in the view of most of the Africans and Asians to have the U.N. in the Congo that it would have cut them off from the people they are trying to influence.

You see, the Indians put more than 5,000 troops into the Congo at a crucial moment, and the Soviets could not be in a position of telling Nehru that he was wrong, and so they allowed it to continue but detached themselves from it, in effect. As far as we were concerned that suited us all right, because for them to have been close to the operation would have been a wrecking operation.

RUSSIAN ASSISTANCE IN THE CONGO

Mr. GARY. Do the Russians have any projects going on in the Congo?

Mr. CLEVELAND. Economic aid, you mean?

Mr. GARY. Yes.

Mr. CLEVELAND. No, they have no economic aid program.

Mr. GARY. Do they have a military aid program in the Congo?

Mr. CLEVELAND. Well, they tried indirectly to get a certain amount of military equipment into Stanleyville. They had 7,000 cases of arms off Ghana a few months ago, but the Sudan would not let the stuff in from Egypt and it could not go up the river because that would take it by Leopoldville, and they could not airlift it because the U.N. forces might shoot it down, so they were frustrated at every turn.

They have tried to have an economic aid program in Stanleyville which has not been effective and they have had none for the Kasavubu government because they do not like it.

Mr. GARY. Any questions?

Mr. NATCHER. No questions.

ATTITUDE OF NASSER TOWARD THE NEW GOVERMENT IN CONGO

Mr. CONTE. What position is Nasser taking toward the new government in the Congo?

Mr. CLEVELAND. He has not said yet. He was one of those that recognized the Gizenga group as the government and I think it is fair to say the United Arab Republic had been the primary external adviser to Gizenga. Gizenga was getting a lot of his political advice from that source. This was why it was so crucial that the Sudan would not let things through. Now he is in the position of the Gizengaists, having agreed that Gizenga ought to take a position of Deputy Prime Minister in the new government, but Gizenga has not yet agreed to take that position. So there is still the outside chance that Gizenga might set up in business as a separationist regime. Presumably the Egyptians are rather fully involved in the question of what Gizenga does next. I would assume if Gizenga capitulates and goes along with the new regime the Egyptians would then recognize the new regime; but if Gizenga tries to break away the Egyptians might try to help him, but this has not jelled yet.

Mr. CONTE. Is Nasser's interest in Gizenga because of love and affection for Gizenga or is it because Israel has been in the Congo commercially trading there?

Mr. CLEVELAND. It is a hard judgment to make because there may be a very complex motivation. There are some that say the United Arab Republic's interest is not only to develop its own influence in central Africa, which has been an Egyptian policy for some years, in central Africa and also in west Africa, but the United Arab Republic was anxious for it to be the "lead horse" in exercising that kind of influence so that the Soviets would not be, because it is really to Nasser's interest, in our judgment at least, to have a Soviet satellite in central Africa.

On the other hand, during the last few months the Soviet policy and the United Arab Republic policy in the Congo have been parallel to some extent. They have been in support of Gizenga but with the United Arab Republic rather than the Soviet Union being the primary transmitter of advice and handholder of the Gizenga regime. A good deal may depend on what the United Arab Republic now decides as to where its interests ought to go, and this may rest to some extent on the discussions that the United Arab Republic is about to have with the other countries in the Casablanca group and with the group in Belgrade. But it is a complex motivation and I am not sure they have decided under the new conditions themselves really where their interests lie.

ISRAELI TRADE WITH THE CONGO

Mr. CONTE. Is not Israel picking up a lot of trade in that part of Africa?

Mr. BRECHER. Yes. In terms of commercial trade right now in the Congo, of course, it is not too extensive. The Israelis did offer 100 scholarships to the Congo on the occasion of its independence, and this might reflect its interest in that area.

Mr. CLEVELAND. They have been very active in west Africa too.

U.N. Emergency Force

Mr. Gary. We will next take up the United Nations Emergency Force. There the contribution for 1960 was $3,500,000. The contribution for fiscal year 1961 was $3,200,000 and the request for fiscal year 1962 is $1,800,000.

We are very happy to see that request is decreasing each year.

We will place in the record at this point the statement that has been prepared.

(The statement referred to follows:)

United Nations Emergency Force

The United Nations Emergency Force is the unit that was sent by the United Nations to keep the armistice in the Middle East after the Suez crisis of 1956 threatened to embroil the world in war. It has a present strength of about 5,300 men, drawn from 7 nations, not including any of the great powers. It patrols the Gaza Strip and the entrance to the Gulf of Aqaba—by foot, car, and reconnaissance aircraft—on a 24-hour basis. The fact that there has been only one serious incident in 5 years is the measure of its success in keeping the peace. But there is no permanent peace settlement and UNEF is therefore still with us.

The force is a collective responsibility of all U.N. members, who are assessed for its upkeep on the percentage scale of assessment applicable to the regular budget. For some of the less developed countries this is a particularly onerous burden. The countries which are furnishing the troops also have incurred heavy expenses, some of which are not reimbursable from the United Nations. In order to help reduce the assessment on those countries least able to pay, the United States in 1960 made a voluntary contribution of $3.2 million. For the current year, we were able to reduce the amount of our voluntary contribution to $1.8 million, which was offered to the U.N., subject to the appropriation of funds. Added to our assessment of $6,115,518, this would put the U.S. share at 41.66 percent of the total budget of $19 million compared with 48.48 percent for 1960.

We can see no alternative to continued support of this peace-keeping machinery in the Near East.

Mr. Gary. We will be glad to hear from you with respect to this.

Mr. Cleveland. This is familiar ground to this committee.

Our hope in fact would be the Middle East would settle down sufficiently to be able to cut down the independent U.N. forces that are put in there, but again, this is another phase of the intractable position we were discussing on the Palestine refugee situation. I think that is all I need to say by way of introduction.

NEED FOR U.S. ASSISTANCE TO U.N. EMERGENCY FORCE

Mr. Gary. Why is it necessary for us to offer voluntary assistance beyond our regular share for this operation?

Mr. Cleveland. Again because these substantial operations by the United Nations create the kinds of costs which, considered as a part of a budget of a very small country, represent quite a sizable proportion of their whole resources. In order to prevent a situation developing whereby all the countries in the world who consider themselves poor, which is most of the countries of the world, withdraw their support and votes from the support of these United Nations peace-keeping operations, we have agreed to help the poorer countries of the world meet this bill. We want to maintain the principle everybody should pay something to any peace-keeping operation.

Keeping the peace is the business of all members of the U.N. But what we are developing here, in effect, is a different scale of contribution for peace and security operations from the scale of contribution represented by the regular administrative expenses of the organization.

Mr. GARY. What other countries contribute more than their regular share, any of them?

Mr. CLEVELAND. Great Britain is the only other one.

Mr. GARY. What do they contribute?

Mrs. WESTFALL. $135,000 as a voluntary contribution over and above their assessment.

Mr. GARY. What is our regular share of this fund?

Mr. CLEVELAND. $6,115,000 for this year.

GUARDING AGAINST BORDER INCIDENTS

Mr. GARY. What is the danger in this area now that the U.N. is guarding against?

Mr. CLEVELAND. There are two dangers: One, border incidents primarily between Egypt and Israel; and second, unrest on the part of the Palestine refugees and others, civil unrest that boils over into border incidents.

The presence of this force makes it impossible for either side to make even a small invasion across the line without all sorts of big floodlights going on and, in effect, the whole world knowing about it the next day.

I think it is fair to say a force like this is partly a military force but it is partly what we would call in Berlin a trip wire, a device for triggering world concern with the problem as soon as there is the very beginning of an incident—the first day, not the fourth or fifth day.

EGYPT-ISRAEL SHIPPING CONTROVERSY

Mr. GARY. What is the status of the controversy between Egypt and Israel now over shipping?

Mr. CLEVELAND. I am not expert on that subject, and I am not sure there is an expert on that subject in the room. My impression is that the Egyptians still are not prepared to allow Israeli ships through the canal, that the Israeli still claim freedom of the seas makes it fully justifiable for them to go through the canal, or anyplace else, and the Israelis have a very strong legal case in this.

The United Arab Republic controls the canal. There is not any tribunal that can settle this unless the two parties take it to the tribunal, the International Court of Justice.

Mr. GARY. At one time Egypt would not let any shipping through the canal that even touched a port in Israel. Is that still the case?

Mr. CLEVELAND. I do not know whether that is still the policy they are enforcing or not. I would be glad to submit to you, or for the record, some information on this.

Mr. GARY. What incidents have occurred in this area during the last year or two?

Mr. CLEVELAND. There are no substantial ones in that period.

CURRENT SIZE OF U.N. EMERGENCY FORCE

Mr. GARY. You said the current size of the force is how many?

Mr. CLEVELAND. 5,300 men.

Mr. GARY. How does that compare with a year ago?

Mr. CLEVELAND. There is a new figure on this 5,300. It is now 4,780 because they moved some Swedes to the Congo to take the place of some Tunisians who had to go back to Tunisia.

Mr. GARY. With that decrease in force, would it not be possible for us to discontinue our voluntary contribution?

Mr. CLEVELAND. Their judgment still is they need a force of 5,000 or more to make this operation effective. That is a military judgment with which our military advisers also agree. I would not want to be responsible for reducing it and having things blow up out there. There is an interesting phenomenon in this. It is a relatively small military force, but its balance wheel position enables it to keep very large forces at bay.

Mr. GARY. What do you contemplate keeping those forces at during the next year?

Mr. CLEVELAND. Roughly at this same figure, a little more than 5,000.

Mr. GARY. You think the situation will probably remain in statu quo for a year or so; is that the idea?

Mr. CLEVELAND. I do not know of any other assumption to plan on. I will put it that way.

USE OF U.N. EMERGENCY FORCE IN THE CONGO

Mr. NATCHER. Other than the Suez crisis and the placing of this force along the Israeli-Egyptian border, they were used in the Congo; is t hat correct?

Mr. CLEVELAND. The Congo is a separate military operation. They are both U.N. forces. When the Congo force was reduced as a result of the Tunisians withdrawing their forces in connection with the Bizerte crisis, the U.N. had to lay their hands in a hurry on some troops to substitute because the Tunisians were the bulk of the forces right around Léopoldville, around the Central Government area. So as a means of providing quickly some trained units that knew what it was to be U.N. units, they reached out and took Swedish troops from the U.N. Emergency Force in the Middle East and we airlifted them down.

Mr. NATCHER. The U.N. Emergency Force has not been used on any other occasion other than the ones you point out here?

Mr. CLEVELAND. That is right. The U.N. Emergency Force means this Middle Eastern unit. There really is not a standing U.N. peace force.

NEED FOR STANDING U.N. PEACE FORCE

Mr. GARY. Should there not be?

Mr. NATCHER. That is the point I had in mind.

Mr. CLEVELAND. I will tell you what I think about that.

The original idea in 1945 was that there should be an international peace force, and clearly there needs to be a capability of some kind. But if they had set up then a standing force composed as it would

have then been, primarily of troops from the five permanent members of the Security Council, the United States, the United Kingdom, France, Soviet Russia and China, this would have been the wrong force for any of the four military operations that the U.N. has, in fact, gotten into. One was the Korean operation, which was so huge it had to be delegated as a matter of executive operations to us, and by Washington to MacArthur. The whole American military force got in there and it cost $5 billion a year the first couple of years.

The second was the Suez operation. What they needed was forces from other countries other than the big powers in order not to scare the Middle East, and from our point of view, not to have Soviet troops sitting in the Gaza Strip. We would not have wanted that.

You had the Lebanon situation, which really was not, as it turned out, a very military problem except for us with our troops sloshing ashore.

Then the fourth one was the Congo operation, which required a specially tailored group of forces drawn from countries which were mostly Asian and African and small European or Western countries with an Asian commander and an Indian military leader on the headquarters end.

TYPE OF U.N. PEACE FORCE NEEDED

Now, looking back on this history, my own feeling is what we need in U.N. is first a military unit; that is, some generals and colonels who represent, in effect, the general staff of almost any kind of operation that may be required, who are planners and operations people and supply people. Then you need a financial arrangement by which the Secretary General can draw in a hurry on a drawing account for the first 2 or 3 months of an operation before the machinery of legislation in the U.N. can get going, a sort of contingency fund if you will, for peace and security operations because these things break out just like that, like the Congo did, in the matter of a week.

Then what you need is a general blessing or general authority for the Secretary General to call for national units for a U.N. force for a particular purpose paid for out of the contingency funds and coming under the command of this international group of military leaders at headquarters.

Then I believe you need in most of the countries a few units which undergo the kind of training that is particularly relevant for the sorts of duty the U.N. requires. Part of the problem here is to find troops that can operate as police forces. This is a special technique. Not every infantry battalion is any good as a police force. In dealing with civilian populations, a certain amount of training is necessary. Then you would have what amounts to a flexible system so you can tackle whatever military problem the nations in the U.N. decide the Secretary General ought to take on, rather than maintaining probably what would be a rather expensive standing force which might be sitting around a good deal of the time awaiting the next crisis.

So the kind of flexible arrangement that I am describing seems to me to be somewhat more practical, and a good deal less expensive, first and last, than the original idea that the founding fathers had. That is not because we are wiser now than the founding fathers of

the U.N., it is just that we have lived 16 years longer and have seen this thing operate.

Mr. GARY. And have had more experience?

Mr. CLEVELAND. Yes.

Does that make sense to you?

Mr. NATCHER. I agree with you.

CONGRESSIONAL RESOLUTION ADVOCATING A U.N. PEACE FORCE

Mr. GARY. I had a purpose in asking that question because the closest personal friend I have, and the stanchest political supporter, has urged me for several years to introduce a resolution in the Congress calling upon the United States to advocate a United Nations peace force. I think there ought to be a force there to preserve the peace, but I did not feel that I was expert enough to know the nature of the force and how it should be established. Therefore, I have hesitated to offer the resolution. I am delighted to have your views on it.

Mr. CLEVELAND. We have had some discussion with Senator Case about a resolution which he has proposed, and some correspondence with him about that which you might be interested in.

Mr. GARY. I would be very glad to get it. Furnish it to me.

POSSIBLE USE OF U.N. FORCES IN LAOS

Mr. CONTE. Why has not the Secretary General ordered U.N. forces in Laos?

Mr. CLEVELAND. I suppose the easy answer would be because the nations have not told him to. This in a sense is the real answer. He can only move where the Security Council, or the General Assembly, says to.

The primary groups at interest there, the West and the Soviet bloc, whose power has been indirectly in close contact there, have not wanted that to happen so far. There has been a U.N. presence there in the form of a technical assistance representative, and that presence is not abolished, its official status is it is on vacation. It is not inconceivable that once you get a government in Laos, and some kind of an arrangement for continuing to supervise the cease-fire and so on, that at least on the nation-building side, that is, building a government inside the cabinet that will presumably develop, you might be able to develop a U.N. nation-building operation somewhat like, although considerably smaller than, the Congo operation.

(Off the record.)

Mr. CONTE. In 1958 I was out in Laos, and the Secretary General happened to be out there at the same time. I imagine his visit to the country was to ascertain whether there was aggression from the outside from North Vietnam and Red China. There was a lot of talk in the paper at that time that there was Red Chinese in there and military equipment from Red China.

Off the record.

(Off the record.)

Mr. GARY. Would not a proposition of that kind be subject to a veto by the Russians?

Mr. CLEVELAND. If it were done in the Security Council, yes, but under the uniting for peace resolution now, a vetoed proposition in the field of peace and security in the Security Council can be put automatically in the General Assembly and in the General Assembly they do not have a veto.

U.N. CHILDREN'S FUND

Mr. GARY. Next we come to our old friend, the United Nations Children's Fund, with which this committee has been familiar for many years. For this fund the United States contributed $12 million in 1960, $12 million in 1961, and $12 million is requested for 1962.

We have a general statement concerning the fund which will be inserted in the record at this point.

(The statement referred to follows:)

UNITED NATIONS CHILDRENS FUND (UNICEF)

The administration proposes to contribute $12 million to the 1962 calendar year program of UNICEF. This is the same amount that was authorized and appropriated for 1960 and 1961.

The United Nations General Assembly established UNICEF in 1946 to give emergency relief to children in war-devastated countries of Europe. Since 1950 its principal purpose has been to assist governments in underdeveloped areas of the world to carry out health, nutrition, and welfare projects. In 1960 about 55 million children and expectant and nursing mothers received benefits from the principal UNICEF-aided projects.

UNICEF-assisted projects contribute substantially to improving the health and welfare standards in underdeveloped areas and thereby assist in paving the way for sound programs of economic development. Furthermore, assisted governments and people appreciate the support and leadership the United States gives to UNICEF. These factors, in addition to humanitarian considerations, clearly indicate that it is in our national interest to continue our support of UNICEF.

Other government contributions to UNICEF, which are made on a voluntary basis, have been increasing from year to year. In 1954 60 governments contributed $13.6 million. In 1960 the contributions and pledges of 98 governments exceeded $25 million. This trend of increasing contributions is expected to continue for 1962 thereby enabling UNICEF to continue to expand its activities on a gradual basis. While making generous contributions to UNICEF, the United States has been decreasing the percentage of its contribution over the years and this has proved to be a stimulus for increased contributions from other governments. The percentage of our contribution is 46 percent for 1961 and it is planned to reduce this to 44 percent in 1962, if this can be done without harm to the program.

In 1960 assisted governments made commitments of $78.4 million to UNICEF-aided projects in the form of locally available supplies, services, and equipment. These contributions are not audited and are not paid to UNICEF and are thus not considered in arriving at the percentage of the U.S. contribution. They do, however, enable UNICEF to accomplish much more with its internationally contributed funds. They also assure that projects are firmly rooted in countries as the basic responsibilities of the governments.

UNICEF coordinates its programs with the World Health Organization (WHO), the Food and Agriculture Organization (FAO), the United Nations Bureau of Social Affairs, and with bilateral aid programs directly or indirectly affecting children. Before projects are presented to the UNICEF Executive Board for consideration they must have the technical approval of WHO, FAO, or the Bureau of Social Affairs. Technical advice is also provided by these organizations to assisted governments in planning and carrying out their programs. UNICEF's principal function is to provide basic medical equipment for maternal and child welfare centers; insecticides, vaccines, and antibiotics to initiate campaigns against disease; powdered milk to combat malnutrition; and equipment for local dairies and food-processing industries to improve child nutrition.

An illustration of the value of UNICEF's work is its campaign against yaws. This is a painful, disfiguring, highly contagious, and sometimes crippling disease which is usually acquired by children living in the tropics. There was no practical method of mass control of this disease until penicillin was discovered. Today one injection of pencillin can cure an early case. A yaws campaign is economical because it can be conducted by nonprofessional workers easily trained to diagnose and treat the disease. UNICEF aids yaws campaigns by providing penicillin, syringes, blood-testing supplies, and transport. The average cost of an examination is 15 cents and a complete treatment costs 70 cents. Thus far over 75 million examinations and 29 million treatments have been completed.

The administration is convinced that the work of UNICEF is important and that it warrants our continued generous support.

Mr. GARY. Mr. Secretary, we will be glad to hear from you.

ACCOMPLISHMENTS AND COST OF U.N. CHILDREN'S FUND

Mr. CLEVELAND. I have a very short statement that I think might be useful to make. The very special status of this enterprise is due to very wide recognition of its humanitarian character. It is also true it has had less criticism than most programs because UNICEF conducts a kind of conservation program to protect the world's most underdeveloped resources, which is human talent.

As the history of education shows, there is no more profitable investment than investment in human beings. Finally, the UNICEF program is so relatively inexpensive it is really quite startling. With a budget of only $25 million in 1960, UNICEF managed to aid about 55 million children and expectant and nursing mothers. The average cost of examining a child for yaws is 15 cents, and full treatments are completed for an average of about 70 cents.

In 1954, 60 governments contributed $13.6 million to UNICEF. By 1960, 38 more governments were contributing and the total of their contributions and pledges exceeded $25 million, nearly double in 6 years. The assisted governments spent more than three times that amount themselves in supplies, services, and equipment on projects aided by the Children's Fund.

We propose to contribute $12 million to UNICEF this year, the same amount as last year, and indeed the year before. But we expect rising contributions from others will permit a moderately expanding program and a further decline of the U.S. share of the total, which has been decreasing in recent years.

Our share of last year's program was 46 percent and we expect it to drop to about 44 percent this year.

U.S. SHARE OF COST OF CHILDREN'S FUND PROGRAM

Mr. GARY. This is another of those programs, is it not, where the receiving country makes large contributions and therefore brings our contribution to the total program well under the 33⅓ percent?

Mr. CLEVELAND. Yes, indeed.

In this case, it works out to an average of $3 put in by the receiving country to every dollar put in by UNICEF, and since we put up around 45 cents of that dollar, it would work out to less than one-sixth of the total.

Our contribution will permit UNICEF to continue its program of helping the underdeveloped areas carry out programs of child and maternal welfare by providing basic medical equipment, insecticides,

vaccines, antibodies, powdered milk, equipment for dairy and food processing industries. By and large, the technical services for these programs are provided by the specialized agencies.

On the medical side, through the World Health Organization, the equipment and supplies are put in through the Children's Fund. UNICEF also will continue its international campaign against yaws.

USE OF U.S. SURPLUS MILK IN PROGRAM

Mr. GARY. In that connection, Mr. Secretary, you mentioned powdered milk. This country did have, as I understand, a surplus of powdered milk. Could we use that surplus for part of our contribution to this fund as you have done in the case of refugee funds?

Mr. CLEVELAND. I wonder if I could ask Mr. Falk, who follows this program in some detail, to come to the table and address himself to that question?

Mr. FALK. Mr. Chairman, if I may refer to page 161 of the presentation book, the paragraph at the top of the right-hand column refers to this matter as follows:

The U.S. Department of Agriculture has been making dried milk and skim milk available to UNICEF on a grant basis since 1955 under the authority of title III, Public Law 480.

In fiscal year 1960, such donation to UNICEF amounted to 40,255,732 pounds. This was far below donations in previous years due to a shortage of surplus milk.

In fiscal year 1961, it is expected that donations will exceed 90 million pounds. Actually, it was slightly less than that.

Donations of dried skim milk have been in addition to cash contributions to UNICEF and have not been included in arriving at the ratio of U.S. contributions to contributions from other governments.

CONTRIBUTIONS OF MILK BY CANADA AND SWITZERLAND

Canada and Switzerland have also been making substantial contributions of dried milk to UNICEF in addition to their cash contributions. Prior to 1955, UNICEF purchased powdered milk from the Department of Agriculture at 1 cent a pound, and then because of a change in procedure it was thought more expedient to provide it as a straight donation under title III of Public Law 480. Since that particular time we have been making contributions of dried milk to UNICEF on a regular basis over and above our regular contributions.

Mr. GARY. Have there been any other contributions besides dried milk in the way of food commodities over and above our $12 million contribution?

Mr. FALK. To my knowledge, there have been none.

Mr. GARY. What commodity contributions have been made by other countries?

Mr. FALK. The only commodity contributions by other governments have been those by Canada and Switzerland, which in 1960 were as follows: Canada contributed 14,126,000 pounds of powdered milk, and Switzerland contributed 761,000 pounds of the same. The only other contribution in kind that was received by UNICEF in 1960 was $78,575 worth of rice from Thailand. Other than that, all the contributions have been in cash.

RECORD OF COUNTRIES RECEIVING ASSISTANCE FROM U.N. CHILDRENS FUND

Mr. GARY. Will you place in the record at this point a table showing the countries receiving assistance under this program and the amount each received during the last 3 years.

Mr. CLEVLAND. Countries receiving assistance?

Mr. GARY. Yes.

On page 163 is a table showing the contributing countries and the amounts they have contributed from 1957 through 1960.

Mr. CLEVELAND. There is also a regional summary of the program allocations.

Mr. GARY. We will put in pages 163 and 164 and then the table which I requested of the receiving countries and the amounts received.

(The information to be supplied follows:)

Recipients of assistance from United Nations Children's Fund—Expenditures by area and country

[In U.S. dollars]

Area and country	1958	1959	1960
Africa:			
Algeria, French Departments of	$101	$5,890	$1,503
Basutoland			19,214
Bechuanaland	2,598	9	
Cameroons under French administration	35,872	24,883	
Cameroon			137,715
Central African Federation:			
Northern Rhodesia		1,684	
Nyasaland	10,012		
Central African Republic		37,509	6,711
Chad		36,069	5,952
Congo, Republic of the		14,376	
Congo, Brazzaville			1,426
Congo, Leopoldville			507,776
Dahomey			33,860
French Equatorial Africa	183,813	15,084	
French West Africa, Cameroons, and Togoland	513,423	223,248	20,079
Gabon		15,208	10,958
Gambia	2,465	907	15,305
Ghana	94,835	163,270	81,778
Guinea		56,749	15,438
Ivory Coast			7,460
Kenya	196,110	112,168	179,866
Kenya, Tanganyika, and Uganda	3,356		
Liberia	12,816	95,933	63,061
Madagascar			57,277
Mali			13,945
Mauritania			11,765
Mauritius	16,603	5,700	36,543
Morocco	106,057	177,430	285,130
Niger		3,600	420
Nigeria	194,513	210,837	242,635
Northern Rhodesia			561
Nyasaland			572
St. Helena	1,651		
Senegal		66,163	25,425
Sierra Leone	45,824	11,150	6,088
Sudanese Republic		57,678	
Tanganyika under United Kingdom administration	118,023	37,740	51,394
Togo			41,457
Tunisia	211,850	271,380	284,685
Uganda	84,809	91,537	142,825
Upper Volta		22,679	38,564
Zanzibar	63,445	41,829	47,950
Area total	1,898,176	1,800,710	2,395,338
Asia:			
Afghanistan	175,720	305,231	404,191
Burma	750,002	815,564	874,808
Cambodia	11,556	32,709	16,564
Ceylon	105,845	55,269	4,028
China	232,489	301,613	252,125
Federation of Malaya	3,645	9,889	20,604
Gilbert and Ellies Islands	276		
Hong Kong	2,324	4,907	4,016

Recipients of assistance from United Nations Children's Fund—Expenditures by area and country—Continued

[In U.S. dollars]

Area and country	1958	1959	1960
Asia—Continued			
India	$1,810,794	$3,469,351	$2,197,647
Indonesia	617,114	643,532	493,523
Japan	96,371	85,518	169,461
Korea	144	163,490	725
Netherlands New Guinea	42,500	33,801	33,440
New Hebrides	2,726	1,380	
North Borneo	22,147	81,999	32,504
Pakistan	275,030	255,557	388,290
Philippines	461,989	473,926	546,622
Sarawak	26,942	17,058	2,262
Singapore	6,682	2,875	6,713
Solomon Islands	994	6,288	326
Thailand	344,472	362,381	219,692
Vietnam	8,972	44,081	13,973
Regional		5,007	22,221
Area total	4,998,734	7,171,426	5,703,735
Europe:			
Austria	6	13,301	
Finland	50,249		
Greece	7,082	1,891	62,867
Italy	87,461		37,093
Poland	244,916	74,067	471,371
Spain	326,865	154,127	97,733
Yugoslavia	317,254	97,609	151,191
Area total	1,033,833	340,995	820,255
Latin America:			
Argentina	83,306	272,802	158,571
Bolivia	350,519	73,070	170,628
Brazil	855,284	363,328	339,250
British Guiana	7,499	26,136	9,392
British Honduras	21,158	42,117	13,919
British Virgin Islands	3,565		
Chile	94,998	72,715	352,435
Colombia	1,112,419	914,156	447,683
Costa Rica	44,356	42,768	75,423
Cuba			84,440
Dominican Republic	64,000	153,182	143,634
Ecuador	92,961	171,848	260,534
El Salvador	228,646	363,362	290,151
French Guiana	2,955		
Guatemala	239,667	389,732	369,121
Haiti	71,659	8,540	26,636
Honduras	110,501	262,832	321,500
Mexico	2,263,490	2,176,290	1,182,452
Nicaragua	70,949	203,292	151,982
Panama	86,024	145,876	91,683
Paraguay	194,117	161,097	237,290
Peru	650,213	311,345	537,302
Surinam	19,564	32,193	44,986
Uruguay	2,422	10,148	18,119
Venezuela	7,800		
West Indies Federation	156,218	509,045	278,267
Regional			11,138
Area total	6,834,290	6,705,874	5,616,536
Middle East:			
Aden	16,342	26,288	19,813
British Somaliland	65	4,428	
Ethiopia	117,327	174,468	136,347
Iran	1,065,449	1,261,578	1,019,440
Iraq	77,209	236,525	239,380
Israel	170,370	45,802	27,201
Jordan	213,094	187,247	306,928
Lebanon	9,709		6,937
Libya	50,940	47,640	23,521
Somaliland under Italian administration	84,589	365,099	81,520
Sudan	79,264	51,799	69,884
Turkey	1,101,471	974,288	1,613,698
United Arab Republic	370,436	289,634	501,134
Regional		12,472	19,434
Area total	3,356,265	3,677,268	4,065,237
Total assistance provided	18,121,298	19,696,273	18,601,101

CONTRIBUTION BY FRANCE

Mr. GARY. France is the only contributing country whose contribution was less last year than in 1957. What is the reason for the decrease of their contribution?

Mr. FALK. Actually, it is an increase. The reason for the 1957 figure being as large as it is was, is that France was paying up an arrearage on a previous year's pledge which actually was reflected in the 1957 contribution figure.

EXAMPLES AND RESULTS OF PROGRAM

MALARIA ERADICATION AND CONTROL

Mr. GARY. Will you give us a few specific examples of the type of programs used in this program, and also of the results obtained?

Mr. FALK. Mr. Chairman, as you heard yesterday from Dr. Hyde when he was here, one of the areas of greatest activity in which UNICEF is involved is that of malaria eradication and control. UNICEF allocates about $10 million each year of its total resources in the field of malaria.

Mr. GARY. How does that work? We have two or three funds on that. We have the malaria eradication program. Why does not that take care of the whole program? Why does UNICEF have to get into it?

Mr. FALK. The reason I think was mentioned briefly by Dr. Hyde. The overall need in this field is so great that WHO, as the world coordinator of this overall program, has tried to tap every available resource to get the funds needed in order to carry this particular program out.

Strictly speaking, malaria control is not a children's program as such because obviously, when you protect a community against malaria, you are protecting the entire community, not just women and children.

However, there is perhaps no disease in the world which claims the livs of more children than does malaria. UNICEF has been in on this since early in the game. The Executive Board of UNICEF would like very much to reduce the percentage of its funds that it is contributing toward malaria so they could perhaps engage in other projects that are more directly related specifically to children and mothers.

Every time this comes up the question is where to get the additional resources to supplant those that might be withdrawn by UNICEF.

Well, we could, if we wanted to, increase the bilateral U.S. malaria program by $10 million in order to take the place of the UNICEF contribution. This would cost the United States more, 100 percent instead of the 46 percent we are paying to UNICEF. The Executive Board, however, is hoping they can shortly reduce the amount that they will be putting into the malaria program, but thus far the members of the Board have felt it is essential to continue at the present level. WHO has as yet found no other source from which it can get the necessary supplies they need to accomplish the program.

Mr. GARY. Off the record.

(Off the record.)

EXAMPLES OF PROGRAMS

Mr. GARY. Just put in the record some examples of the program. (The information requested follows:)

EXAMPLES OF UNICEF PROJECTS

Rural health services—Philippines

In the Philippines, health services have been spread to the people through a countrywide network of 1,330 rural health units, supplemented by 4,600 barrio (village) health stations. These barrio stations are built by villagers and served by staff attached to the rural health centers and supplied by the Government. UNICEF, which has greatly stimulated this movement, provides health center equipment, midwifery kits for the traditional midwives, bicycles for personnel who must travel from health unit to barrio station, medicines, vitamin supplements, and milk.

Under this program, 4,000 midwives, many of them illiterate, have been given simple instructions on cleanliness, when to call the doctor, and how to give safe care to the mother and infant. The small stipend which UNICEF provides for those taking the training, and the midwifery kits from UNICEF for those completing the course, have proven effective incentives. As a result of this program the quality of maternity care has been greatly improved and many lives saved. Between 1953 and 1958 the registered mortality rate for mothers fell from 3.62 per thousand to 2.92 per thousand live births; infant mortality fell from 105.34 to 80.01 per thousand live births.

Since 1950 UNICEF has contributed $1,815,700 to this program which the Government has supported generously. For example, the last allocation by UNICEF of $189,000 in 1960 was matched by the Government with $570,000.

Child feeding—Brazil

A typical large-scale feeding project began in 1954 in Brazil. One-third of the Brazilian children are undernourished with respect to protein. In 1959, UNICEF rations reached about 450,000 children and mothers. Ten vehicles have been provided by UNICEF to strengthen the organization, supervision, and control of milk distribution through 1,170 health centers and 3,150 schools. The Brazilian Government has developed nutrition courses for schoolteachers, supervisors, and others to strengthen the project. Mothers clubs associated with maternal and child health centers are used to teach nutrition to the mothers.

UNICEF participation has helped to focus the interest of the public and Government officials on the problem of malnutrition and has been a factor in obtaining more national funds for feeding projects. The Government is purchasing skim milk for distribution in areas not assisted by UNICEF.

Milk conservation—India

The Bombay milk scheme is one of the most impressive projects aided by UNICEF. India's large internal production of milk has never been fully utilized because of the lack of facilities for collection, storage, and distribution. In addition, the presence of a large number of cattle in the city has produced extremely unhygienic conditions. The Indian Government has removed the cattle to a rural area and provided for sanitary collection of milk and its processing. Buffalo milk has a high fat content of 7 to 8 percent. By adding this milk to reconstituted dry skim milk, a much cheaper product called "toned" milk is produced with a fat content of 2.3 percent. The Bombay government recently provided the equivalent of $5 million for the new Bombay plant, to which UNICEF allotted $1 million worth of equipment. The Indian Government has agreed to provide free or subsidized milk to low-income families equal in value to 1½ times the contribution of UNICEF. Through this UNICEF-aided project safe and inexpensive or free milk is available, and at the same time the city is rid of one of its greatest health hazards—the disease-breeding herds of cattle.

Yaws control—Indonesia and Haiti

Assistance to Indonesia was started in 1950 for a campaign that has grown into the largest yaws control project in the world. The treatment campaign is conducted generally by teams, each of which consists of a worker who surveys and diagnoses all the people within his district and a male nurse who goes on

appointed days to treat all the cases found. The teams continue to resurvey their districts until the incidence of yaws is reduced to not more than 2 percent of clinical cases with not more than one-half percent of infectious cases. At this point, the district is "consolidated" and control of the disease is maintained thereafter by the staff of the permanent health centers, who spot-check and reexamine selected groups, mostly schoolchildren. Thirty-five million people have been examined at least once and 7.2 million cases of yaws found and treated.

Between 1950 and 1956 UNICEF contributed $2,962,000 to the campaign. Since 1956 the Government has carried the campaign without additional UNICEF aid.

A similar campaign in Haiti, where more than half the population was afflicted, has virtually wiped out the disease. From July 1950 until late in 1954, house-to-house treatment reached 97 percent of the entire population. More than 3.7 million treatments were administered by the end of 1958 and active cases had been reduced from 40 to 50 percent of the population to a mere 1 percent. Between 1949 and 1957 UNICEF allocated $576,400 to this project. Yaws is no longer a health problem in Haiti.

Malaria eradication—Mexico

This has been one of the most successful malaria eradication campaigns and serves as a model for other Latin American countries.

Malaria is responding satisfactorily to total coverage spraying. Within the fourth-year period originally planned, transmission has been interrupted in areas involving 61.7 percent of the population in the malarious area. In additional territories including 16.7 percent of the population, no cases have been found.

Areas previously too malarious for occupation are now being cleared and colonized and put into production.

The prospects for eradication of malaria from Mexico are considered very good by PAHO/WHO. Transmission has already been interrupted from most of the previously malarious area. The staff is well trained, dedicated to its job, and receives vigorous support from high governmental authorities. There have been no financial difficulties, and none are expected.

The Government has greatly exceeded its original commitments under the tripartite plan of operations with UNICEF and the PAHO. It has repeatedly confirmed its intention to see the campaign through to its successful completion.

In 1961 expenditures will be:

Government	$4,800,000
UNICEF	1,000,000
PAHO/WHO	125,000
Total	5,925,000

"Vegetable milk" production (saridele)—Indonesia

UNICEF has provided equipment for a plant to produce "saridele," a high-protein food whose main ingredients are soya beans and sesame (in the ratio of 4 to 1), both grown in Indonesia. Saridele, a soluble powder is easily reconstituted with water to produce a milklike drink used mainly for children.

The operation was so successful that UNICEF made a supplemental allocation to expand the capacity to 1,000 tons a year, with operation on a 24-hour daily cycle.

The Government will distribute, over a period of several years, a total of 2,500 tons free of charge to mothers and children through normal MCH channels. The balance of the product is put on sale and is rapidly gaining popularity.

UNICEF has contributed $661,500 to this project since 1953. The total Government commitments are $2,671,000.

Trachoma control—Morocco

In June 1961 UNICEF made its final allocation to a campaign which started in 1952 and which is now so well organized that the Government will assume entire responsibility. The program is carried out in all primary schools and as a mass campaign in some areas. Ointment for self-treatment is subsidized by the Government and sold at small cost in local tobacco stores and is widely used.

There has been an important decrease in seasonal conjunctivitis and active trachoma is everywhere decreasing both in number of cases and in severity.

UNICEF contributed $438,700 to this compaign for the period 1952–62.

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Mr. FALK. If I may, I do want to say that in connection with this malaria eradication program, the cooperation between WHO, ICA, and UNICEF is one that we feel very proud of. We think this is perhaps one of the best examples of a worldwide, well-coordinated program.

I have a statement here dealing with the coordination of this global program where ICA, WHO, and UNICEF are involved, if you would like to look at it.

Mr. GARY. We will insert that in the record at this point.

(The statement referred to follows:)

COORDINATION OF GLOBAL MALARIA ERADICATION PROGRAMS BY ICA, WHO/PAHO, AND UNICEF

During 1960 UNICEF assisted malaria projects in the following countries:

Africa.—Senegal, Dahomey, Upper Volta, Cameroons, Togoland under French administration, Liberia, Nigeria, Zanzibar, Ghana, Tanganyika, Uganda, and Kenya.

Asia.—Afghanistan, Burma, Netherlands New Guinea, and North Borneo.

Eastern Mediterranean.—British Somaliland, Ethiopia, Iran, Iraq, Somaliland under Italian administration, Sudan, Turkey, United Arab Republic: Syria, Jordan, and Lebanon.

The Americas.—Argentina, Bolivia, British Honduras, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Surinam, West Indies Federation: Dominica, Granada, Jamaica, St. Lucia, Trinidad, and Tobgo.

It will be noted from the following table that ICA and WHO are currently operating jointly in 23 countries. Although WHO has coordination responsibilities for the worldwide program, ICA has the responsibility to assure that the U.S. tax money is being well spent. Furthermore, ICA has considerable difficulty in finding medical malariologists since malaria was eradicated from this country about a decade ago. WHO, on the other hand, can hire medical malariologist from any country. The United States has many well-trained scientists (entomologists, parasitologists, operations specialists) who are not readily available elsewhere in the world and who are not attracted to salaries of WHO. As a result, in most of the bilateral countries, ICA and WHO assign technical personnel which complement one another to form an international advisory group. In many countries the ICA and WHO senior technicians serve as members of a malaria advisory group, along with high-level persons of the host government, to develop policies and to assure that maximum use is being made of the resources available. In some countries, WHO (PAHO) provides all of the technical advisory services and ICA provides some or all of the imported commodities.

The ICA and UNICEF are jointly operating in 12 countries. Generally, in these cases, ICA provides technical advisory services and UNICEF provides the imported commodities. However, in several, especially in Latin America, the extent of the malaria problem is greater than originally anticipated due to lack of census data and an influx of people into previous malarious areas once spraying stops transmission of the disease. In these cases, UNICEF had reached the limit of its funding authorization and could not meet the additional costs for commodities and local expenditures. Also, the development of insecticide resistance has resulted in greater amounts of insecticides being used than was originally anticipated.

Participation of the three agencies in the ICA bilateral countries is as follows:

1. *Cambodia, Taiwan, and Ceylon.*—The WHO provides technical advisory services and ICA provides the imported supplies and equipment.

2. *Indonesia.*—This country has a gigantic program planned but has critical administrative problems. There is an almost total absence of technically trained persons. Both ICA and WHO furnish technicians who are formed into teams for advising on the development of the program at the national level and for determining the extent and nature of the malaria problem, the species of vector involved, the status of insect resistance to insecticides, etc. The ICA is furnishing imported commodities.

3. *Thailand.*—The ICA furnishes technical advisory services at the national level and imported commodities. Negotiations are presently underway for WHO to supply some technical advisory services to support those of ICA.

4. *Philippines.*—The ICA is furnishing technical advisory services and some imported commodities. WHO has assigned one technician to assist with an international Malaria Eradication Training Center at Tala.

5. *Vietnam.*—The ICA and WHO furnishes complementary technical advisory services. Commodities are furnished by ICA.

6. *India.*—The ICA furnishes technical advisory services at the national level and commodities. Recently WHO has assigned technical personnel to investigate the best means for carrying out surveillance to determine the malaria-free areas of the country.

7. *Iran.*—The United States began assisting a malaria control program in this country a number of years ago with technical advisory services. At that time ICA funds were available for commodities. Subsequently, UNICEF aid was provided and at present UNICEF provides most of the imported commodities. WHO has recently assigned an administrative adviser to assist with administrative problems. The ICA now furnishes three malaria technicians to the program.

8. *Jordan.*—The ICA furnishes an entomologist for the international advisory team. The WHO furnishes a medical malariologist and sanitarians to the team. Commodities are furnished by UNICEF.

9. *Nepal.*—There is a scarcity of technically trained personnel so that WHO and ICA have been required to supply personnel to carry out the program. These persons complement one another professionally. ICA provides the imported commodities.

10. *Ethiopia.*—The ICA furnishes technical advisory services and commodities to the national program. WHO has been operating a training center in collaboration with ICA.

11. *Liberia.*—The ICA and WHO have been operating two separate pilot projects in different parts of Liberia where different problems exist. UNICEF has provided commodities for the WHO project. Negotiations are well underway for the developing of one nationwide program.

12. *Bolivia.*—The ICA provides the local financing for this project through utilization of counterpart funds. UNICEF provides the imported commodities and WHO/PAHO provides the technical advisory services.

13. *Brazil.*—The ICA provides commodities and technical advisory services. The WHO/PAHO provides complementary technical advisory services.

14. *Colombia and Paraguay.*—The UNICEF provides most of the commodities but ICA is assisting with some commodities due to the problem being greater than anticipated. WHO/PAHO provides technical advisory services.

15. *Guatemala, Haiti, Honduras, Nicaragua.*—UNICEF is providing imported commodities. ICA is assisting with the local costs and WHO/PAHO is providing technical advisory services. In Guatemala, Haiti, and Nicaragua ICA is furnishing technical advisory services also.

16. *Jamaica.*—UNICEF is providing imported commodities. WHO/PAHO is providing technical advisory services. ICA is investing a relatively small sum to provide some local costs in Jamaica. Also in Jamaica, ICA and WHO/PAHO are jointly operating a malaria eradication training center for professional eradication personnel.

17. *Ecuador.*—The UNICEF provides most of the imported commodities supplemented in some items by ICA. ICA helps support local costs and with PAHO provides technical advisory services.

ICA bilateral agreements for malaria eradication in countries also assisted by WHO and UNICEF

Country with ICA bilateral program	Assistance by UNICEF	Assistance by WHO/PAHO	Country with ICA bilateral program	Assistance by UNICEF	Assistance by WHO/PAHO
Far East:			Africa:		
Cambodia		X	Ethiopia		X [1]
Indonesia		X	Liberia	X	X [3]
Laos			Libya		
Philippines		X [1]	Americas:		
Taiwan		X	Brazil		X
Thailand		X [2]	Bolivia	X	X
Vietnam		X	Colombia	X	X
Near East and south Asia:			Ecuador	X	X
Ceylon		X [2]	Guatemala	X	X
India		X [2]	Haiti	X	X
Iran	X	X	Honduras	X	X
Jordan	X	X	Jamaica	X	X
Nepal		X	Nicaragua	X	X
			Paraguay	X	X

[1] Personnel assigned to international training center only.
[2] Special survey and evaluation teams.
[3] Pilot project only.

NOTE.—PAHO is the regional office of WHO for the Americas.

Mr. GARY. I am always glad to get any testimony of coordination. There is such a lack of it in this vast Government we have that I am pleased to get any evidence of it.

Mr. NATCHER. Off the record.

(Discussion off the record.)

Mr. CONTE. This particular appropriation has my blessing.

INTERNATIONAL ATOMIC ENERGY AGENCY

Mr. GARY. Next is the International Atomic Energy Agency.

The contribution to this in 1960 was $500,000; in 1961, $640,000, and the request for 1962 is $750,000.

We will insert in the record at this point the general statement with reference to this.

(The statement referred to follows:)

INTERNATIONAL ATOMIC ENERGY AGENCY

The International Atomic Energy Agency was established in 1957 after several years of international negotiation. The budget of the organization, as established, provided that certain functions be financed through an assessed budget with each country being assessed according to the general principles established for assessment under the United Nations budgetary process. The balance of the program, which is described as "operational," is financed by voluntary contributions from the member states. In each of the past 3 years, the United States has offered to contribute up to $750,000 of the IAEA operational budget in the following way: $500,000 as a principal sum and $250,000 on a 50-percent matching basis after other countries have contributed $500,000. In fiscal year 1962 it is proposed that the U.S. Government offer a contribution of $750,000 to the 1962 operational budget on these terms which are identical with those made in the preceding 3 years. The estimated contribution for fiscal year 1961 is $640,000.

The IAEA was established for the purpose of encouraging research and practical application of atomic energy to peaceful uses; for fostering the exchange of scientific and technical information between the various countries of the world; for establishing and administering safeguards to insure that any nuclear materials or equipment which are provided by the IAEA or under its auspices are not diverted for use in such a way as to further any military purpose; and

for encouraging and assisting in the exchange and training of scientists in the field of peaceful uses of atomic energy. As the leading Nation in the world in the field of atomic energy, the U.S. Government took the initiative in founding the IAEA and has from the start played a leading role in the formulation and implementation of the Agency's policies and practices for promoting the peaceful uses of atomic energy.

One of the most important aspects of the Agency's operational program is its practice of sending technical experts in the field of atomic energy to various countries in the world. During the current year more than 100 experts will be sent to some 32 different countries to help in the furtherance of the peaceful nuclear energy programs of those countries. The sending of these experts, as is indicated in the foregoing, will be financed by the operational budget of the IAEA of which this proposed U.S. contribution will be a part.

Experience has indicated that the greatest need in the field of atomic energy is for those scientists who can give advice on the use of radio isotopes in agriculture and medicine. Another important field is for experts in radiobiology. An understanding of radiobiology is relevant not only for agricultural and medical research, but also for devising methods of protection from radiated materials.

A typical program for technical experts provided by the IAEA is to be found in Argentina in 1961. The Agency is providing that country with nine experts. Some of these experts will help Argentina in the exploitation of its reserves of nuclear raw materials. Others will assist in the medical applications of radioisotopes as well as in the application of isotope techniques to studies in the nutrition and breeding of animals.

It is generally known that the U.S. Government has made bilateral grants to many countries to assist them in the financing of nuclear research reactors. The IAEA has in the past and will in the future provide the countries which have these reactors with related equipment, as well as with certain experts to assist them in the research programs which are carried on at these U.S.-designed reactors.

During the past several years, the IAEA has sent preliminary assistance missions to many of the underdeveloped countries in Asia and Latin America to help them determine the potential uses of nuclear energy in their countries. The reports of these preliminary missions are made available to experts in the U.S. Government and will be of value in helping U.S. authorities make a determination as to the advisability of giving bilateral assistance to these countries in the field of nuclear energy. Great care is taken at all times to insure that the U.S. bilateral programs and those of the IAEA are closely coordinated and that there is no opportunity for the two to overlap.

The close identification of the United States with this Agency and the parallel U.S. interest in the success of its program will be well served by the proposed U.S. contribution to the operational program of the IAEA in the amount proposed.

Mr. GARY. Mr. Secretary, we will be glad to hear from you on this at this time.

Mr. CLEVELAND. I would like to make a few brief remarks.

As you know, the International Atomic Energy Agency was an American conception which had a very long pregnancy and an uncertain start in life. It was established to encourage research and the practical application of atomic energy to peaceful pursuits, to foster the exchange of scientific and technical information between nations, to stimulate the exchange and training of scientists, and to devise administrative safeguards against the diversion of material furnished under its auspices to any military purpose.

The Agency has slowly gathered steam and now has an operational program of useful dimensions underway. Missions have been sent to underdeveloped countries in Asia and Latin America to survey the potential applications of nuclear energy to economic development. During the current year more than 100 experts will be sent to 32 countries under the auspices of the IAEA to help them develop peaceful

uses of nuclear energy and its products. Many of them will be concentrating on the use of radioactive isotopes for agriculture and medicine and on the training of experts in radiobiology.

Great care is taken to make sure that there is no overlapping between the U.S. bilateral assistance programs in the atomic energy field and the activities of the IAEA.

We are very proud of the arrangement that we have made here recently for U.S. representation in the Atomic Energy Agency.

PERSONNEL OF AGENCY

The President has appointed Dr. Harry Smyth of Princeton, author of the famous Smyth Report after the first atomic bomb, as the Ambassador to this Agency, and Mr. William I. Cargo, who has been Director of the Office of U.N. Political Affairs, in the State Department, as his deputy.

Also, the term of the present Director-General, a former colleague of yours, Sterling Cole, has come to an end and the Board has just decided to appoint a Swedish scientist, Dr. Ecklund, as the new Director-General, who will take office later on this year.

FINANCIAL DATA ON AGENCY

As with most of the specialized agencies, the housekeeping budget is covered by assessments of all the Agency's members on the regular scale. The operational program is financed by voluntary contributions. In each of the past 3 years, the United States has offered to contribute up to $750,000—the first $500,000 as a principal sum and the remaining $250,000 on a 50-percent matching basis after other countries contribute $500,000. We propose to make the same offer in fiscal year 1962 to support the increasingly useful program of the IAEA.

I am accompanied hereby Mr. William Yeomans, Chief of the Division of International Affairs of the Atomic Energy Commission, and by Charles Thomas, of the Office of the Special Assistant for Atomic Energy Matters in the Office of the Secretary of State, both of whom are very familiar with this program.

If you have any detailed questions about it, I am well supported, sir.

Mr. GARY. Thank you.

DESCRIPTION OF AGENCY'S PROGRAM

Can one of you give us a brief statement of just what the program is?

Mr. THOMAS. This program is the operational portion, as Mr. Cleveland has pointed out, of the IAEA organization. About 60 percent of the money involved was used in 1960 for fellowships, largely to train scientists from underdeveloped countries in nuclear science.

An additional 20 percent has been used for sending various experts to underdeveloped countries, both to help the scientists in nuclear fields in those countries, and also to survey those countries with a view to finding out the possible economic benefits they could gain from

nuclear power, or from the medical, or agricultural use of radioisotopes.

An additional 15 percent of the funds has been used, for giving equipment grants to some of these countries, largely for the detection of radiation, the measurement of radiation and in the field of radioisotopes, particularly their medical use.

TRAINING FELLOWSHIPS

Mr. GARY. Is not the Atomic Energy Commission doing a great deal in training foreigners in the program also?

Mr. THOMAS. Yes. In fact, many of the fellows who are sponsored by this organization are trained at the Atomic Energy installations in Chicago, Brookhaven, and Oak Ridge.

Mr. GARY. What do you do?

When that happens, what part of the training expense does this fund pay and what part does the Atomic Energy Commission bear?

Mr. THOMAS. There are two kinds of fellowships given by this organization which for convenience they designate as type 1 and type 2.

Under the type 1 fellowship, whether the student is studying here or in England or in France, or wherever, the costs are fully paid by the International Atomic Energy Agency.

Then there are the type 2 fellowships which are given to the Agency for various governments, including our own. The Atomic Energy Agency is offered a certain number of fellowships for which the United States, say, offers to pay the full cost. Those people come to the United States.

If it is a type 1 fellowship, the full costs are paid by the Agency, if type 2, the full costs are paid by the U.S. Government, or any other government that has given type 2 fellowships to the Agency.

CONTRIBUTIONS OF OTHER COUNTRIES

Mr. GARY. Will you place in the record a table showing the contributing countries, and what each contributed in 1959 and 1960? I believe they operate on a calendar year basis, do they not?

Mr. THOMAS. That is correct.

Mr. CLEVELAND. Yes. We will put in such a table.

(The information to be supplied follows:)

Contributions to operational program of International Atomic Energy Agency, as of Mar. 31, 1961

	1959	1960	1961
Argentina	$5,600		$15,000
Australia	10,000	$12,500	20,000
Austria	2,000	5,000	5,000
Belgium	10,000		
Brazil	15,000	15,000	30,000
Bulgaria		735	
Burma	1,000	1,000	
Canada	50,000	50,000	52,020
Ceylon	1,050	1,250	2,100
China	6,000	5,000	5,000
Czechoslovakia	13,888	13,888	
Denmark	9,150	8,400	10,080
Finland	5,000	5,000	6,000
France	30,000	30,612	30,000
Germany	20,000	40,000	50,000
Greece	2,500	2,500	2,500
Guatemala	1,000		
Holy See	2,000	2,000	
India		20,000	25,000
Indonesia	2,000		
Iraq			3,000
Israel	1,111	1,111	2,222
Italy	19,400	30,000	
Japan	20,000	22,000	25,000
Korea		2,000	3,000
Mexico	2,000	5,000	7,500
Monaco	1,000	2,000	42,000
Netherlands	10,000	12,500	15,000
Norway	7,000	7,000	8,100
Pakistan	8,000	4,000	6,000
Philippines	2,000	2,000	3,000
Poland	25,000		4,167
Portugal	3,500	3,500	3,500
Sweden	15,000	20,000	20,000
Switzerland	11,628	11,628	11,521
Thailand	2,000		2,700
Turkey	3,333	4,444	
Union of South Africa	10,000	10,000	15,000
U.S.S.R.	125,000		
United Arab Republic	7,321	10,135	11,261
United Kingdom	125,000	125,000	140,000
United States	591,522	500,000	[1] 588,871
Venezuela	2,000	6,900	8,200
Vietnam	2,041		
Yugoslavia	3,000	4,000	5,000
Total	1,183,044	996,103	1,177,742

[1] The United States pledged $500,000 unconditionally and $250,000 to match total contributions over $1,000,000.

Mr. GARY. We bear 50 percent, I believe.

Mr. THOMAS. That is correct, except I think I should make it clear, as Mr. Cleveland said, we have made an initial capital donation of $500,000.

In 1960, the other countries contributed a total of only $496,000 and as a consequence our contribution of $500,000 was slightly more than 50 percent in that year.

In 1959, we paid exactly 50 percent.

In 1961, we will pay exactly 50 percent.

DECREASE IN U.S. CONTRIBUTION

Mr. GARY. Our contribution went down in 1961. Why is it up in 1962?

Mr. THOMAS. This is merely because we want to be prepared to meet our pledge in the event other governments contribute more. In each of the past 3 years, we have offered to contribute up to $750,000; because the other governments did not come through fully last year, our

contribution fell below the $750,000. We anticipate that the others will probably contribute more this year and we will utilize the full $750,000 we are asking for.

Mr. GARY. That is just in anticipation? There is nothing certain?

Mr. THOMAS. There is nothing certain about it. No, sir.

Mr. GARY. Could you put into the record specifically a description of one or two projects or programs now being carried out?

Mr. THOMAS. Yes, sir.

(The information follows:)

IAEA TECHNICAL ASSISTANCE PROGRAM FUNDED FROM THE VOLUNTARY CONTRIBUTIONS

The principal IAEA technical assistance programs which are funded from the voluntary contributions to the Agency's general fund are (1) the provision of experts; (2) the provision of fellowships.

1. The provision of experts

The lack of qualified scientific and technical personnel is one of many reasons for the slow progress in the peaceful applications of nuclear science in many parts of the world. For this reason one of the major forms of assistance given by the Agency to member states is in the provision of experts. Through the studies made by its preliminary assistance missions, the Agency ascertains and advises underdeveloped countries of those applications of nuclear science which can be usefully applied by them and discourages them from overly ambitious undertakings. In developing useful applications, one of the greatest needs is for experts who can assist in organizing and establishing the activity. Since 1958, 135 requests for experts in the fields of health, physics, chemistry, applications of radioisotopes, instrumentation, nuclear and reactor physics, reactor design and nuclear raw materials have been approved by the Agency for assignments in 30 different countries, all but 5 of which have been for countries in Asia, Africa or Latin America. The total cost of providing these experts was $1,354,000.

Candidates for assignments as experts are found mainly with the assistance of governments; in the United States, for example, the Atomic Energy Commission recruits these experts for the Agency. Experts are chosen not only for their technical competence but also for their sympathetic understanding of the backgrounds and specific needs of the countries to be assisted and for their capacity to adapt methods of work to local conditions. The usefulness of these experts has been emphasized by a number of requests from reicipient states for extensions in the experts' period of assignment. Moreover, requests for experts have become more numerous and more varied and now exceed the Agency's means to meet them. When an expert is assigned to a country, the Agency endeavors to have local personnel work with him in order that training may be given for continuation of the program when he departs. Agency equipment grants are coordinated with expert assignments.

2. The provision of fellowships

To alleviate the current lack of trained scientific and technical personnel possessing adequate knowledge to develop the peaceful applications of nuclear science, another important form of assistance given by the Agency to member states is the training of students from the less-developed countries. The Agency's fellowship program has expanded rapidly since its inception in 1958. The monetary value of the fellowships provided by the Agency (including the estimated value of free fellowships offered by member states) was approximately $1,173,000 in 1959 and increased to some $1,555,000 in 1960. Fellowships were made available to candidates from 42 countries in 1959 and from 40 countries in 1960. The largest group of these fellows are studying the application of radioisotopes and radiation in the fields of medicine and agriculture. The second largest group is made up of those who are studying reactor engineering. While it will undoubtedly be some time before the economic use of nuclear power reactors will be feasible, it is believed imperative to have trained nuclear reactor engineers in these underdeveloped countries who will be available when power reactors become an inevitable requirement for economic development.

In order to insure that the fellowship program is producing the desired results, the Agency is now evaluating the results of its program during the first 3 years.

This evaluation is being undertaken by means of reports written by the fellows upon their return home, as well as through surveys made by IAEA technical missions as they visit the underdeveloped countries.

ATOMS FOR PEACE PROGRAM

Mr. GARY. What other U.S. Government funds are being spent for international activities in the atomic energy field?

Mr. THOMAS. The other funds from the mutual security bill for reactor grants on a bilateral basis to various countries——

Mr. GARY. Is that the Atoms for Peace?

Mr. THOMAS. That is the Atoms for Peace program, yes, sir.

Some of the ICA country program funds are used and also there are certain other international groups which have training in nuclear science.

Mr. GARY. Mr. Natcher?

COUNTRIES PARTICIPATING IN PROGRAM

Mr. NATCHER. In your general statement, you informed the committee that during the current year more than 100 experts will be sent to some 32 different countries to help in the furtherance of peaceful nuclear energy programs of those countries.

Are any of the 32 countries underdeveloped countries, such as some of those in Africa? Are you sending them to those countries?

Mr. THOMAS. Yes, sir. There have been missions sent to the Philippine Islands, to Ghana, Liberia, to name only a few.

Mr. NATCHER. After the scholarships have been granted and these people are brought up to a certain point, you do not expect the U.S. Government to locate reactors in those underdeveloped countries, do you?

The reason I asked that is that we have a little story here on this side of the hill pertaining to the Hanford reactor. You might go back and read that and you will see that there would be a lot of difficulty on that.

Mr. THOMAS. I have read it in detail.

Mr. NATCHER. It is quite a story.

Mr. THOMAS. At the present time, there has been no policy decision made concerning the granting of assistance for the construction of nuclear power reactors.

Mr. NATCHER. Let me ask you a question off the record.

(Discussion off the record.)

Mr. NATCHER. That is all I have, Mr. Chairman.

FUTURE OF ATOMIC POWER IN UNDERDEVELOPED COUNTRIES

Mr. CLEVELAND. There is one other point I would like to mention on your very thoughtful question, Mr. Natcher.

Atomic power has not developed, obviously, as fast as everybody thought it was going to develop, but the underdeveloped areas, by and large, do not know this and they are sure that atomic energy is one of the things that is going to leap out and solve all of their problems.

One of the ways of getting them to be realistic about this problem, and to see what a long-term problem it is, and not to overinvest in

atomic installations that might not do the trick, is really to expose them to the problems. That is, to have them really learn something about it and to have some of their young people really trained.

I think it is important we be in the position of helping them to learn for themselves, and to make a realistic assessment of the future of atomic power in their situations.

Over a period of 10 or 15 years, this probably will be very important and they should be shown it is a much slower business than any of the original assumptions at the time of President Eisenhower's speech.

Mr. GARY. Mr. Conte?

PARTICIPATION IN PROGRAM BY THE SOVIET UNION

Mr. CONTE. Has the Soviet Union participated in this program?

Mr. THOMAS. The Soviet Union, as you know, is a member of the Agency.

In 1959, they made a contribution of $125,000 in blocked rubles. It has been, for various reasons, impossible for the Agency to utilize those funds, first because people did not want Soviet experts coming into their countries; secondly, because the Russians put very high prices on the equipment the Agency wanted to buy from them.

Since the Agency has not used their original 1959 contribution, each year since they have said they would not make a further contribution until their original one has been used.

During the past 4 or 5 months, efforts have been made, very strenuous efforts, to try to find a way to use those funds, but I am not certain as to whether they have been successful or not.

Mr. CONTE. These countries would go to Russia and study their nuclear projects?

Mr. THOMAS. Twenty-three fellows under this program went into the Soviet Union in 1960 to study nuclear science in one branch or another.

Mr. CONTE. Were they allied with the Soviet Union?

Mr. THOMAS. Some of them were, but I recall both Italy and Morocco, for instance, sent one student each to the Soviet Union that year.

Then Austria, Hungary, India, Indonesia, Iran, Iraq, Italy, Morocco, Poland, Turkey, and Yugoslavia are the countries from which IAEA fellows went to the Soviet Union in 1960.

Mr. CONTE. No further questions.

Mr. GARY. That completes the general programs, I believe.

TECHNICAL COOPERATION PROGRAM OF THE ORGANIZATION OF AMERICAN STATES

We shall now proceed with the regional programs, the first of which is the technical cooperation program of the Organization of American States.

The contribution for this program for fiscal year 1960 was $1.3 million; fiscal year 1961, $1.5 million; and the request for fiscal year 1962 is $1.5 million.

There is a general statement on this program which we will insert at this point in the record.

(The statement follows:)

TECHNICAL COOPERATION PROGRAM OF THE ORGANIZATION OF AMERICAN STATES

A contribution of $1.5 million is proposed in support of the technical cooperation program of the Organization of American States.

In prior years, members of the House Appropriations Committee have expressed their concern as to a possible lack of interest in this program by some member countries of the OAS, as evidenced by their failure to pledge or, having pledged, their failure to make an actual contribution. Witnesses for the executive branch have, of course, pointed out the precarious financial condition of many of the Latin American countries, which has made it difficult for some of them to meet certain of their international commitments, but the witnesses have also indicated that members of the U.S. delegation to the Inter-American Economic and Social Council of the OAS have pressed every opportunity to urge increased contributions by other member states to the technical cooperation program.

These efforts seem to have borne fruit and for the first time since the inception of this program it now appears possible that this year we shall find our proposed pledge of $1.5 million fully matched by increased contributions from other members under the United States 70 percent, other governments 30 percent, matching formula.

The purpose of the OAS technical cooperation program, as described by the OAS, is "to promote and encourage such activities as will most directly and effectively aid in the economic and social development of the member states of the OAS for the greatest possible good of all." It is primarily focused toward technical training at the higher level.

Its importance to the United States lies in the fact that it constitutes an effective and economical supplement to our bilateral technical cooperation program for the area, while, at the same time, preserving its character as an inter-American cooperative venture symbolizing a multilateral approach to the solution of common problems.

The joint nature of this program in which all member countries have a right to participate is well known. Virtually all make cash contributions to the program on a voluntary basis; professors from many of the member countries are regularly employed under it; students from all countries are eligible to participate, and at least 11 countries have received direct or indirect benefits as the result of the establishment of training centers or seminars within their country.

It can thus be seen that the benefits of the program are broadly spread and the results achieved have been quite impressive considering its modest nature. Since it was initiated in 1951, more than 6,500 people have received training under the several projects, and yet total funds expended on them have amounted to only $11,686,000 during a decade of activity. Since most of the people trained have been well qualified and receive training at a relatively high technical level, it is believed that the per capita training costs have compared very favorably with those in other multilateral or bilateral programs.

A good example of the widespread impact of this program can be seen in the OAS regional project—technical education for the improvement of agriculture and rural life—under which three regional training centers, located in Montevideo, Lima and, until recently, in Havana, are providing training for approximately 1,070 trainees during 1961. Advanced courses are offered at the centers to a limited number of selected students from zone countries in such subjects as agricultural extension, agricultural economy, ecology, rural sociology, irrigation, etc., and teams of instructors are sent to individual countries within the zone covered by each center to offer intermediate courses in similar subjects to much larger groups of trainees of the host country. Through this combination of international and national courses, instruction is broadly available at either the intermediate or advanced levels and costs per trainee are sharply reduced. Total costs of this project are roughly $535,000 per year at an average cost of less than $500 per trainee.

In several fields of activity, the OAS multilateral program and the U.S. bilateral aid program are complementary in nature. For example, the OAS is presently assisting the Government of Honduras in preparing agrarian reform legislation for Congress whereas in our bilateral program we are concentrating our efforts on increasing the productivity, markets, and human resources available to the agricultural sector.

Coordination between the OAS technical cooperation program and our bilateral-aid program is achieved by interchange of program information both in Washington and in the field. By such interchange, the multilateral and bilateral agencies have been successful within the past year in eliminating cases of potential overlap or duplication before they develop.

The OAS program may also be considered as complementary to the new inter-American program for social progress, in that a number of the instructional center and seminars deal with social matters. They do not overlap, however, since the social progress program contemplates the financing of projects of actual social assistance within a given country, while projects in these fields undertaken by the OAS technical cooperation program are limited to instruction in methods and techniques, etc.

The OAS program consists of a group of specialized training centers operating on a continuing basis, or of special seminars of limited duration offered by a host country, with a considerable portion of the basic expenses being defrayed by that country as a contribution over and above its voluntary contribution to the total program. The nature and location of these centers or seminars are given on page 169 of the presentation red book.

There is a very real interest in this program among the member countries of the OAS and new proposals for additional activities are made each year. Unfortunately, the financial situation of the program has not been such as to warrant any considerable expansion. Due to economies which have been effected by partial transfer of certain projects to host governments, however, it is possible this year to inaugurate two new centers, one for training in agricultural credit in Mexico City and one in Lima, Peru, for training in urban and regional planning. Other programs in training in the rehabilitation of crippled children, the improvement of secondary scientific education, and for the advanced training of library science teachers have had to be deferred until additional funds become available.

This is a worthwhile program and one on which a relatively small investment gives a substantial return. It is proposed that we should continue to support it at the current rate of $1.5 million and it is sincerely hoped that increased contribution by other member countries and a gradual transfer of more activities to host governments will permit us eventually to broaden the scope of the program. It is a program which, by its cooperative nature, well exemplifies the spirit of the act of Bogotá and it is one which most of our Latin American colleagues in the OAS envisage as a joint venture fully deserving of their full support.

Mr. GARY. Mr. Secretary, we will be very glad to have a statement from you with reference to this item if you wish.

GENERAL STATEMENT

Mr. CLEVELAND. Mr. Chairman, this is a special program for research and training centers under the Organization of American States. The technical cooperation program of the OAS which dates back 10 years now, is focused mainly on technical training at the higher level.

It is a cooperative inter-American venture in which all of the countries participate. In many cases, projects started under international auspices have been transferred in whole or in part to the host country, which is to say it is contributing to the all-important tasks of building enduring new institutions. This transfers the financial burden to national shoulders and permits the OAS to go on to other projects.

Under this program, eight training centers have been established in six countries for advanced students in such subjects as economic and financial statistics, agricultural credit, urban and regional planning, and an institute for research on hoof-and-mouth disease, which has been established in Brazil.

Several seminar projects, which are short-term comings together of experts, have been carried out, including one in business administration in several countries, with the host country bearing a good deal of the cost.

Training centers are open to students from anywhere in the Western Hemisphere. All in all, about 6,500 people have received training since the program began.

RELATION TO ALLIANCE FOR PROGRESS ARRANGEMENTS

This does not conflict in any way with the Alliance for Progress arrangements now being concluded at Punta del Este. In fact, it will mesh with it very nicely because it provides the very kind of training centers needed increasingly as economic development in Latin America requires more and more skills at these higher technical and management levels.

As the alliance for progress arrangements continue, this program and the larger regional economic development enterprise will increasingly get folded together.

As you know, the United States offer to contribute $1.5 million on a 70–30 matching basis has not been fully used in past years, because some of the other countries were not able or prepared to make their own contributions in full, or at all.

However, almost all of them have contributed something and we can report this year for the first time that it is now expected the other countries will contribute their full amounts and a U.S. contribution of $1.5 million would be used in full.

We propose to offer it with this expectation in view, which we take as a favorable augury of increasing readiness to share mutually the cost of mutual endeavors.

I think that is all I have to say, Mr. Chairman.

I am accompanied here by Robert Wagner, Special Assistant for Technical Assistance in the American Republics Bureau of the Department. He can address himself to this subject.

BUDGET PROGRAM APPROVED BY THE COUNCIL

Mr. GARY. Mr. Wagner, would you give us a brief description of the program? Will you tell us what you are doing?

Mr. WAGNER. Yes; would you care to have the titles or the names of the centers and the projects themselves?

Mr. GARY. Yes.

Mr. WAGNER. Should I submit that for the record?

Mr. GARY. Yes.

(The list follows:)

THE TECHNICAL COOPERATION PROGRAM

The OAS/TCP budget for calendar year 1961, as approved by the Inter-American Economic and Social Council, is as follows:

Program	*Budget*
No. 10. Inter-American Training Center for economic and financial statistics	US$155, 683. 13
No. 26. Inter-American Rural Education Center	170, 231. 20
No. 29. Pan American Training Center for the evaluation of natural resources	74, 929. 22
No. 39. Technical education for the improvement of agriculture and rural life	534, 934. 00
No. 77. Pan American Foot-and-Mouth Disease Center	520, 633. 00
No. 102. Inter-American training course in the planning and administration of social welfare programs	74, 975. 64
No. 104. Inter-American program for advanced training in applied social sciences	120, 033. 00
No. 105. Inter-American program for training in business administration	53, 948. 62
No. 201. Latin American Center for Agricultural Credit	59, 040. 00
No. 205. Inter-American Institute for urban and regional planning	73, 160. 00
Total	1, 837, 567. 81

Mr. WAGNER. The first project is the Inter-American Training Center for Economic and Financial Statistics located at Santiago, Chile. This has been in operation for approximately 10 years and serves as a training center for fiscal and monetary authorities of the various governments, for ranking officials of the central banks and for people sent by other private financial institutions for training in this particular field.

The next one is the Inter-American Rural Education Center located in Rubio, Venezuela. This is, in effect, a normal school for training teachers for rural education.

The next one is the Pan American Training Center for the Evaluation of Natural Resources, located in São Paulo, Brazil. This, as the name implies, trains students from all countries in fields such as forestry, land and water utilization, geology, hydrology, and various other such fields in which there is an interest.

The next one is technical education for the improvement of agriculture and rural life. This was one of the largest of the projects and involves three regional training centers; one located in Uruguay, one in Peru and one in, until recently, Havana, Cuba.

It offers courses both to the nationals of the countries in which it is located and international courses to which people from the various zones convene in the given center in the various fields related to agriculture.

The next one is the Pan American Foot-and-Mouth Disease Center located in Brazil.

This is basically a research and training institution, primarily for developing a virus which will control and cure hoof-and-mouth diseases which is one of the great scourges of the cattle industry throughout South America. Fortunately, it has not gone north of Venezuela, except for periodic outbreaks we have had, but which have been brought under control.

The Inter-American training course in the planning and administration of social welfare programs is being held this year in Buenos

Aires, to train social workers, particularly as concerns problems related to Latin America.

Then we have the Inter-American program for advanced training in applied social sciences being held in Mexico City. This is more or less self explanatory, from the title.

Next is the Inter-American program for training in business administration, also being held in São Paulo, bringing together trainees for business, and public administration as well, from the various countries.

The last two are new projects which are just starting this year, one of which is the Latin American Center for Agricultural Credit to be held in Mexico City, and the Inter-American Institute for Urban and Regional Planning, being held in Lima, Peru.

Mr. GARY. Agricultural credit?

What are you going to teach there?

Mr. WAGNER. That is a problem that is of great interest to most people in Latin America—how they can provide facilities to the poor farmer in order to let him even buy seed to plant his crops, to set up agricultural banks, and an authority which will make funds available to the small farmer.

Mr. GARY. You are not going to set up the banks but you will give them training?

Mr. WAGNER. This is training in the techniques of how to go about it.

RECORD OF CONTRIBUTING AND RECIPIENT COUNTRIES

Mr. GARY. Will you place a table in the record at this point showing the contributing countries and the amount each contributed in 1960 and 1961, and also a table showing the recipient countries, and how much was spent in each in 1960 and 1961?

Mr. WAGNER. There are only scholarships provided.

Mr. GARY. Then just make up the contributing countries.

(The information follows:)

Status of pledges and payments to the OAS program of technical cooperation

PROGRAM YEAR 1961 AS OF JULY 31, 1961

[U.S. dollars]

Country	Pledged	Paid	Unpaid
Argentina	26,341.46		26,341.46
Bolivia	(1)		
Brazil	194,594.59		194,594.59
Colombia	153,847.50		153,847.50
Costa Rica	6,750.00	6,750.00	
Cuba	(1)		
Chile	132,345.45	132,345.45	
Dominican Republic	(1)		
Ecuador	4,533.33		4,533.33
El Salvador	7,000.00		7,000.00
Guatemala	(1)		
Haiti	2,640.00		2,640.00
Honduras [2]	6,000.00	6,000.00	
Mexico	29,450.00	29,450.00	
Nicaragua	(1)		
Panama	4,500.00		4,500.00
Paraguay	5,000.00		5,000.00
Peru	(1)		
United Srates	[3] 1,500,000.00	725,334.00	774,666.00
Uruguay	25,713.00		25,713.00
Venezuela	30,000.00		30,000.00
Total	2,128,715.33	899,879.45	1,228,835.88
PROGRAM YEAR, 1960			
Argentina	26,341.46		26,341.46
Bolivia	7,388.00		7,388.00
Brazil	190,275.00	31,744.00	158,531.00
Colombia	153,847.50	153,847.50	
Costa Rica	6,750.00	6,750.00	
Cuba	(4)		
Chile	105,872.72	105,872.72	
Dominican Republic	(4)		
Ecuador	4,488.44	2,244.18	2,244.26
El Salvador	6,722.00		6,722.00
Guatemala	7,000.00		7,000.00
Haiti	2,640.00		2,640.00
Honduras	6,000.00	6,000.00	
Mexico	29,450.00	29,450.00	
Nicaragua	5,000.00	5,000.00	
Panama	4,500.00	4,500.00	
Paraguay	5,000.00		5,000.00
Peru	14,000.00	14,000.00	
United States	1,460,665.00	1,460,665.00	
Uruguay	25,713.00		25,713.00
Venezuela	30,000.00	30,000.00	
Total	2,091,653.12	1,850,073.40	241,579.72
PROGRAM YEAR 1959			
Argentina	120,000.00	120,000.00	
Brazil	192,000.00	192,000.00	
Colombia	47,143.00	47,143.00	
Costa Rica	6,750.00	6,750.00	
Cuba	24,000.00		24,000.00
Chile	34,452.00	34,452.00	
Dominican Republic	5,786.00	5,786.00	
Ecuador	4,488.44	4,488.44	
El Salvador	6,722.00	6,722.00	
Guatemala	7,000.00	7,000.00	
Haiti	2,640.00	2,640.00	
Honduras	6,000.00	6,000.00	
Mexico	29,450.00	29,450.00	
Nicaragua	5,000.00	5,000.00	
Panama	4,500.00	4,500.00	
Paraguay	5,000.00	5,000.00	
Peru	14,000.00	14,000.00	
United States	1,331,426.00	1,331,426.00	
Uruguay	25,713.00	25,713.00	
Venezuela	30,000.00	30,000.00	
Total	1,902,070.44	1,878,070.44	24,000.00

[1] These countries had not pledged their contributions for the 1961 program at the closing date of this statement.

[2] This country has paid in advance, $6,000 on July 3, 1961, for future contributions.

[3] Assuming current pledges are paid in, the U.S. payment will amount to $1,467,002.

[4] These countries made no pledge for 1960.

Mr. GARY. What countries did not contribute in 1961?

Mr. WAGNER. At the present time Bolivia, Cuba, the Dominican Republic, Guatamala, Nicaragua, and Peru have not yet pledged. We have to make a distinction between pledges and actual contributions because some of the time payment follows a considerable period of time after the pledge, and sometimes it does not follow at all.

Mr. GARY. Is not Bolivia well able to contribute?

Mr. WAGNER. Bolivia is one of those least able to contribute, and we are giving them substantial budgetary and balance-of-payments support to keep them afloat.

The Haitians are in the same category.

CUBANS ATTENDING TRAINING CENTERS

Mr. GARY. How many Cubans do you have attending these training centers?

Mr. WAGNER. That is a rather interesting question and I think I can give you an interesting answer.

As I mentioned, one of the three central training centers under the agricultural project was located in Havana for quite a few years, but in the last year or two, the question has been of some concern to the Organization of American States as to the future of this particular center which had really turned into nothing but a holding operation.

The quarters they occupied were provided by the host government and a few weeks ago they were approached by the authorities who informed them that their presence was no longer needed in the building and they were thrown out in the street. When they protested, they were told they were not even wanted in the country and that solved one of our problems.

They are now temporarily in Costa Rica until final disposition of that center can be determined.

However, I checked at noon with the Pan American Union as to the number of scholarships which Cuba received during 1960 while that center was still in operation. There was 130 Cuban students attending the center in Havana, but there were only five students attending any of these projects outside of Cuba, which shows considerable apathy on their part. I think it highly likely that if we could get an accurate check on the 1961 figure, we would find they did not have as many as five in the program.

Mr. GARY. I am not very much interested in training Cubans unless we can change their attitudes.

U.S. CONTRIBUTIONS TO PROGRAM

What percentage was contributed by the United States in 1961?

Mr. WAGNER. We used a 70–30 matching formula and our present figure shows that of the total pledges of $2,128,715, $628,715 was pledged by countries other than the United States. Applying a matching formula to that $628,000 and assuming that these pledges are actually paid up, our ultimate payment will amount to $1,467,000 in round figures. In other words, just slightly under the $1.5 million which we are requesting.

If Peru comes in, which it should because the Peruvian financial situation has shown very substantial improvement in recent months,

with their $14,000 pledge, it will bring us right up to the $1.5 million mark on a matching basis.

Mr. GARY. On a matching basis, we are contributing 70 percent?

Mr. WAGNER. Of the total.

Mr. GARY. Of the total?

Mr. WAGNER. Yes. In other words, we supply $2.33 for each dollar they put in, if you want to reduce it to a dollar figure.

Mr. GARY. How does that compare with 1960? Is that the same?

Mr. WAGNER. We have been using that same formula since the inception of the program in 1951.

RELATION OF PROGRAM TO PUNTA DEL ESTE CONFERENCE

Mr. GARY. Can you tell us something about the program being espoused by the United States at the Punta del Este Conference?

Mr. WAGNER. Sir, I have not been in on that.

I do not really feel I am a competent witness in that particular field. I think that the resolutions and the act which have emerged from that will be self explanatory. I have not had a chance to read those yet.

Mr. GARY. If that is put into effect, will this program still be needed?

Mr. WAGNER. I think there is a need for it. It is quite possible that there may be some rethinking on this and on the basis of the Punta del Esta Conference we may be able to consolidate some of these things. Thus far, there is no specific mention of that.

The virtue of this program is that it is really a cooperative venture based upon voluntary contributions, and, as such, the Latin Americans have a certain pride in the fact that they themselves are actually running the program, small though it may be.

Mr. GARY. Mr. Conte?

Mr. CONTE. No questions.

Mr. MILLER. You may recall the colloquy between yourself and Mr. Gordon on that subject?

Mr. CONTE. Right.

Mr. MILLER. He pointed out there would be no overlap between the program we are presently considering and the $6 million which was in their report on the OAS in that appropriation.

Mr. CONTE. He did not say he might come in and ask for less this year?

Mr. MILLER. No, he did not say so, sir.

NATO SCIENCE PROGRAM

Mr. GARY. The next item is the NATO science program and for that we contributed $1,190,000 in 1960; $1,330,000 in 1961, and the request for 1962 is $1.8 million.

We have a statement with reference to that which will be inserted at this point in the record.

(The statement follows:)

NATO Science Program

PURPOSE OF THE PROGRAM

The Conference of NATO Parliamentarians, at its meeting in Paris in November 1960, adopted a clear statement of the objectives of the NATO science program. The following paragraphs are taken from that statement:

"It is the scientific leadership of our Atlantic community which has enabled it to achieve the world's highest standard of living. It is the same leadership which has enabled us to build the armaments needed to deter those who would destroy our way of life."

"A continued flourishing of science and technology in our community is needed to maintain our dynamic economic growth. It is needed equally if we are successfully to withstand the across-the-board Soviet challenge to our community, a challenge which may persist for 25 or 50 years in the future."

NATO has, from its earliest days, drawn upon the scientific resources of its members to further its defense capabilities. Beginning in 1956, and especially after the direct challenge of sputnik in 1957, NATO embarked upon a wider program to strengthen the effectiveness of Western science. The basic decision in this field was taken by the NATO heads of government meeting in December 1957.

The communique adopted by the heads of government stated: "We recognize that in most of our countries more should be done to increase the supply of trained men in many branches of science and technology. The full development of our science and technology is essential to the culture, to the economy and to the political and military strength of the Atlantic community. We seek to increase the effectiveness of national efforts through the pooling of scientific facilities and information and the sharing of tasks."

To carry out these tasks, the NATO heads of government established a Science Committee of highly qualified scientists and decided to appoint a scientist of outstanding qualifications as science adviser to the NATO Secretary General.

In the 3 years which have elapsed since this decision was reached, much has been accomplished. The NATO science adviser and the Science Committee have encouraged the better organization of research facilities, both by national governments and by the NATO international civilian and military staffs. Governments have been encouraged to establish national scientific research councils. Defense research has been encouraged through periodic meetings of defense research directors. General Norstad has given his full backing to this effort. Projects of interest both for their urgent military application and for promotion of basic science have been considered and developed.

On the recommendation of its Science Committee, NATO has adopted the three particular projects before this committee, in support of fellowships, advanced study institutes, and research grants. An appropriation is also being requested for possible further exploration of the concept of an international institute of science and technology, which is now being considered by a committee of distinguished NATO scientists under the chairmanship of Dr. James Killian.

A detailed description of these projects and their funding requirements is included in the red book at page 170. Briefly, the amounts requested for the three main categories of projects are as follows:

[Thousands of dollars]

	Total program	U.S. share	U.S. percentage
Fellowships	3,250	1,300	40
Study institutes	500	200	40
Research grants	1,000	242	24
Total	4,750	1,742	

SIGNIFICANCE OF THE PROGRAM TO THE UNITED STATES

The Western World has great scientific resources, actual and potential. The challenges faced by the West require the fullest possible development of those resources. That is the purpose of this program. The U.S. contribution in money and personnel to this program stimulates the productive activity and in cooperative endeavor of the entire community. For example, the NATO fellowship program gives advanced science students the best possible training wherever it

can be had in the Atlantic Community. The study institutes and the research grants have the same purpose—to multiply our scientific researches and achievements on a NATO-wide basis.

EXAMPLES OF ESPECIALLY USEFUL AND SUCCESSFUL PROJECTS

(1) The NATO Science Committee has developed two primary areas of cooperative research; namely, meteorology and oceanography, where further research is urgently required on an international basis. Important oceanographic surveys are already underway in the Straits of Gibraltar and the Faroes-Shetland Islands areas. Results will be available both to basic science and defense research.

(2) Recent decisions of the Turkish and Greek Governments to establish national scientific policy councils and similar steps in the same direction by other countries can be traced largely to the influence of the report on "Increasing the Effectiveness of Western Science," published in 1960 under joint sponsorship of NATO and the Ford Foundation.

(3) NATO member governments have been encouraged to give more support to advanced scientific training and scientific research.

RELATIONSHIP TO BILATERAL U.S. PROGRAMS OF SIMILAR NATURE

The NATO science program is distinctive in encouraging advanced training and scientific achievement on a NATO-wide basis. The main objective of U.S. participation is to encourage the fullest possible development of scientific talent and cooperation within the Atlantic Community. The administration of the U.S. segment of the NATO fellowship program is handled by the National Science Foundation, which insures against duplication and overlapping with other programs administered by the United States in this field.

PROPOSED U.S. CONTRIBUTION AND RELATIONSHIP TO PRIOR YEAR FINANCING

The total contribution proposed for fiscal year 1962 is $1,800,000. This compares with the total U.S. fiscal year 1961 contribution of $1,332,600. The increase will permit the United States to make a larger contribution to an expanded followship program and a higher level of support for advanced study institutes, and to pay its share of a renewed research grant program of $1 million, with emphasis on oceanography and meteorology.

The increase requested will enable the United States to sustain the momentum of this valuable program and to make possible a modest expansion to meet foreseeable needs and opportunities. The United States will thereby give the lead to other members of NATO to increase their contributions, and also encourage them to assume a larger percentage share of the program as the United States reduces its own percentage contribution.

SPECIAL PROBLEMS FACING THE PROGRAM

Two of the projects under this heading, for fellowships and summer institutes, were launched with an initial contribution of 50 percent by the United States. This was a measure of our seriousness and our eagerness to get it started quickly. The research grant project developed later, and has from the beginning received a U.S. contribution of 24.2 percent, which is in line with the normal U.S. contribution to the NATO headquarters budget.

We have now adopted the policy of a gradual reduction of the U.S. percentage share of the fellowship and institutes programs. The percentage declined from 50 percent to 45 percent in fiscal year 1961 and a further decline to 40 percent is proposed for fiscal year 1962. It is our intention to continue these reductions so that within a few years we can finance these programs in the normal way as part of the NATO headquarters budget.

Our main purpose of course is to achieve a more equitable sharing of the financing of these programs. It is gratifying to report that our NATO partners have understood this objective, and are showing a willingness to cooperate with us in achieving it by raising their own percentage contributions. However, we wish to accomplish this U.S. percentage reduction within the framework of an overall modest expansion of the program, to the extent warranted by the magnitude of the challenges facing us. In broad terms, we look for a modest expansion of the program which, together with a declining U.S. percentage

contribution, would add up to a fairly stable level of U.S. appropriations toward the existing program. We do not, of course, wish to exclude the possibility that our scientific advisers will recommend to us significant new fields of NATO scientific cooperation, for which full justification, of course, would be given.

Mr. GARY. We shall be very glad to hear from you at the present time, Mr. Secretary, with reference to that program.

PURPOSE OF NATO SCIENCE PROGRAM

Mr. CLEVELAND. Mr. Chairman, the Conference of NATO Parliamentarians last year adopted a statement which included two sentences which, I believe, say really all that has to be said about the importance of the NATO science program. Their statement said:

It is the scientific leadership of our Atlantic Community which has enabled it to achieve the world's highest standard of living. It is the same leadership which enabled us to build the armaments needed to deter those who would destroy our way of life.

A couple of Russians named Gagarin and Titov have now shown just how urgent it is to reinvigorate the traditional scientific leadership of the Atlantic Community. This is the simple purpose of the NATO science program to which we propose to contribute $1.8 million compared to $1.3 million last year.

BREAKDOWN OF PROGRAM REQUEST

Almost all of this is for three major programs: $1.3 million for an expanded fellowship program, $200,000 for advanced study institutes, and $242,000 for research grants to international projects. A small additional amount is requested for further exploration of a proposal for an International Institute of Science and Technology which is under study by a committee headed by Dr. James Killian of MIT—a proposal for a sort of MIT in Europe. Our share of the research grant program remains at the level of——

Mr. GARY. May I interrupt? Where are those institutions going to be?

Mr. CLEVELAND. You mean this new institute?

Mr. GARY. The Advanced Study Institute. Where is that?

Mr. BURNS. We can give you a list of all institutions where these seminars are held. They are held all over Europe each summer.

TRAINING ARRANGEMENTS

Mr. CLEVELAND. These are not buildings with people, a permanent staff, but are institutes in the sense of a 3-week coming together of people from various countries to look at a particular problem. They are short course training arrangements.

Mr. GARY. For whom?

Mr. CLEVELAND. For scientists in the NATO group.

Mr. GARY. Largely for exchange of ideas rather than for training; is that correct?

Mr. CLEVELAND. Yes; although if I may revert a moment to my onetime academic role, there is not all that much distinction. In other words, if you get a group of people together, even without a teacher, from various countries in related fields, they will learn an awful lot from each other.

Mr. GARY. I understand that, but they are not training institutes in the sense that some person goes in there and trains them during that time, but they are rather institutes for the exchange of ideas where they try to train each other?

Mr. CLEVELAND. That is right. This is the kind of intellectual enterprise that is as crucial for developed countries as training institutes which are training people from scratch are for the underdeveloped areas.

Mr. GARY. I understand that. I was trying to get the nature of it. You may proceed.

U.S. SHARE OF PROGRAM COSTS

Mr. CLEVELAND. Our share of the research grant program remains at the level of normal U.S. contributions to the NATO headquarters budget, which is 24.2 percent. Our contributions to the fellowship and institute programs began at 50 percent and dropped last year to 45 percent. We propose to reduce it further this year to 40 percent and within a few years to the 24.2-percent level. That is, put it within the regular budget structure.

Our allies share our view of the urgency of this program and are proportionately raising their contributions more than we propose to do so that the U.S. share can be gradually reduced within an expanding total program. I am not, of course, in position to offer expert testimony on the value of specific projects carried out under this program, not being a scientist, but I can say the program is formulated by a distinguished science committee which advises NATO, that it has the full endorsement of General Norstad and that the American components of the fellowship program are handled by the National Science Foundation, which sees to it that there is no duplication between NATO and other science fellowship programs.

As you know, there is a proliferation problem in science as well as technical assistance. Essentially, this represented a response by NATO countries as a group to Sputnik I. This is why this got underway. It has a mutuality to it that helps to build this whole institution called NATO into something a little bit more than a military alliance.

DESCRIPTION OF NATO SCIENCE PROGRAM

Mr. GARY. Do you have somebody here who can explain the exact program?

Mr. CLEVELAND. Yes, sir.

Mr. BURNS. I am Robert Burns, sir, of the Office of European Regional Affairs.

Mr. GARY. All right, Mr. Burns, will you give us a description of just what you are doing, a brief description.

Mr. BURNS. Of my own job?

Mr. GARY. Of the program.

Mr. BURNS. I think we should start with the research grants program briefly. Under this NATO hopes to develop international projects, projects of truly international importance in such fields as oceanography, meteorology, and certain other fields and have so far spent something over a million dollars on this project. We are asking for another million dollars in fiscal year 1962 money.

The advanced institutes program we have covered just briefly now. At these institutes—most of them held at universities in Europe—American and European scientists come together to discuss generally at very advanced levels——

Mr. GARY. Before you get to the fellowship program, can you tell us how many fellowships you have now or how many you contemplate?

Mr. BURNS. In 1959 and 1960, 610 fellowships were issued all together to all NATO countries. Of this number, 60 were Americans. I do not yet have the numbers that will be issued for 1961; they are not yet tabulated.

Mr. GARY. Are they studying in various colleges throughout the NATO area?

Mr. BURNS. Yes; including the United States.

Mr. GARY. Of what do those fellowships consist?

Mr. BURNS. Besides the fellowship itself—that is, the grants which would carry them for the period of the year they are studying—they are also given a dependent's allowance and travel grants. This latter item obviously is important to Americans and is the reason why the total package given to an American fellow is generally considerably larger than that given to those Europeans studying in European universities.

AMERICANS RECEIVING FELLOWSHIPS

Mr. GARY. To whom are they given?

Mr. BURNS. These people are selected on the basis of applications made, so far as the United States is concerned, to the National Science Foundation. The Science Foundation, on the basis of criteria which it is professionally qualified to use, decides which Americans should receive our share of the total program. The same system or similar systems are used by Europeans for their own people.

Mr. GARY. Are they given to scientists or to students?

Mr. BURNS. The aim in the United States is to confine it to postdoctorates, that is, to scientists who have already received Ph. D.'s. The same aim is generally applied in Western Europe, but in southern Europe and in Turkey particularly we find that the fellowships are given not only to postdoctors but also postgraduates and in the case of Turkey to undergraduates.

Mr. GARY. You may proceed.

Mr. BURNS. Perhaps that covers the category of fellowships.

Mr. GARY. Yes, it did.

INSTITUTES FOUNDED

Mr. BURNS. On the institutes we found, as Mr. Cleveland pointed out, that just to get very able scientists together, usually under the informal chairmanship of someone recognized as eminent in his field, is an extremely valuable exercise. There is such a bewildering number of categories and subcategories of scientific disciplines these days that men who work out in their own institutions on sometimes quite routine work find it really necessary and vital to come to seminars of this kind in order to catch up.

You may recall, Mr. Chairman, that shortly after the Russians launched their sputnik we, in examining with belated but intense

interest Russian technical documents that we had stored, found described in these documents a good bit of the technology which the Russians put into their achievement. In effect, if we had had the time and money to spend to have those documents translated, we would have had a considerably better idea of how far along they were.

This is the sort of thing which is necessary and which the institutes are intended to achieve, bringing these men together, bringing them up to date on the latest developments in their own and closely related fields.

Mr. GARY. I think I understand the type of program it is. I had the privilege last year of speaking on three different occasions to a similar institute of Government employees which the Brookings Institution held at Williamsburg, Va. That was dealing with the science of government rather than in the general science field. I assume it is a somewhat similar situation.

Mr. CLEVELAND. We political scientists, though, do not really claim that government is a science.

Mr. GARY. That is a question.

Mr. BURNS. I have nothing further on this.

CONTRIBUTIONS BY COUNTRIES

Mr. GARY. Will you place in the record a table showing how much each contributing country contributed in 1960 and 1961?

Mr. BURNS. Yes, sir. I wonder if I might put those into the record on the basis of the two different cost-sharing formulas which we used—that is, the formula showing how much we contribute to the science fellowship and institute program, and another showing how much we contribute to the research grants program.

Mr. GARY. Yes.

(The information follows:)

Contributions by member countries to the NATO science program

	1960		1961	
	Fellowships and institutes	Research grants	Fellowships and institutes	Research grants
Belgium	$35,852	$28,600	$58,110	$8,580
Canada	72,770	58,000	117,840	17,400
Denmark	20,672	16,500	33,521	4,950
France	214,320	171,000	347,424	51,300
Germany	201,838	161,000	327,096	48,300
Greece	4,864	3,900	7,924	1,170
Iceland	608	500	1,016	150
Italy	74,670	59,600	121,075	17,880
Luxembourg	1,102	900	1,813	270
Netherlands	35,720	28,500	57,904	8,550
Norway	14,402	11,500	23,368	3,450
Portugal	8,132	6,500	13,207	1,950
Turkey	20,710	16,500	33,521	4,950
United Kingdom	244,340	195,000	396,149	58,500
United States	950,000	242,000	1,260,000	72,600
Total	1,900,000	1,000,000	2,799,968	[1] 300,000

[1] The research grants program is not yet established on an annual basis, which accounts for the difference in size of the program between 1960 and 1961. The program is expected to total $1,000,000 in 1962.

RESEARCH GRANTS

Mr. GARY. You did not describe the research grants program.

Mr. BURNS. That was the first one we talked about briefly. The effort there is to select worthy projects for international cooperation and bring together scientists working in those fields to develop toward some specific goal this project which we give them. In this sense, it differs from the institute in that the institute is interested in educating people in a general field of science. The grants program is intended to bring along some specific project we have in mind.

For example, we have oceanographers at work under the NATO science program in the vicinity of the Faroes Islands in the North Sea and in the Gibraltar Straits. Projects of this kind are obviously well tailored for international activity. They are also obviously double jointed in ultimate purpose. We get scientific value out of these and obviously what we learn is available to our military authorities to whom oceanography and meteorology are vital subjects. This is the difference between these two type of programs.

Mr. GARY. I believe you stated that you are working on the problem of reducing the 40-percent contribution in some parts of the program to the regular 24.2 percent of the NATO program.

Mr. CLEVELAND. Yes.

NEED FOR INCREASED FUNDS

Mr. GARY. What is the reason for requesting an increase in 1961 from the amount of $1,330,000 to $1,800,000 in 1962?

Mr. BURNS. All three of these programs, in our view, and in the view of our member of the Science Committee, Dr. Rabi, deserve further growth and support. We do feel, from the examination we have given the present program, that we are approaching with respect to these three categories of operation maturity of the program.

While each of the three categories may grow somewhat in future years, it is likely that our own percentage decrease will mean that in terms of absolute contribution our share will henceforth be virtually stable. That, of course, does not rule out the possibility that we may come to you with a request for additional different kinds of projects, one of which was mentioned briefly, the concept of the International Science Institute.

INTERNATIONAL SCIENCE INSTITUTE

Mr. GARY. Tell us something about this proposed International Science Institute.

Mr. BURNS. The idea originated from a study which NATO and the Ford Foundation together sponsored.

Mr. GARY. To begin with, you have $58,000 in the budget for that?

Mr. BURNS. Yes, sir.

Mr. GARY. Is that to be matched by other countries or is that the full amount?

Mr. BURNS. We have not worked out a formula, but we would propose, and have no doubt as to its acceptability, that this amount would represent 24.2 percent of the total, whatever amount we contribute would be at the regular NATO headquarters cost-sharing formula.

Mr. GARY. Proceed.

Mr. BURNS. In 1959 the Ford Foundation and NATO together sponsored a study of ways to increase the effectiveness of Western science. A good number of suggestions were made in this study conducted by well-known European scientists. One of the most important of them in its implications for European science was the idea for an International Institute of Science and Technology. What these men had in mind was a California Tech or MIT. That is, an institute which weds pure science with technology—that is, with applied science.

One of the problems we find in Europe is too great a compartmentalization between science and technology. That is, between the pure scientist at the blackboard and the man putting science to work in industry or elsewhere. We Americans are well ahead of the rest of the world in the wedding of these two fields.

It is obvious that Western science would be that much further ahead if the Europeans could achieve what we have achieved at places like MIT and California Tech. As a consequence Dr. Killian of MIT is presently heading a group composed also of European scientists to study the feasibility of this operation. Our request here for additional funds is in the event that the study presently being conducted, using NATO and Ford Foundation money, will have to be supplemented.

OTHER GOVERNMENT AGENCIES EXPENDITURES FOR INTERNATIONAL SCIENCE PROGRAMS

Mr. GARY. What other U.S. Government agencies, such as the National Science Foundation, are spending money on the international science programs?

Mr. BURNS. The range of agencies in the field is very numerous. The most important, obviously, is the Defense Department. There are the National Institutes of Health and several others involved. It is estimated that we may be spending more than $60 million in bilateral research and for other scientific projects abroad. We consider, however, that our own comparatively modest program has an additional value because in a sense it has an additional and separate purpose. Bilateral contacts between the United States and foreign countries, especially European countries, in science are obviously extremely valuable to both sides. But if we want to strengthen the fabric of Western science, bilateral contacts between the United States, which is the center of Western science, and other countries are not sufficient. We need the cross-threading, too, among European countries themselves to strengthen the fabric. This is one of the primary goals which we have in our NATO science program and one which we think the categories of activities which we are engaged in do meet.

Mr. GARY. Do you have any compilation of the other agencies that are in this bilateral field?

Mr. BURNS. I do not, sir, but we could certainly ask the National Science Foundation to give it to us and in turn we would pass it on to you.

Mr. GARY. If you will insert it in the record, we will appreciate it.

Mr. BURNS. Very well.

(The information follows:)

U.S. GOVERNMENT AGENCIES FINANCING INTERNATIONAL SCIENCE PROGRAMS

The following departments and agencies of the Government requested fiscal year 1961 funds for the conduct of research and development abroad:

Department of State (ICA).
Department of Defense.
Department of Agriculture.
Department of Commerce.
Department of Health, Education, and Welfare.
Department of the Interior.
Atomic Energy Commission.
National Aeronautics and Space Administration.
National Science Foundation.
U.S. Information Agency.

Mr. GARY. Mr. Conte.

COSTS SHARED BY OTHER COUNTRIES

Mr. CONTE. One thing intrigued me in this particular program, particularly dealing with the sophisticated nations in Europe whose economy is a good sound one at the present time. I know we are dealing with pennies here in comparison with the rest of the foreign aid program. I cannot see why you cannot get equal contribution from all countries to participate in this program. Why does it have to be overweighted with U.S. contributions?

Mr. BURNS. Sir, that is worth some examination here. Really what we are aiming for here is to get down probably in 2 years' time to the NATO headquarters cost-sharing formula. Our contribution to that formula is 24.2 percent. The contribution of the United Kingdom is 19.5 percent. France is 17.1 percent. Germany is 16.1 percent.

If we come down, as we intend to do, to this cost-sharing formula, we would consider that that would be completely equitable.

In order to determine what kind of a cost-sharing formula is equitable requires a little examination of what standard we apply when we determine that. We have always resisted any single standard in determining burden sharing in NATO. If we were to use the standard of ability to pay, the U.S. share, basing ability to pay on gross national product, would be nearly 65 percent because our gross national product is nearly 65 percent of all the countries of NATO, ourselves included.

If we used the population basis as the only criterion for determining burden sharing, we would find our share would be about 37 percent.

Mr. CONTE. How about national debt?

Mr. BURNS. I do not know what it would be.

Mr. CONTE. Gross national product is a very facetious argument.

Mr. BURNS. That is one of the reasons we would not use it for cost-sharing and we would not use any of these single standards as a cost-sharing formula. You have a combination of these that results in the odd figures such as the NATO headquarters budget formula, but our contribution of 24.2 compared with the United Kingdom contribution of 19.5 and those of the other larger countries is really not out of order in our view.

Mr. CONTE. That is all, Mr. Chairman.

Mr. CLEVELAND. In general, Mr. Conte, I think that we feel pretty strongly that when you are dealing with other developed countries, you are right that they ought to make substantial payments, too.

There is a distinction between dealing in the NATO area and dealing on a global basis where you are dealing with some very poor countries.

Mr. CONTE. I made that distinction.

Mr. CLEVELAND. This is why although putting up 40 or 50 percent was evidently a useful way to get this off the ground, the escalation downward is going to be pretty rapid because it really does not make sense to pick up close to half the check for an operation that involves primarily other industrially developed countries as well.

Mr. CONTE. Plus the fact that we are making a contribution in talent, I think we have the know-how in the United States, as you said earlier in your statement, much more so than they do in Europe, the NATO countries in particular. Thank you.

INDUS WATERS SETTLEMENT

Mr. GARY. Next is the Indus Waters Settlement. The appropriation for the fiscal year 1961 for this program was $6,810,000. The request for 1962 is $16,900,000. There is a prepared statement with reference to this item which will be inserted at this point in the record.

(The statement fellows:)

INDUS WATERS SETTLEMENT

PURPOSE OF THE PROGRAM

The Indus Basin Settlement Plan was devised by the International Bank for Reconstruction and Development (IBRD) to settle a long-standing dispute between India and Pakistan over the use of the waters of the Indus River Basin. The dispute arose from the fact that the border demarcation between India and West Pakistan cut across six major rivers of the Indus River system, giving control of the upstream waters of those rivers to India. India wished to expand its uses of these waters; Pakistan was fearful that its historical supply of these waters might be cut off or seriously curtailed. Since 1952, the two Governments had been negotiating under auspices of the IBRD for a resolution of this dispute. Last year agreement was finally reached on a Bank plan designed to insure a water supply to both parties.

DESCRIPTION OF THE PROGRAM

Basically, the Bank's plan provides that India shall have the use of the waters of the three eastern rivers of the Indus River system, and that the downstream irrigated areas formerly supplied with water from these three rivers shall in the future be supplied with water brought from the three western rivers through a series of diversions and link canals. The plan also provides for hydroelectric installations, storage areas, and drainage improvements to assist in controlling salinization of irrigated lands in Pakistan. Under it, too, India will be enabled to complete and operate her ambitious Rajasthan Desert irrigation scheme. The required system of works will provide by far the largest irrigation system in the world.

FINANCIAL PLAN

Since the cost of the necessary scheme of works, estimated at more than a billion dollars, could not be undertaken by India and Pakistan alone, the IBRD proposed that the United States and five other countries join with it in establishing a fund to assure the main part of the financial assistance needed for the construction recommended by the Bank. As finally agreed, the Indus Basin Development Fund, relating to works in Pakistan, included commitments of $867 million from Australia, Canada, Germany, India, New Zealand, Pakistan, the United Kingdom, the United States, and the IBRD. Works in India are to be financed by loans to the Government of India of $33 million by the United States and $23 million by the IBRD, and through the provision by India of about $144

million in rupees to cover local currency costs. (See table of contributions attached.)

The U.S. commitment totals $515 million, consisting of $177 million in dollar grants, two Development Loan Fund loans amounting to $103 million and $235 million in local currency loans or grants.

THE U.S. INTEREST

The Indus waters dispute is one of two major controversies which have disturbed relations between India and Pakistan since the partition of India in 1947. This dispute and the Kashmir problem have posed a continuing threat to the political stability of this vital area in south Asia and have prevented the two countries from concentrating fully on programs of economic and social development. Settlement of this issue constitutes a major step toward closer relations between the two countries, which is a major policy objective of the United States. It was in support of these policy objectives that the United States decided to contribute substantially to the plan for solution of the Indus waters dispute formulated by the International Bank for Reconstruction and Development.

CONGRESSIONAL AUTHORIZATION

Congressional approval of U.S. participation in the Indus Basin development plan was contained in the Mutual Security Act of 1960—section 404 of the Mutual Security Act of 1954, as amended (see text attached).

STATUS OF PROJECT

The Indus Waters Treaty, containing the terms of settlement of the Indus dispute, was signed by President Ayub and Prime Minister Nehru in Karachi on September 19, 1960. At the same time the Indus Basin Development Fund was signed in Pakistan, by the IBRD, and by the United States, Australia, Canada, Germany, New Zealand, and the United Kingdom, all of which contributed to the Fund. India's contribution to the Fund was made pursuant to an agreement contained in the Indus Waters Treaty. Ratifications of the Indus Waters Treaty were exchanged on January 12, 1961.

As administrator of the Fund, the IBRD has proceeded to employ the necessary consultants. American firms have been hired as the general engineering consultant and as consultants for the dam on the Indus River and for link canals. Tenders have been called for on the construction both of the big Mangla Dam on the Jhelum River, and on the first section of the top priority link canal, that of Trimmu-Sidhnai. Construction is already underway on rail spurs, bridges, and connecting roads required in the construction of the Mangla Dam.

PROPOSED U.S. CONTRIBUTION AND RELATIONSHIP TO PRIOR YEAR FINANCING

Pursuant to requests from the Bank, the United States in fiscal year 1961 contributed $6.8 million toward its total dollar grant commitment of $177 million. The United States has also made a DLF loan of $70 million to Pakistan, which accrues to the Indus Basin Fund for administration with its other funds. We propose to contribute the sum of $16.9 million for fiscal year 1962 to meet Indus Basin Fund calls on the United States for further funds against our commitment of dollar grant aid. We also propose during fiscal year 1962 to provide approximately $35 million equivalent in local currency, as called for by the Fund, from Pakistan rupees available as a result of earlier agreements for the sale of agricultural commodities under Public Law 480 and through provision for allocations from future food-for-peace programs for Pakistan.

ATTACHMENTS

(*a*) Table of contributions.
(*b*) Text of Mutual Security Act of 1960.

Sources of funding

	Approximate dollar equivalent (in millions)
A. Contribution to the Indus Basin Development Fund:	
1. In foreign exchange grants:	
Australia, A£6,965,000	$15.6
Canada, Can$22,100,000	23.2
Germany, DM126,000,000	30.0
New Zealand, NZ£1,000,000	2.8
United Kingdom, £20,860,000	58.4
United States, US$177,000,000	177.0
Total	307.0
2. In foreign exchange loans:	
U.S. loan to Pakistan	70.0
IBRD loan to Pakistan	80.0
Total	150.0
3. In local currency:[1] U.S. loans and grants equivalent of United States	235.0
4. Treaty payment by India (in foreign exchange)	175.0
Total	867.0
B. Foreign exchange loans to India:	
By the United States	33.0
By the IBRD	23.0
Total	56.0
C. For local currency costs in India: By India	141.0
Total	141.0
Grand total	1,064.0

[1] In addition Pakistan is paying $27,600,000 toward a reserve fund.

SECTION 404. INDUS BASIN DEVELOPMENT (THE MUTUAL SECURITY ACT OF 1954, AS AMENDED)

The Congress of the United States welcomes the progress made through the good offices of the International Bank for Reconstruction and Development toward the development of the Indus Basin through a program of cooperation among south Asian and other nations of the free world in order to promote economic growth and political stability in south Asia, and affirms the willingness of the United States, pursuant to authorities contained in this and other Acts, to participate in this significant undertaking. In the event that funds appropriated pursuant to this Act are made available to be used by or under the supervision of the International Bank for Reconstruction and Development in furtherance of the foregoing purposes, such funds may be used in accordance with requirements, standards, or procedures established by the Bank concerning completion of plans and cost estimates and determination of feasibility, rather than with requirements, standards, or procedures concerning such matters set forth in this or other Acts; and such funds may also be used without regard to the provisions of section 901(b) of the Merchant Marine Act of 1936, as amended (46 U.S.C. 1241), whenever the President determines that such provisions cannot be fully satisfied without seriously impeding or preventing accomplishment of such purposes: *Provided*, That compensating allowances are made in the administration of other programs to the same or other areas to which the requirements of said section 901(b) are applicable.

Mr. GARY. Mr. Secretary, we will be glad to hear from you.

OBJECTIVE OF PROGRAM

Mr. CLEVELAND. Mr. Chairman, both your interest and your patience are most impressive today. Perhaps the fact that this is the last program on this list of 13 is well placed because this is an upbeat item if I ever saw one.

As you know, this represented the highly complex negotiation put together by the World Bank for a consortium of countries and agencies to help solve one of the nastiest international problems anywhere in the world, the dispute on the waters of the six rivers of the Indus Valley between India and Pakistan. The arrangements arrived at, which involve diverting water from the northernmost of these rivers and bringing it down to substitute for waters in the southern group of three rivers, to substitute for water that will be taken out of the top of those rivers by the Indians, is a brilliant engineering conception and an even more brilliant institutional and financial one.

LONG-RANGE ASPECTS OF PROGRAM

I think it would be worth calling special attention to the fact that this is the second year of a 10-year program. This committee will be living with this problem for quite a while.

Mr. GARY. But we are committed to the program. There is not much we can do about it.

Mr. CLEVELAND. You are never committed to any thing before the House of Representatives starts the appropriation process. But we do try to plan ahead, let us put it that way.

I might call your attention to the table called sources of funding, which is on page 5 of the statement.

Mr. GARY. What I mean is we agreed to the settlement.

Mr. CLEVELAND. That is right.

Mr. GARY. We were party to the agreement of the settlement.

Mr. CLEVELAND. "We" in that case does include the Congress since the Congress passed an authorization.

CONGRESSIONAL APPROVAL OF PROGRAM

Mr. GARY. This is one of the items that I questioned Mr. Dillon on when he was talking about long-range planning. He admitted that we had long-range planning on the Indus River project. I said, "Why can you not use the same process in connection with the other programs?" That was one of our main arguments, that this program was worked up, and was presented to the Congress, and the Congress approved it. There is no objection. We have to have long-range planning, I believe. All we have asked for in the Congress on that is the right to review these projects before the commitments are made.

That is the case in this Indus waters project. The plan was worked up, it was a complete plan. It was presented to the Congress and Congress approved it. That is the whole fight on this foreign-aid program at this time. For the first time since the program started I had to oppose that feature of the program because I thought it was taking the prerogative away from Congress of passing on these projects. This and the 5-year Indian program were the two examples we cited

as to how long-range planning could be accomplished under the present law.

Mr. CLEVELAND. The problem, of course, is just how many different, as it were, rivers and harbors items internationally it is possible to bring item by item before the Congress. This is a question of judgment, and I certainly respect your judgment on it.

Mr. GARY. We are not arguing that question here. I did not want to commit you to it, but I just wanted to cite this as an example in which long-range planning has taken place, and it has been presented to the Congress. I said in the beginning we have to appropriate the money for it, but the Congress is committed to it. That is all right. I think there ought to be long-range planning of this kind, but I think the Congress ought to be a party to the planning as well as to the appropriation of funds.

Mr. CLEVELAND. As you know, it was indeed on this one, not only Congress but parliaments of several other countries. This is altogether a very impressive putting together of a lot of different interests, focusing them on one problem.

FINANCING OF PROGRAM

The amount proposed this year, as you recognize, for the 1962 slice is just under $17 million.

Mr. GARY. That part of it is grant?

Mr. CLEVELAND. Yes, sir; this is grant.

Mr. GARY. This is outright grant?

Mr. CLEVELAND. This is this year's slice of the $177 million total that would come from the United States in the form of foreign exchange grants.

Mr. GARY. My understanding is part of the project will be financed by loans and a part by grant; is that correct?

Mr. CLEVELAND. That is right, and a part by local currency loans and grants as well; and a part by loans to India, as well as through the Indus Basin settlement fund. The Indian part of the work is being done by the Indian Government on the basis of money it borrowed direct from the World Bank and from the Development Loan Fund.

I am accompanied, Mr. Chairman, by Mr. Anthony Cuomo, who is Deputy Officer in charge of Economic Affairs for the Office of South Asian Affairs in the Department of State.

DESCRIPTION OF PROGRAM OPERATIONS

Mr. GARY. Mr. Secretary, will you describe the different features of the project and tell us how much each will cost.

Mr. CLEVELAND. Mr. Chairman, if I may, I will ask Mr. Cuomo to address himself to that, since he has been living, if not under the Indus waters, at least near them.

Mr. GARY. We shall be glad to see you swim some.

Mr. CUOMO. Actually, the figures are still not very firm. The last estimate I saw for the large dam on the Jhelum River would run in the neighborhood of $400 million.

Mr. GARY. Will you describe the different phases of it?

Mr. CLEVELAND. I believe this document is worth looking at on this point.

Mr. CUOMO. The work is actually proceeding along the site of the Mangla Dam which you see here. It previously has been established and the preliminary work is proceeding on the access roads and the necessary bridges and the access railroads. The sites of the workmen's camps and the water supply necessary to those dams are being worked on at the moment. The road has just been completed. The bridge across the Ravi River has been completed, and the railway spurs are near completion. The aerial surveys for the link canal which you see at No. 6, between the Chenab and Jhelum Rivers and the Sutlej River are almost complete. These are to establish the actual lining of the canal.

Mr. CLEVELAND. Mr. Chairman, I assume you are familiar with the general structure of the plan, which is to take water of the northern rivers and get it down here so the Indians can take the water that comes out of India and divert it for their own purposes in the south of India.

Mr. GARY. What countries are these on the boundaries?

Mr. CUOMO. India and Pakistan. On the left here is Afghanistan.

Mr. CLEVELAND. They start with Afghanistan on the northern corner where the Kabul River comes across through the Khyber Pass. Then between that and the other fuzzy line here is West Pakistan, the upper end of West Pakistan, which comes away on down. The Indus River keeps right on down toward the sea around Karachi.

DIVISION OF WATER

Mr. CONTE. Where does Pakistan tap into this water?

Mr. CLEVELAND. All these six rivers come through Pakistan. Pakistan would not have any problem if it had not been for the fact that India wanted to divert river water from the Chenab and the Ravi and the Sutlej, particularly the Sutlej and its tributaries. They wanted to take that water out over to the right where it says Beas Dam, the Bhakra Dam, and so on. The amount of water that they wanted to take out of there would practically dry up the bottom couple of these rivers.

Mr. GARY. The rivers here flow from northeast to southwest?

Mr. CLEVELAND. From northeast to southwest. They flow down toward the sea.

Mr. GARY. This is India up in the left-hand corner?

Mr. CLEVELAND. Yes. The top right-hand is Kashmir, which the Indians say is India and regarding which there is some dispute. Below the middle of the map, down around where it says Beas and the Bhakra Dam, and so on, that is India.

Mr. CONTE. Pakistan is right in the middle of the map?

Mr. CLEVELAND. Yes, from the middle over to the left. There is a little chunk of Afghanistan on the upper left-hand corner there.

TENTATIVENESS OF COST ESTIMATES

Mr. GARY. You say these cost figures are not very firm?

Mr. CUOMO. No, sir; they are not. They are in process now of refining the total estimate which they originally made.

Mr. GARY. I suppose they will exceed the original estimate.

Mr. CUOMO. They may very well.

Mr. GARY. They usually do.

Mr. CUOMO. The tenders have been let out for work on the Mangla Dam and on the priority link canal.

Mr. GARY. What are the arrangements if it costs more than the estimated grand total of $1,064 million? What is the plan for sharing the excess?

Mr. CLEVELAND. There is not any plan, because there is not any assumption that that will happen at the moment. The history of rivers and harbors appropriations would tend to support your assumption, but there is not any such assumption at the moment. In any case, this question would not come up for a number of years yet, because we are just at the beginning of this process.

RESPONSIBILITY FOR ADMINISTERING PROGRAM

Mr. GARY. Who has the responsibility for administering the program, and what is the machinery for accepting bids, overseeing the work, inspection prior to payments, and so forth?

Mr. CUOMO. The administrator for the Indus Basin development fund is the International Bank. The actual work is done by the Water and Power Development Authority of the Government of Pakistan. As the authority disburses funds, it presents the documents to the fund or the administrator for payment.

Mr. GARY. Pakistan really will construct the project.

Mr. CUOMO. It is under the supervision of the authority. The authority has, in turn, selected engineering firms.

COUNTRIES PARTICIPATING IN PROGRAM

Mr. GARY. Are all the countries represented on that authority?

Mr. CLEVELAND. It is actually a provincial government agency. It is like a State water authority, something of that kind. It is part of the West Pakistan provincial government, which is a very large operating organization.

Mr. CUOMO. It is the water and power development authority.

Mr. GARY. You said the World Bank is at the head of the whole project?

Mr. CUOMO. The World Bank is the administrator. The World Bank has in every turn selected consulting engineers. The Pakistan agency, the WAPDA, has in turn selected its general engineering consultants for the overall project. There are other engineering consultants for specific projects, the link canals and the dams. The overall engineering consultants are actually American firms for WAPDA. The Bank itself has engineering consultants, Alexander Gibbs, and another firm, American, Canadian, and the United Kingdom.

Mr. GARY. Is the plan worked up by American engineers?

Mr. CLEVELAND. American and others. American engineers have carried a dominant part of this business, actually.

FUTURE COSTS OF PROGRAM

Mr. CONTE. I was vitally interested in the Indus River Basin program, Mr. Secretary. In fact, I fought strenuously on the floor of the House for it. If the grand total of $1,064 million is not sufficient, I

think we should have plans on how we shall finance the rest. I do not think we should wait until we find we are in the position that we need more money and not be ready to come in here with specific plans and formula—we should have some definite plans with Australia, Canada, Germany, New Zealand, and the United Kingdom—and decide whether it will be the same formula or whether we shall pick up the greater part of the tab, or whether India or Pakistan might contribute to the project. I think it is something we should pursue right now.

Mr. CLEVELAND. At this early stage, it is a little hard to pursue a negotiation with other governments on the assumption that the present estimates, all of which have been frozen into legislation in the various countries, were wrong. I do not have any idea at the moment that they are wrong. I understand the concern from which the chairman speaks, that construction activity always seems to cost more than the people who plan it think it will cost, but this seems to me to be a pretty early stage to be renegotiating a deal which still has 8 years to go.

Mr. CONTE. I do not think we should renegotiate it. I think we should have some sort of cushion that we can lean on.

Mr. GARY. The increase in cost applies even when you build a doghouse.

Mr. CLEVELAND. Perhaps especially.

CONTRIBUTIONS OF OTHER COUNTRIES

Mr. CONTE. Mr. Secretary, have the parliaments of the other participating countries met this year and appropriated money?

Mr. CUOMO. Yes. The Bank has called up approximately $60 million. That has all been met.

May I add on this question of costs that the original estimate was at best an estimate. The tenders have now been let out, and we should have those back by the end of the year or early in 1962. At that time a more precise figure might be reached.

Mr. CLEVELAND. Coming back to your previous question, the last analysis I saw of whether countries were really ponying up on this program really staggered me, because the only country that showed in the arrearage column was the United States, for really an accidental reason. The picture had been taken before the day on which we actually made our payment. I am so used to looking at an arrearage statement in the field of international organizations in which the Russians and others are always in arrears and we are all paid up, that this really staggered me.

FINANCING OF PROGRAM

Mr. CONTE. I want to echo the sentiments of the chairman on this project. I think this project and the half billion dollar Latin American aid program are arguments against Treasury financing. I think long-range programs such as this can be carried out through the regular appropriations or have multiyear appropriations for these programs. There is an old saying that politics breeds strange bedfellows. It is really embarrassing this time to find myself in bed with certain individuals who are against foreign aid. I tried to impress upon the

administration and Mr. Dillon right in this room that this was a very serious proposal on their part, to get the Congress to abrogate its authority and bypass this committee. Even though they felt we still had the right of review, I felt it was analogous to the case where the horse is stolen and you then lock the barn door.

Your presentation today is a living example of just what we can do with annual appropriations. Here we made a promise, and I am willing to bet Congress will fulfill that promise for a long-range program.

Mr. CLEVELAND. In the whole foreign aid business since the war, Congress has been indeed very good about fulfilling long-term promises where they have been made clear from the outset. I have a different view, not only because I am a member of the administration, but because this is a question I have studied for a good many years, on the use of the Treasury borrowing device. It is probably too late, both in the debate and in the day, to start over again on that.

Mr. GARY. I debated that enough yesterday.

Mr. CLEVELAND. I think I should record that I do have a different view.

Mr. CONTE. True and we could fill volumes, and volumes on this subject, so I will not pursue it further.

Mr. GARY. Gentlemen, we thank you. It has been a very interesting hearing. I think we understand these programs much better. I think we have a very good understanding of these programs now. We shall try to pass on to the rest of the members of our subcommittee the information which you have given to us.

Mr. CLEVELAND. Mr. Chairman, I appreciate the opportunity to present these fully, and the opportunity once again to be exposed to your famous Virginia courtesy.

Mr. GARY. It has been a pleasure to have you before the committee, sir.

SATURDAY, AUGUST 19, 1961.

CONTINUATION AND IMPROVEMENT OF FOREIGN-AID PROGRAMS

WITNESS

LEE B. THOMAS, JR., FRIENDS COMMITTEE ON NATIONAL LEGISLATION

Mr. PASSMAN. The subcommittee will come to order.

Our first witness this morning is Mr. Lee Thomas, a representative of the Friends Committee on National Legislation.

Mr. NATCHER. Mr. Chairman, will you yield to me at this point?

Mr. PASSMAN. Yes.

Mr. NATCHER. Mr. Chairman, I would like to present to you and the members of our subcommittee our witness, Mr. Lee B. Thomas, Jr., of Louisville and Hopkinsville, Ky. Mr. Thomas is one of the outstanding citizens in Kentucky and he is from an adjoining district. I just wanted to let you know, Mr. Chairman and members of the committee, that I personally, and I know other members do, appreciate Mr. Thomas' attendance and Mr. Snyder's at this time.

Mr. PASSMAN. Thank you very much, Mr. Natcher.

Mr. Thomas, we shall be pleased to hear your statement at this time.

Mr. THOMAS. I appreciate very much your remarks, Mr. Natcher.

I am Lee Thomas, Jr., of Louisville, Ky. I appreciate the need for brevity. However, I felt it prudent to fly from Louisville last night for the purpose of appearing here. Today I am representing the Friends Committee on National Legislation which seeks to support policies advocated by many members of the Religious Society of Friends, that is the Quakers, but does not claim to speak for all Quakers.

I am also executive vice president of the Vermont American Corp. and I will speak out of my experiences as such. I am sure that many in our company would concur with my statements since they have been able to see the benefits accruing from a company policy based upon an international approach as taken by our business.

THE IMPORTANCE OF A HUMANITARIAN APPROACH BY THE UNITED STATES

We believe in the dignity of the human spirit and in humanity as one family. On this basis alone we must believe in the continuation and improvement of our foreign assistance program. A few days in Hong Kong, Bangkok, and Calcutta in February convinced me that the problem is immense, but solution is vital. Many of you have probably seen the same malnourished, underclothed, diseased children and parents living on the sidewalks or in those slums. They are discouraged and desperately looking for some ray of hope to follow.

I was in Calcutta the day Lumumba was shot. I don't believe that the thousands of demonstrators were really demonstrating for the tyranny of international communism but rather I think they were looking for some hope to improve their economic situation. I believe that if our program offers this hope, people in the underdeveloped areas of the world would choose the ways of freedom.

LACK OF EFFECTIVENESS

This task of providing help and hope to people around the world is so great it must be attacked on a larger scale and over an extended period of time. Unfortunately, we have apparently limited ourselves in many cases to spasmodic efforts of a year or two in duration. It appears to me that the increased request and the long-range emphasis set forth in the bill currently under consideration will go a long way toward providing a remedy. It has been my experience that insufficiently financed business projects are worse than no projects at all and I would expect that the same might be true in the area of foreign aid.

It is a kind of "Operation Rathole."

Too often in the past our foreign aid has benefited a few heads of business and heads of government and has made little change in the status of the ordinary workingman. This needs to be changed. In the European recovery plan recipient governments took the lead in assuring that many of the benefits of the recovery were passed on to the working population in the form of higher wages. In many of the underdeveloped areas today existing governments have not shown

themselves ready to do this. Yet, I think the principle is an essential ingredient of foreign aid from this country.

We are glad to see some very substantial sums budgeted for survey and investment opportunities and development research. Larger companies are able to conduct their own surveys. Smaller companies such as the one I represent are not able to do so and such studies can be of considerable help in finding opportunities abroad. More small companies I think should find those opportunities.

In those countries of Asia that I have visited, it appears that small local industry is more effective in alleviating conditions of poverty than huge centralized industry. I am afraid that a foreign aid program which will effectively correct the conditions of the masses is going to be considerably more expensive at the outset than one which pacifies government leaders. However, I think that in the long run the improvement of the living standards of the lower groups will hasten the development of a mass market and thus a self-sustaining economy at an earlier date.

BUSINESS CONSIDERATIONS

It has been our experience that the recovery and development of industrial nations has been a good thing for our economy and for our business. As the mass market develops in these countries the opportunity for us to market our products has more than offset any increase in competition we might have felt. We would expect this pattern to continue particularly in heavily populated countries like India. While the international part of our business is not what anyone would call major, the pattern is interesting. We sell our regular manufactured goods in Europe and we import some saw blades that they can make more economically than we can. You will see that while our sales to Europe have steadily increased in 1958 the import of saws from Europe has been if anything static.

Mr. PASSMAN. The chart will be inserted in the record at this point.

(The chart follows:)

	Saw sales to Europe	Imports of saws from Europe
1958	43,856	87,546
1959	50,765	103,585
1960	74,178	73,274
6 months of 1961	38,029	54,965

Mr. THOMAS. We are currently negotiating with an Indian company for collaboration in the manufacture of cutting tools in India. The biggest obstacle we are facing is the shortage of dollars in India. We believe that better cutting tools can be made on American-made machines. And we would like to see American machines there anyway because it increases the cooperation of India with the United States. We would like the Indian people to pay for part of the machines in cash. The rest of it would be payable in stock of this company. But the Indian Government claims to be short of dollars and would prefer to use Hungarian or Czechoslovakian machines. They claim that these latter countries will accept payment in rupees.

Nevertheless, it looks as if we are going to be able to accomplish our objective, with American machines. Perhaps at a somewhat increased investment by ourselves but we think it is important enough that I suspect we will go ahead with it. Whether or not this collaboration proves to be a good investment depends on whether or not a mass market develops in India. But the progress seems to be enough in that direction that we are willing to go ahead from a purely business standpoint. We do not expect competition from the Indian firms—rather we expect them to be customers of ours for tools which are standard in America but special in India.

I would like to insert here a word about the Peace Corps. We believe Americans working directly with village people or foreign industrial workers can be effective ambassadors of our country. This has been my experience in dealing with this Indian company for instance. The new Peace Corps can be extremely effective in this area if properly trained and properly oriented. We urge this committee to appropriate the full amount requested for the Peace Corps.

We urge the committee to approve the full sum requested for nonmilitary assistance as a minimum program. We are unhappy over the large proportion of foreign aid going to military purposes. A military emphasis is often harmful to our economic objectives of self-sufficiency for those countries. We support, especially the technical assistance programs of the U.N. and the United States, UNICEF, the U.N. operations in the Congo, the sums for Palestine refugees and the Indus Basin development. We urge that maximum long-term planning and commitments be encouraged under the program. We are convinced it is good business. More important, we believe our Nation has the privilege, the responsibility, and the opportunity to provide people around the world with a better chance for freedom and a decent life.

Mr. PASSMAN. Thank you, Mr. Thomas. Thank you, Mr. Snyder. We appreciate being given the benefit of your views on the subject.

I should like to mention at this point that our public debt exceeds by $24 billion the combined public debt of all the other nations of the world and that there are some 43 nations who do not collect income tax, or if any a very small amount.

I am sure you will appreciate the fact that the daily statement of the U.S. Treasury of August 15, 1961, indicates that the deposits to the Treasury to date in this fiscal year amount to $7,315,716,214.95. During the same period of the last fiscal year the deposits were $7,510,299,418.51, a drop in deposits of $194,583,203.56.

Withdrawals from the Treasury on August 15 were $13,006,617,706.82, and during the same period in fiscal year 1961 withdrawals were $11,327,279,543.75, an increase in withdrawals of $1,679,338,163.07.

In brief, from July 1 to August 15 of the current fiscal year the Federal Government has taken in $194,583,203.56 less than it did during the same period of the last fiscal year. Despite this drop in income, the outgo during the same period has increased by $1,679,338,163.07 over the same period in fiscal year 1961. This fiscal data is alarming, to say the least, to at least one member of this subcommittee, and in my opinion calls for a thorough review of all Federal spending programs, not only by the executive branch but also by the Congress.

Thank you very much, and we will look forward to seeing you again next year.

Mr. NATCHER. Mr. Thomas, I want to thank you for the fine statement you have made to our committee and I would like to assure you that every consideration will be given to the observations that you have made.

Mr. THOMAS. I thank you very much. You have certainly been very gracious to me.

UNITED NATIONS CHILDREN'S FUND

WITNESS

MRS. VIRGINIA M. GRAY, EXECUTIVE SECRETARY, CITIZENS COMMITTEE FOR UNICEF

Mr. PASSMAN. Our next witness will be Mrs. Virginia M. Gray, executive secretary, Citizens Committee for UNICEF, on behalf of the appropriation for the United Nations Children's Fund.

Mrs. Gray, we will be pleased to hear from you at this time.

Mrs. GRAY. Thank you, Mr. Chairman.

With your permission may I file my statement? It is not very long, but I know that you want us to limit our time.

Mr. PASSMAN. Without objection, we shall insert in the record the entire statement. I think our distinguished witnesses should understand that the limitation, which is fixed as a matter of necessity, does not apply only to outside witnesses, but even to Members of Congress. We have requests from hundreds to testify, and there are just not sufficient months in the year to give all of them the time that they would need to explain their proposals.

We certainly would like to have you, Mrs. Gray, elaborate concerning any points of your statement as you may see fit.

Mrs. GRAY. There are just two points that I think are important enough to call to your attention personally at this time.

You have the list of organizations for whom I testify and I assure you we insist on having their approval in writing for the statement before we include their names. As a matter of fact several are left off this year because they did not get their approval to me in writing in time.

I just wanted to say that it is with a sense of deep satisfaction that we are able to support the appropriation for the United Nations Children's Fund again this year.

(The prepared statement of Mrs. Virginia M. Gray follows:)

STATEMENT OF MRS. VIRGINIA M. GRAY, EXECUTIVE SECRETARY, CITIZENS COMMITTEE FOR UNICEF, ON BEHALF OF THE APPROPRIATION FOR THE UNITED NATIONS CHILDREN'S FUND

The Citizens Committee for UNICEF is an informal clearinghouse of legislative information serving a number of national organizations which support continued participation by the United States in the United Nations Children's Fund (UNICEF). This statement has been authorized by the following such organizations:

American Association of University Women.
Americans Parents Committee.
American Veterans Committee.
Association for Childhood Education International.
Child Study Association.
Child Welfare League of America.

Cooperative League of the U.S.A.
Friends Committee on National Legislation.
Jewish War Veterans of the U.S.A.
Methodist Church, Women's Division of Christian Service of the Board of Missions.
National Association of Social Workers, Inc.
National Council of Jewish Women.
Unitarian Women, Alliance of.
United Church Women.
Women's International League for Peace and Freedom.
YWCA National Board.

It is with a deep sense of satisfaction and pride that the Citizens Committee for UNICEF presents this joint statement in support of the appropriation for a contribution by the United States to the United Nations Children's Fund (UNICEF) for the coming year.

Members of our organizations, as well as a great majority of Americans, endorse enthusiastically the recommendation of the executive branch for a contribution of $12 million from the United States for the fiscal year ending June 30, 1962. We urge continued support by the Congress for this constructive work on behalf of millions of the world's most helpless human beings: its sick, malnourished or undernourished, physically handicapped children.

We are proud to point to the impressive accomplishments of UNICEF in the past for we see overwhelming justification for our own past confidence in its programs and methods of operation. In its sound, conservative approach to some of the enormous problems that have confronted much of the world during the past 15 years of UNICEF's existence, we suggest that there may be useful examples which deserve study and emulation. In the present critical year when our own Government has been attempting a comprehensive review of the aims and scope of the foreign aid program, we submit that the principles on which UNICEF aid is based: of self-help and matching funds; of demonstrable evidence of permanent progress; of attacking fundamental, elemental needs first; these, in short, are the very criteria being earnestly demanded in the broader programs of economic and technical assistance. This is what UNICEF has been doing all along and its success is abundantly clear to all who view objectively the benefits already accrued to millions of the world's future citizens.

A few statistics will illustrate this point. During 1960, according to a progress report prepared by the Executive Director for the UNICEF Executive Board meeting in New York in June, more than 56 million children and expectant and nursing mothers benefited directly from the principal disease control campaigns and child and maternal feeding projects. These are direct benefits, such as vaccination (rather than testing) in BCG campaigns against tuberculosis; treatment (rather than examination) in laws, trachoma, and leprosy campaigns. Not included, even in this impressive total, are the many children and mothers who receive other assistance in child health centers, clinics, and maternity and children's hospitals and from programs of nutrition education aided by UNICEF, or who benefit from UNICEF aid to milk conservation plants.

A further source of satisfaction to friends of UNICEF results from the fact that for every $1 allocated by UNICEF's central account in 1960, the assisted country committed, on the average, $2.79 in goods and services on a matching basis. From the initial required matching on the basis of $1 for $1, the increase that UNICEF's central account "seed money" has attracted is eloquent testimony of the desire of the assisted government to aid its own children.

UNICEF's income from all sources was $25.8 million in 1960. There were 98 governments which contributed last year, compared with 87 in 1959. This difference is due almost entirely to new African countries which wished to join the ranks of donors. For 1960 and up to May of this year, 22 governments on the continent of Africa have made pledges, and more may be anticipated.

It is rewarding in general to note the response which UNICEF continues to receive from countries in the development process as well as from some countries that were among the original recipients of emergency aid immediately after World War II. Now ranking among the top 10 donors to UNICEF's central account, Germany and France receive no aid for themselves. Equally, if not more, impressive is the fact that India, Mexico, and Brazil also rank among the 10 highest donors to the central account at the same time that they continue to raise matching funds for projects carried on within their own borders. What more vivid example of UNICEF accomplishments could there be than this demonstration of healthy economic growth?

With 416 projects currently receiving UNICEF assistance in 104 countries and territories, UNICEF is now engaged in a reexamination of the problems that confront the world's children and a reappraisal of its services for meeting these problems. Surveys have recently been made on the needs of children by cooperating U.N. organizations at the request of UNICEF. These include WHO, FAO, UNESCO, the U.N. Bureau of Social Affairs, ILO, and by some 36 governments themselves as well as by the UNICEF secretariat. The results of this research by agencies with widely differing approaches to their work have shown rather amazing similarity of recommendations. The studies, dealing with the needs of children in the fields of health, nutrition, education, social welfare and protection against child labor and other economic exploitation, recognize that while ignorance, poverty, disease, and malnutrition are the fundamental threats to health and well-being, and that although these evils are closely interrelated, practical methods for attacking these enemies of mankind are not uniform. They vary greatly from country to country and from region to region. Likewise the needs of children vary in their relative importance from country to country.

This recognition of the diversity of the needs of children has brought two significant developments. First has been a proposal by the Executive Director to the recent meeting of the Executive Board to earmark a special fund upon which the developing countries may draw for the purpose of making comprehensive studies of the needs of their children. This new type of assistance would (1) aid the interested governments in surveying the needs of their own children; (2) establish priorities, and (3) help plan programs of action to meet these needs within the framework of broad economic and social development programs. The second development growing out of the reexamination that has been taking place has been the awareness that a more flexible type of program is necessary to meet the diversity of situations in the newly developing countries.

The 18 newly independent African countries give special impetus to this need for greater adaptability of the existing programs to new situations. Here are new countries faced with old problems, the solutions of which must be adapted to the individual needs of a particular situation rather than attempt to shape the country's program into a standardized mold. This newly emerging attitude recognizes, for example, the need for a comprehensive approach to health and environmental sanitation such as developing a supply of clean water for a village before other health measures could be expected to make much progress, or establishing a network of hospitals, health centers, and, to assure their effective operation, the training of personnel to run them. Other major problems coming into new focus arise within the countries attempting rapid industrialization where the concommitant urban slums make a broader program of social services for mothers and children an urgent need.

Throughout the underdeveloped world, ignorance is one of the greatest obstacles to economic development and the improvement of health and social conditions. Here, particularly in Africa, are needs at all levels for education, not only primary education for the children but also adult women's programs to reach mothers upon whom falls the responsibility for setting the pattern of family living.

For all of these challenging goals toward which the underdeveloped countries are striving, our organizations believe that UNICEF is uniquely equipped to lead the way. It has and can perform these basic services upon which later growth must depend. As President Kennedy has said, "The work of UNICEF must be pursued indefatigably and with undiminished support. The problems of hunger, education, and child welfare are as widespread today as in the past. The best attack on these problems lies precisely in the kind of cooperative effort that characterizes UNICEF."

We believe that UNICEF will continue to justify our past confidence and provide a solid basis of hope for a better future.

Mrs. GRAY. We are proud to point to the impressive accomplishments of UNICEF in the past for we see overwhelming justification for our own past confidence in its programs and methods of operation. In its sound, conservative approach to some of the enormous problems that have confronted much of the world during the past 15 years of UNICEF's existence, we suggest that there may be useful examples which deserve study and emulation. In the present critical year when our own Government has been attempting a comprehensive

review of the aims and scope of the foreign aid program—the Congress has been working so very hard to give a comprehensive review of the aims and scope of the foreign aid program—we submit that the principles on which UNICEF aid is based: of self-help and matching funds, of demonstrable evidence of permanent progress, of attacking fundamental, elemental needs first, these, in short, are the very criteria being earnestly demanded in the broader programs of economic and technical assistance. This is what UNICEF has been doing all along and its success is abundantly clear to all who view objectively the benefits already accrued to millions of the world's future citizens.

Then there is one further point I would like to make and that is included in the next to the last paragraph on page 2:

It is rewarding in general to note the response which UNICEF continues to receive from countries in the development process as well as from some countries that were among the original recipients of emergency aid immediately after World War II.

For my own satisfaction, Mr. Chairman, I have ranked the countries that contribute to UNICEF and I thought it was really impressive to find of the original countries Germany and France now receive no aid themselves, of course, but they are 2 of the top 10 among the top 10 contributors in volume of money and I think even more impressive is the fact that other countries: India, Mexico, and Brazill, also rank among the 10 top donors to the central account. At the same time that they are working so very hard to match funds for projects being carried on in their own country. What more vivid example of UNICEF accomplishments could there be than this demonstration of healthy economic growth?

I think with that I will conclude my statement, Mr. Chairman. I know the committee has been sympathetic in the past and I am confident you will be.

Mr. PASSMAN. You are one of the finest witnesses to appear before the committee. You testify for a specific project of which you have much knowledge, and you do not attempt to testify for the entire program, worldwide, including military and grant aid. It is impressive to have a witness who makes a good case, as you do, for the specific project with which you are especially familiar.

It is usually the U.S. taxpayers' money that picks up the bills, and not the money earned by the foreign nation for their exports. I have never thought that was a very valid argument, that the dollars will be spent in America. As long as you are picking up the checks with the taxpayers' dollars the impact eventually will be just as great.

We are glad to have your views on it, anyway.

Mr. CONTE. Mr. Chairman, I would like to compliment Mrs. Gray on her fine presentation today for this worthy cause. The other day we heard the Director for UNICEF tell us about the tremendous job they are doing on yaws disease right now, at a very small cost to the taxpayers. Mrs. Gray, you are really to be complimented for crusading for this most worthwhile project.

Mrs. GRAY. We feel very strongly that we have a great temptation to want to take a lot more of your time to tell you about specific programs, but I think you know already.

Mr. CONTE. The chairman has been most sympathetic to this program and he has urged we support this program.

Mr. PASSMAN. Mrs. Gray makes a good case and we are always happy to hear her.

I am sure you will appreciate, Mrs. Gray, the fact that the daily statement of the U.S. Treasury of August 15, 1961, indicates that the deposits to the Treasury to date in this fiscal year amount to $7,315,716,214.95. During the same period of the last fiscal year the deposits were $7,510,299,418.51, a drop in deposits of $194,583,203.56.

Withdrawals from the Treasury on August 15 were $13,006,617,706.82, and during the same period in fiscal year 1961 withdrawals were $11,327,279,543.75, an increase in withdrawals of $1,679,338,163.07.

In brief, from July 1 to August 15 of the current fiscal year the Federal Government has taken in $194,583,203.56 less than it did during the same period of the last fiscal year. Despite this drop in income, the outgo during the same period has increased by $1,679,338,163.07 over the same period in fiscal year 1961. These fiscal data are alarming, to say the least, to at least one member of this subcommittee, and in my opinion call for a very thorough review of all Federal spending programs, not only by the executive branch but also by the Congress.

FOREIGN AID PROGRAMS

WITNESS

DR. NAOMI RICHES, WOMEN'S INTERNATIONAL LEAGUE FOR PEACE AND FREEDOM

Mr. PASSMAN. Our next witness is Dr. Naomi Riches, representing the Women's International League for Peace and Freedom.

Dr. Riches, we are very happy to have you appear before the committee. I think we should state that with reference to the time limitation, it is not that we would not like to have our distinguished witnesses take longer but it is a matter of necessity in order to be able to complete the hearings. We shall be pleased to hear from you.

Dr. RICHES. The best part of my statement, gentlemen, perhaps is that it is very brief.

It is just one page.

My organization, which is the Women's International League for Peace and Freedom, whose legislative office is at 120 Maryland Avenue NE., Washington 2, D.C., has supported the foreign aid bill as originally drafted, except for part 2 which was entitled "International Security and Security Act of 1961 which provides for military aid." This we oppose.

We wish to go on record as supporting all appropriations for economic aid, both of those made as loans to international agencies and by our own Government, and economic aid in the form of direct assistance such as grants, food for peace, and technical assistance.

We are hopeful that appropriations can be made for longer periods than 1 year so that the projects undertaken can make a more substantial difference in the economy of the recipient country.

The appropriations which we oppose are those for military aid. We believe that these provisions for the use of force perpetuate a barbarous practice which the human race must abondon if it is to survive.

We believe that those countries where the level of living is being improved by aid from non-Communist countries will not be susceptible to infiltration and guerrilla warfare. Guerrillas cannot operate successfully unless the local population is friendly to them—or indifferent to their own government. Give these people a chance for a level of living which is worth retaining and they will not listen to infiltrators. Gifts of planes and mechanized weapons only add a burden to their economies without adding real security; but plows, food, technical assistance for agriculture and industry will give them a new value and appreciation of their own way of life and will make totalitarian ideologies unwelcome.

Violence and the threat of violence have been tried for thousands of years and have never brought peace. We ask now that this nonviolent method of economic aid be given a thorough tryout with all the energy, resources, and courage which have heretofore gone into the military effort. It seems to us to be the best hope for the survival of human life on this planet. Therefore, we ask that there be no appropriations for military aid.

Mr. PASSMAN. Thank you very much, Dr. Riches. We are always glad to have the distinguished witness express her views. Most times we ask one question: Where are we going to get the money?

Dr. RICHES. We are opposed to the military aid. You can save it right there.

Mr. PASSMAN. We are glad to have your views, and we will take them into account when we mark up the bill. Thank you.

Dr. RICHES. I am sure you will appreciate the fact that the Daily Statement of the U.S. Treasury of August 15, 1961, indicates that the deposits to the Treasury to date in this fiscal year amount to $7,315,716, 214.95. During the same period of the last fiscal year the deposits were $7,510,299,418.51, a drop in deposits of $194,583,203.56.

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UNITED NATIONS CHILDREN'S FUND

WITNESS

MRS. WARREN E. COX, NATIONAL CONGRESS OF PARENTS AND TEACHERS

Our next witness will be Mrs. Warren E. Cox, representing the National Congress of Parents and Teachers.

Mrs. Cox, we shall be very pleased to hear from you at this time.

Mrs. Cox. Mr. Chairman and members of the committee, I am Roberta C. Cox, a member of the Washington Committee on Legisla-

tion of the National Congress of Parents and Teachers. I am submitting this statement for Mrs. Fred L. Bull, national chairman of legislation, to urge you to include in the appropriation for foreign aid a sum of no less than $12 million for the United Nations Children's Fund. We feel that this is indeed a minimum contribution for the United States of America. We appreciate the opportunity to make this statement to you.

The National Congress of Parents and Teachers is in its 66th year and is, as you know, a national, voluntary organization to promote the welfare of children and youth. Its current membership is more than 12 million.

Since its inception 15 years ago, the National Congress of Parents and Teachers has actively supported UNICEF. We are proud of UNICEF's development of the permanent and effective self-help program which is now making so marked a contribution to the health and welfare of mothers and children in 104 countries and territories. Ninety-eight governments contribute the financial support for UNICEF's aid programs designed to help people learn to help themselves. At present aided governments, on the average, invest double or triple the funds received from the United Nations Children's Fund, and long-term benefits for the children result from these permanent investments of their own governments.

UNICEF gives 5 major types of aid: (1) basic maternal and child welfare services, (2) communicable disease control, (3) nutrition, (4) training of primary school teachers in health and nutrition, (5) emergency aid.

Careful coordination with other United Nations agencies makes phenomenal results possible.

You have asked me to be brief. But let me remind you that there are 500 million children living today, in underdeveloped areas where they are the prey of ignorance, disease, superstition, malutrition, and the terrible scourage diseases blessedly almost unknown in our own country. We in the National Congress of Parents and Teachers care very much what happens to "the world's children." They are the contemporaries of our very own American boys and girls. They are an integral part of the future of our own children. UNICEF, hopefully, is leading the way to a world where healthy minds in healthy bodies can establish civilizations free from superstitions, and grounded in decency, cleanliness, and reasonable plenty.

In the legislative program of the National Congress of Parents and Teachers the support of UNICEF is a priority item. We feel sure that you must consider this a priority item too, and that you will appropriate a minimum of $12 million as a contribution to the United Nations Children's Fund.

Thank you.

Mr. PASSMAN. Mrs. Cox, we are very much impressed with your statement. You are limiting your endorsement to that part of the bill for which you have specific and detailed knowledge, and you do not speak to a blanket endorsement of the $5 billion program, of which you do not have detailed knowledge. We thank you very much.

Mrs. COX. Thank you.

Mr. PASSMAN. I am sure, Mrs. Cox, you will appreciate the fact that the Daily Statement of the U.S. Treasury of August 15, 1961,

indicates that the deposits to the Treasury to date in this fiscal year amount to $7,315,716,214.95. During the same period of the last fiscal year the deposits were $7,510,299,418.51, a drop in deposits of $194,583,203.56.

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LETTER FROM MR. WALTER F. GREENWOOD

Mr. NATCHER. Mr. Chairman, with your permission at this point in the record I would like to insert a letter that I received on July 28 of this year from Walter F. Greenwood, manager of the marketing section of the General Electric Co., in Owensboro, Ky. Mr. Greenwood is one of the outstanding citizens in Kentucky and makes certain observations, Mr. Chairman, which I know will be of interest to the members of this committee.

Mr. PASSMAN. Thank you, Mr. Natcher for making the letter available. We shall be pleased to insert the letter in the record at this point.

(The letter follows:)

GENERAL ELECTRIC CO.,
ELECTRONIC COMPONENTS DIVISION,
Owensboro, Ky., July 28, 1961.

Congressman WILLIAM H. NATCHER,
House of Representatives, Washington, D.C.

DEAR CONGRESSMAN NATCHER: As you know, President Kennedy has stated that we must assist the growth of free economies throughout the world, and do everything possible to maintain a vigorous domestic economy.

What action can we take to encourage growth abroad without laying waste to our own vital industrial resources?

You may recall that I wrote you a few days ago about this problem. At that time I pointed out the substantial danger of dealing a death blow to such vital industries as textiles and electronics, if we continue to allow cheap imports to flow in uncontrolled. These imports come mainly from countries whose labor costs and standards of living are far below ours—and whose productive capacity has been built with U.S. tax dollars.

In my previous letter I cited, as an example, the crippling effect of imports of entertainment receiving tubes (the type we make here in Owensboro):

1. Imports in 1957 amounted to only 2 percent of domestic consumption. In 1961 we anticipate inroads of 16 percent (55 million tubes) and next year imports will reach approximately 22 percent (80 million tubes). In addition, over 10 million tubes come into the United States already installed in imported table radios.

2. Because of labor costs only one-eighth of ours, the average import tube price is less than half of the price one must charge to break even.

3. The 80 million tube imports we anticipate next year will idle nearly 8,000 workers in the receiving tube industry.

In all industries in the United States, where this kind of foreign competition has arisen, it becomes necessary for domestic producers to cut back produc-

tion in response to the shrinking and unprofitable sales. Employees are laid off. Total wages fall. People have less money with which to make purchases. Sales of all products shrink. Our valuable know-how and capital facilities lie idle. U.S. capital flows abroad. U.S. revenues decline (as outlined in my previous letter, imported Japanese tubes produce only $0.03 in revenue compared to $0.15 on American-made tubes).

In short, the economy will soon be no longer sufficiently vigorous to support our program of foreign aid.

What can we do about it?

As I stated to you before, we support wholeheartedly the need for foreign aid and foreign trade. Frankly, however, I believe we have reached a point where we can no longer permit our foreign aid program to continue without instituting a system of control designed to maintain the vigorous economy on which the moneys for the aid are dependent.

Consequently I earnestly ask for your support by proposing an amendment to the foreign aid bill now under consideration. The amendment would incorporate the following safeguards to encourage the continuance of a vigorous domestic economy:

> Prior to the use of foreign aid moneys in any country, trade with the recipient country must be carefully examined to determine if exports from either country are injurious to the domestic economy of the importing country.
>
> The examination of imports into the United States, and determination as to whether a U.S. domestic industry is injured shall be the responsibility of the Secretary of Commerce.
>
> If it is determined that imports of one or more items are seriously injurious to the U.S. domestic economy, negotiations shall be conducted with the government of the country receiving the foreign aid to establish a fair and equitable quota.
>
> If the establishment of such a quota substantially reduces the market available for the exporting country, the United States should take immediate and positive action to assist the exporting country in finding additional markets for the products on which the quota is imposed.
>
> After a suitable trade agreement is reached with the country to receive the foreign aid, the Secretary of Commerce will grant approval of the foreign aid expenditure.

The intent of such an amendment would be positive. Its purpose could be to support wholeheartedly the foreign aid bill and, at the same time, support just as strongly the vigor of the U.S. economy which makes possible foreign aid.

If we do not take positive steps now to support our own economy, while assisting the free world, we will create industrial giants in the low-wage producing countries which will utterly destroy our standard of living and economy.

I'm sure you are aware that other countries are not so naive as to allow imports to threaten their domestic businesses. As you can see from the enclosed clipping, Japan is moving immediately to set a quota when threatened with a mere 5,000 color television sets.

Let's act now to assume leadership in channeling world trade in the best interest of all free nations, including the United States.

Please guide us in assuming this leadership by introducing an amendment to the foreign aid bill as outlined in this letter.

The time is short. May we hear from you on this vital issue immediately?

Sincerely yours,

WALTER F. GREENWOOD,
Manager, Marketing.

WITNESSES

WALTER HARNISCHFEGER, NATIONAL CHAIRMAN, CITIZENS FOREIGN AID COMMITTEE

BRIG. GEN. BONNER FELLERS, U.S. ARMY, RETIRED, VICE CHAIRMAN AND NATIONAL DIRECTOR, CITIZENS FOREIGN AID COMMITTEE

HON. HOWARD BUFFETT, OMAHA, NEBR., MEMBER OF THE CITIZENS FOREIGN AID COMMITTEE

Mr. PASSMAN. We are pleased to have before the committee Mr. Walter Harnischfeger of Milwaukee, Wis., national chairman of the Citizens Foreign Aid Committee, and also our friend, Gen. Bonner Fellers, and Mr. Howard Buffett of Omaha, accompanied by Dr. Elgin Groseclose and Mr. Reginald P. Mitchell.

I think we should say for the record that the Citizens Foreign Aid Committee's objectives often have been referred to as those of the "loyal opposition." Mr. Harnischfeger is one of our outstanding American industrialists. His services have been used by several Presidents, in a number of fields abroad, on special missions. Mr. Harnischfeger is recognized as having an authoritative understanding of the program and its effect on earnings from exports.

I think I should also indicate for the record the reason for the limitation on time. It is a question of the large number of witnesses and the amount of work that we have to do. I want the witnesses to understand that they are entitled to every courtesy and consideration, and where we place a limitation, it is a question of lack of time, and not a question of cutting you off.

Mr. Harnischfeger, we shall be pleased to hear from you at this time, sir.

Mr. HARNISCHFEGER. Thank you. I appreciate your kind remarks. I come here as a citizen who is interested in the welfare of his country. In my opinion this is one of the most far-reaching, most serious problems confronting the country. In the light of what you say, I will just read the high spots and give you this document. I have listed quite a few examples.

Mr. PASSMAN. Without objection, you may take the time to read your statement.

Mr. HARNISCHFEGER. Before I do that, I would like to have this presented for the record. It is a statement of Dr. Lewis E. Lloyd, an economist for the Dow Chemical Co. of Midland, Mich. He was invited to represent our committee but wasn't able to make it because he was up in the northern woods.

Mr. PASSMAN. Without objection, it will be inserted in the record.

(Dr. Lewis E. Lloyd's prepared paper follows:)

STATEMENT OF DR. LEWIS E. LLOYD, ECONOMIST, THE DOW CHEMICAL CO., MIDLAND, MICH., APPEARING AT THE INVITATION OF THE CITIZENS FOREIGN AID COMMITTEE BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON FOREIGN OPERATIONS

Mr. Chairman and members of the committee, for the privilege of appearing before you, I am most appreciative. My name is Lewis E. Lloyd. I am an economist with the Dow Chemical Co., of Midland, Mich. Today I appear before you at the invitation of the Citizens Foreign Aid Committee.

Although there has been little upward pressure on prices in recent months, the inflation problem has not vanished. In fact, the inflation problem is deep-rooted and has many manifestations. The one which has received wide attention is the wage-price spiral, but the present imbalance in our international accounts is even more serious and to this we must add our loss of competitive position in foreign trade, and the double burden of our foreign aid. In fact, because of this array of problems our position of world leadership is at stake.

Inflation

The term "inflation" means different things to different people. The popular conception is to use the term inflation as synonymous with price increases. This is misnomer which confuses cause and effect. In reality, price increases do not cause inflation but rather the other way around. Let us see if we can more clearly understand the "truth and the consequence" of inflation.

Students of money-credit theory define inflation in a precise manner. In this way semantic difficulties can be avoided. Inflation is the addition to the purchase media in use, more money than the increase in goods coming to the marketplace. In the absence of inflation or deflation, all the goods which come to the marketplace are just balanced by the payments which are generated in producing the goods. The wages and salaries, the taxes, interest, rent, dividends, and profits just equal the value of the goods and services as sold. If the banking system either of its own account or through deficit Federal budgets, creates additional purchase media above and beyond this, the addition is inflation.

Chart 1 shows the different types of purchase media in use in this country. The upper two spaces, representing U.S. debt monetized and private noncommercial debt monetized, represent inflationary additions to the purchase media stream. The gold and the private commercial debt represents the noninflationary part of our present stock of purchase media. By comparing the amount of inflationary money in use with the amount of noninflationary, E. C. Harwood, of the American Institute for Economic Research, has prepared an inflation index. Chart 2 shows the historical record of monetary inflation in the United States since 1914.

Since 1940 some $90 billion of inflationary, fiat, worthless paper money has been put into circulation. Most of this was during World War II, a little more during Korea and some $12 billion in 1958–59. This inflationary money has been extra fuel which has superheated the economic boilers and given us the high-pressure economic activity of the past two decades.

Inflation always brings maladjustments in an economy and certain undesirable consequences. Let me mention just a few of these consequences and then turn our attention to the serious problem of the impending gold crisis. One of the consequences has been a doubling of the price level in this country.

The economists have a basic equation:

$$MV=PT$$

where:

M is the amount of money.

V is the velocity or rate of use of money.

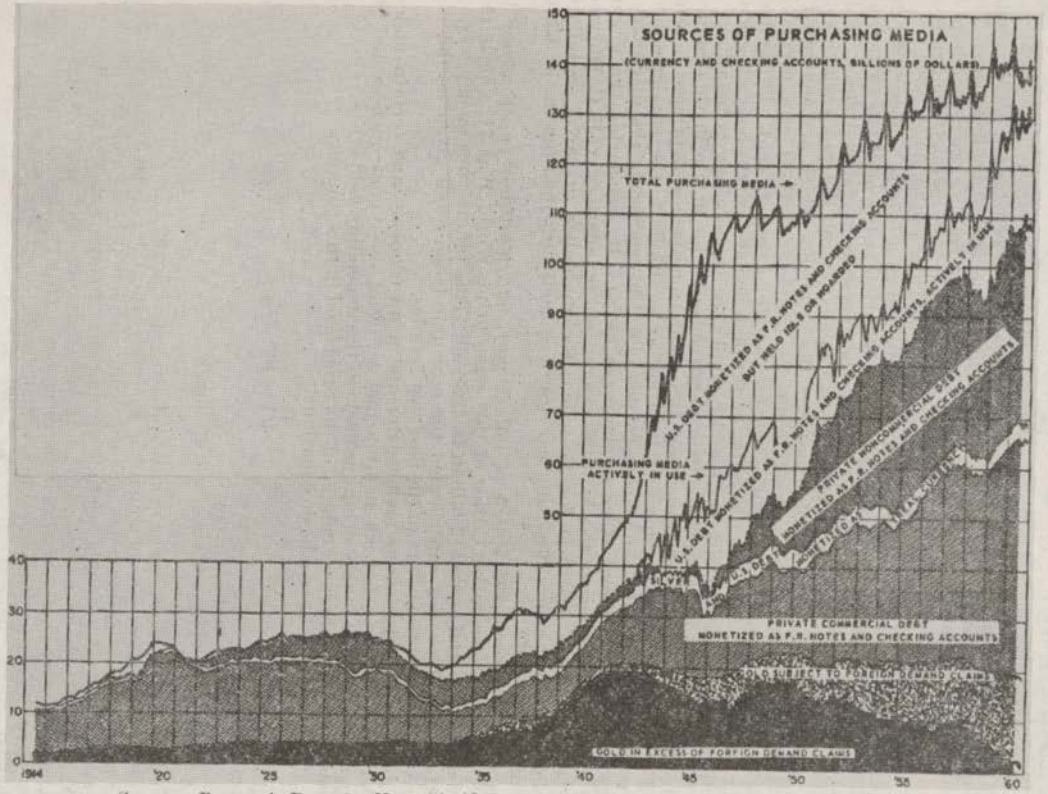
P is the price level.

T is the transactions or quantity of goods exchanged.

The inflationary money which has been introduced has been a little more than equal to the real dollars; and so since M has doubled it is obvious that ultimately prices would also double, and so we find that today's prices are a little more than twice prewar prices just as the amount of inflationary money a little more than exceeds the noninflationary money. This follows because inflationary purchase media—which of course cannot be distinguished from noninflationary money—enters the marketplace and bids for goods; prices are bid up by the excess of money over goods.

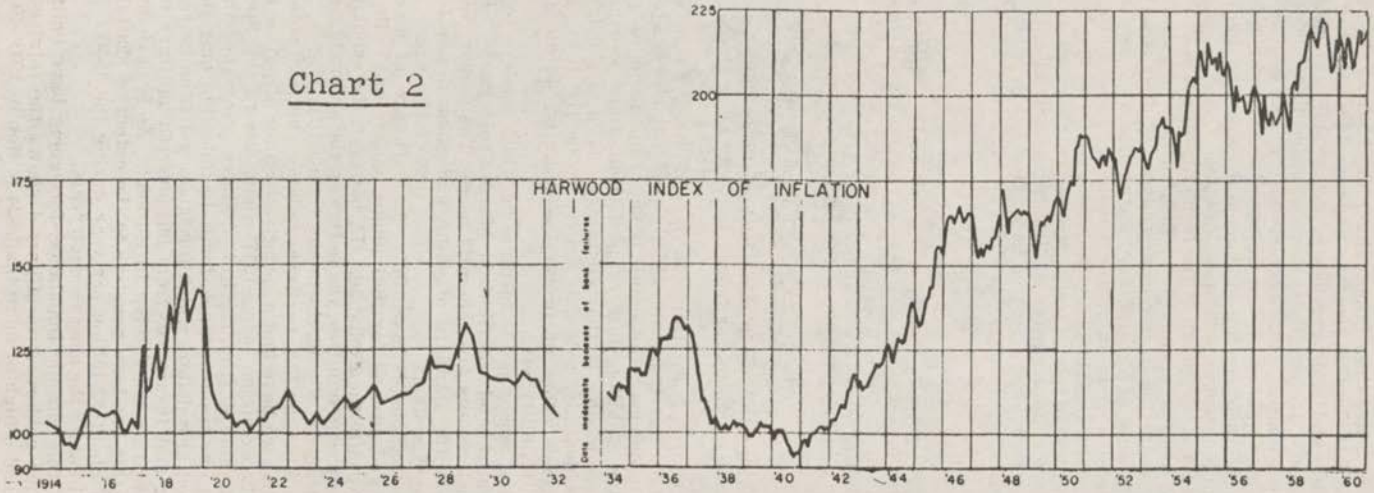
Actually, when the inflationary money was put into circulation during World War II, the first thing that happened was that the velocity in the use of money dropped very low. There were few desirable consumer goods available and it was patriotic to buy bonds and save. Since the war as consumer goods became more available, gradually this inflationary money has come into use and the velocity of money used has increased progressively at almost a straight line rate of increase. The velocity is now back to the level which it has historically reached at the end of major inflationary cycles.

CHART 1



Source: Research Reports, Nov. 14, 1960, American Institute for Economic Research.

Chart 2



Source: Research Reports, Nov. 28, 1960, American Institute for Economic Research.

As the velocity began to increase, prices rose; and the price of labor increased in line with, in fact faster than, other prices. In this way the inflationary money which was poured into the U.S. economy underwrote a doubling of labor prices—cost of production—and selling prices of goods and services. So long as we look only at domestic transactions, there appears to be no difficulty. Prices have doubled approximately, but wages have more than doubled so we all merely handle twice as many dollars. When we examine our commercial relations with other nations, we begin to see the fundamental danger in inflation. Even internally not everyone comes out even during inflation.

Another important consequence of the monetary inflation is that those individuals who own life insurance, annuities, pension rights, etc., have lost about $200 billion due to the reduction in purchasing power of their equity in these funds. This constitutes a kind of involuntary tax against retirees, widows, and children and those least able to share the burden. This involuntary contribution by people with fixed incomes has been the major source of the funds for the super good times we have had in recent years. There are other consequences and maladjustments which we could mention but let us turn our attention directly to the balance-of-payments problem and the impending gold crisis. This is the consequence which will most clearly focus at the governmental level.

Gold crisis

To fully understand the nature and the implications of our imbalance on foreign accounts, we need to remind ourselves of the basic economics of trade and the part which money plays. Money serves two functions—as a medium of exchange and as a standard. In a primitive society goods can be exchanged for goods by barter, but as soon as division-of-labor is introduced money must serve as an intermediary in bringing about the exchange of goods. Shown schematically:

GOODS ⇆ MONEY ⇆ GOODS

The important thing to keep in mind is that the exchange process is not completed with exchanging goods for money but only after the second exchange of money for goods.

In the history of man many things have been used for money. In fact, in our society various credit instruments, chiefly personal checks, take care of most of our exchange problems. But credit is based upon confidence and since man has not reached a god-like state of perfection, some guarantee is required, and the money commodity is that guarantee. Gold is the hostage that keeps men honest. Incidentally, gold has proven to be the best money commodity because of its combination of properties—scarcity, durability, high density, recognizability, divisibility, etc.

Thus we see that money is the medium by which modern society handles the problem of exchange and distribution of economic goods. For this purpose various credit instruments are generally used. The money commodity, gold, is used essentially as the standard of value, and especially so between countries with different money systems.

Trade between nations is essentially the exchange of goods, and to some extent services; and just as for individuals, money or credit instruments are widely used to expedite the exchange. If, however, the exchange of goods does not balance as between countries, the only way the accounts can be settled ultimately is by the transfer of gold, the money commodity.

Let us now examine the U.S. exchange balance and take note of our situation. Chart 3 shows that we have had a negative balance of payments for more than 10 years, the only exception being 1957 when, due to the Suez crisis, Europe purchased considerable oil from the United States. Now the balance of payments shows more than our trade balance, for it includes not only the net of imports versus exports, but also dollars which foreigners get from tourism, from services such as shipping and insurance, from our oversea military expenditures, our foreign aid and private net foreign investment. As is obvious from the chart, the net on all of this has been negative to the extent of $23 billion in 11 years, or an average of about $2 billion per year during the 1950's, and will average more than $3.5 billion for the most recent 3 years.

As a result of this chronic imbalance, foreigners have built up large dollar credits against our gold reserve. Chart 4 shows the total gold stock in this country. It reached a high of more than $24 billion in 1948–49. On balance for

the past 11 years we have lost gold and now have about $17 billion. The lower curve in chart 4 shows the increasing foreign claims against the gold stock which we have.

CHART 3

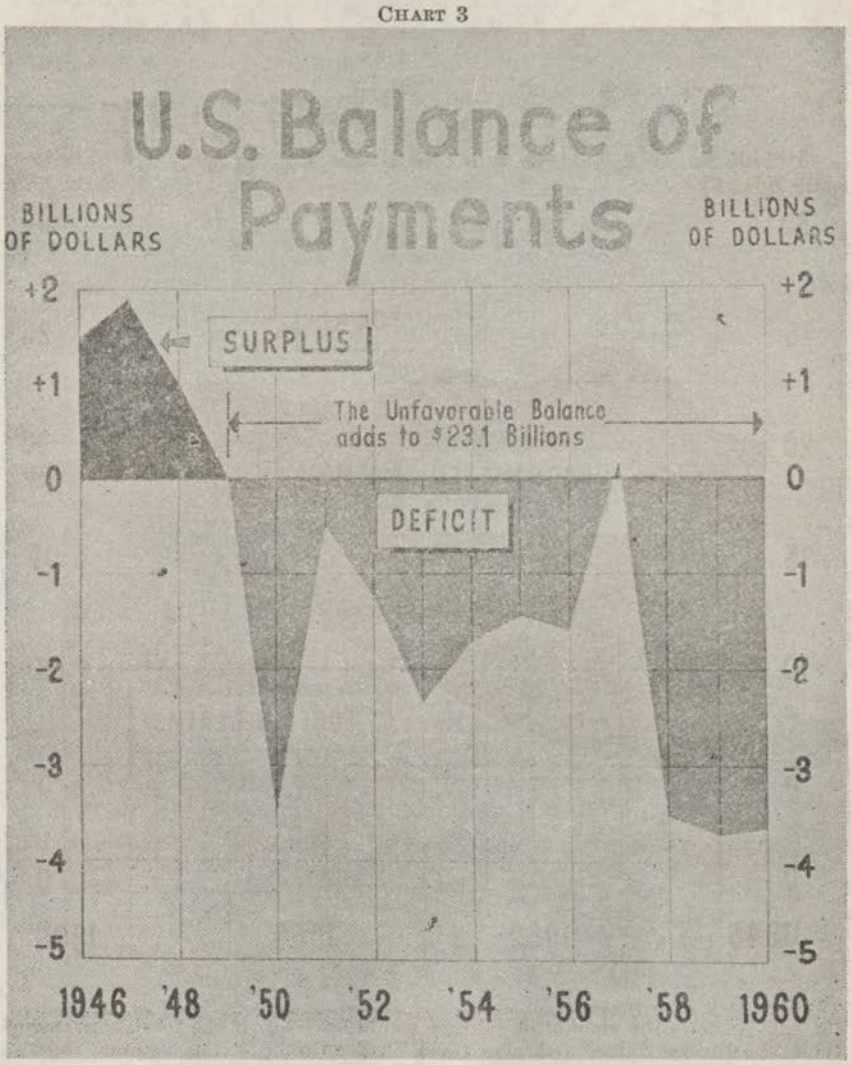
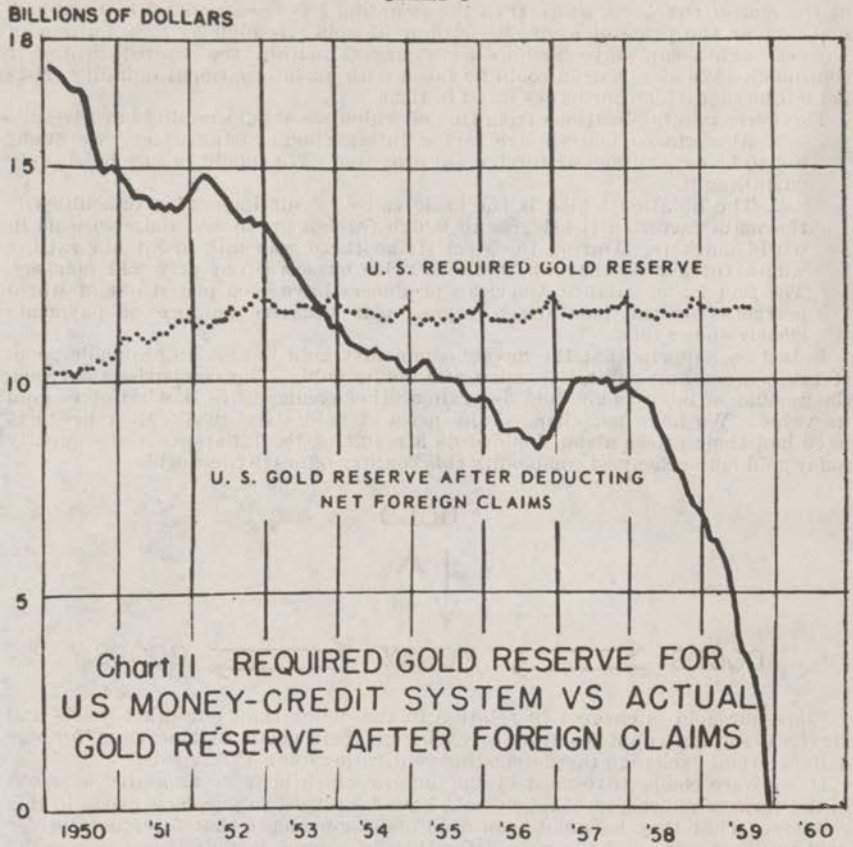


CHART 4

Chart 5 shows the amount of gold we would have left if the foreigners cashed their short-term claims and also the gold required for the Federal Reserve System. As for now we have about $17 billion in gold and foreigners hold claims against it of more than $22 billion. These short-term claims are like uncashed checks which can be taken to the bank at any time to be redeemed. Actually there are estimated to be at least $2 or $3 billion more in the hands of private citizens overseas. These U.S. bills can be taken to foreign central banks and also become a drain against our gold reserve; so that if foreigners were now to start a run, as it were, on our gold reserve, they could more than wipe it out.

CHART 5



Source: Economic News, November 1959. American Institute for Economic Research.

In the face of this situation we have a legal requirement that we must maintain certain gold reserves to back up our central banking system and the credit outstanding. At current levels of credit we require approximately $12.5 billion of gold as a legal reserve for our banking system.

In the past, foreigners have been satisfied to accumulate dollar credits because this was the equivalent of gold. In fact, we are legally committed to pay gold on demand to foreign central banks. Accordingly, foreign nations could use their dollar credit account to bolster their own currency as though it were gold reserve and to trade with neighboring nations and settle their accounts in lieu of the money commodity gold itself. So long as the U.S. dollar showed every evidence of being in fact as good as gold, this condition continues. In fact, foreign banks have a positive incentive for not converting these dollar credits to gold. These dollar credits are held in the form of U.S. Treasury notes and bills, which currently pay pretty good interest. The gold not only pays no interest but constitutes a small cost—storing charges.

During the slump in 1958 when, first of all, our interest rates dropped and secondly, foreigners became concerned about our return to an inflationary fiscal policy, they withdrew $2.5 billion and during the first half of 1959 withdrew another $1.7 billion in gold. After that and until the middle of 1960 the withdrawals practically ceased. As soon as it became clear that our economy was weak and that Mr. Kennedy, who is believed to be inclined toward an inflationary program, would probably be elected, we faced a run on the U.S. gold reserve by the foreign holders of dollar credits. The accelerated outflow of gold came

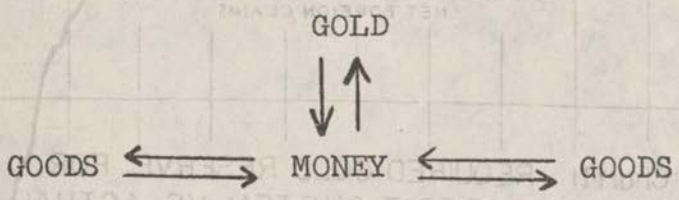
to world attention when the London gold market broke and went to $41 per ounce at the end of October. Since then the premium has been reduced to near normal, but at the price of a sizable outflow of gold—as high as $280 million in 1 week. This can have serious consequences within the United States if continued. We as a Nation could be faced with an international liquidity crisis not unlike that which our banks faced in 1929.

There are two implications from this of which we should remind ourselves:

1. At a time when we are facing international "bankruptcy" we ought not to be expanding our foreign aid program. We should in fact be sharply curtailing it.

2. The inflation which is the basic cause of our impending difficulties is the main factor in the degree to which foreign producers underprice us in world markets. During the steel strike there was talk about not raising wages further so that we wouldn't price ourselves out of world markets. The fact is, on balance American producers have been priced out of world markets for the past dozen years. Our negative balance of payments clearly shows this.

It just so happens that the money commodity gold is also an economic good. It takes labor and capital to mine and refine gold. The comparison between the amount of labor to get gold as against other commodities is what gives gold its value. We have not changed the price of gold since 1934. Most products have had their prices about doubled as a result of the inflation. Consequently today gold is the cheapest commodity this country offers to the world.



Since our gold is cheaper in relation to the dollar than our other goods and services, foreign countries tend to exchange their goods and services for our dollars; then exchange the dollars for gold rather than U.S. goods.

If we were competitive most of the dollars which have accumulated overseas in the form of short-term claims would have been used to purchase goods in this country. That they have not been used is clear evidence that foreigners prefer gold to our goods; and the reason for this, of course, is that they can use the gold or the equivalent dollars to purchase goods more cheaply somewhere else. In the past 3 years an average of more than $3.5 billion went overseas which did not come back to purchase U.S. goods. If these dollars had been spent in the U.S. market for goods manufactured here, they would have supported more than a million additional jobs. Right now we could use those additional jobs, and then some. We can't afford to lose still more to foreign sweatshop labor.

The noncompetitiveness of U.S. manufacturers in world markets is in large measure a consequence of the inflation, which cheapened the dollar here at home and encouraged rapid wage rate increases in excess of productivity gains. When maladjustments such as these develop, the more rapid the correction, the more severe the short term dislocations. We need to recognize and correct the basic original cause—the inflation—i.e., we should create no additional monetary inflation; and then only gradually adjust to a stable relationship between our dollar and other moneys.

The clear implication from this is that we should not be at this time looking to further tariff reduction, but to some means of safeguarding American jobs over a period of several years by in some cases higher tariffs and in other cases quotas, until we have devalued the dollar or foreign wage rates have increased, or by a combination of these and other forces we become competitive again in world markets. Continued extensive foreign aid, especially if accompanied by further tariff reduction at this time will force too rapid an adjustment with serious consequences of unemployment and economic dislocation in this country.

Mr. HARNISCHFEGER. Mr. Chairman and members of the committee, I thank you for this privilege of appearing before you to state my views on foreign aid. My name is Walter Harnischfeger. I am chair-

man of the board of the Harnischfeger Corp. of Milwaukee. I appear before you as a citizen concerned for the general welfare and the security of the United States. I speak also as national chairman of the Citizens Foreign Aid Committee.

Over the past 3 years the Citizens Foreign Aid Committee has presented a large amount of authoritative data on the foreign aid program. By the close of this session of the Congress various members of our committee will have appeared 35 times before congressional committees in opposition to our extravagant economic aid and our wasteful global military assistance. In all, this program has cost over $90 billion, all of which has contributed to the increase in the public debt.

Mr. PASSMAN. The total cost of foreign aid including the interest has exceeded $106 billion.

You may proceed.

Mr. HARNISCHFEGER. Interest on the aid portion of our debt runs to more than $3 billion annually. Interest, together with foreign aid appropriations requested this year total $8 billion. The foreign aid burden represents close to 10 percent of the Federal budget, a figure more meaningful than the ratios to the GNP that the administration is fond of using. If foreign aid were stopped, we could rebate all income taxes paid by taxpayers of incomes less than $5,000 per year.

The Citizens Foreign Aid Committee consists of 46 dedicated members representing a cross section of America. They are men and women of worldwide experience in foreign affairs, in business and industry, in government, in education and in the legal and military professions.

FOREIGN AID AND BUSINESS

Those of us in business have had to sweat out the agony of developing and marketing new products, plowing back earnings, building organizations, meeting payrolls and conquering serious pitfalls. We have learned the hard way that there is a great difference between theory and practice.

We find that the fundamentals of maintaining a successful and solvent business are the same as those which are required to run our Nation. And these sound practices are even more essential in foreign aid undertakings. Furthermore, to develop programs that can meet the problem of 97 separate countries is neither possible nor practical. Such an undertaking can lead only to breakdown at home and failure abroad. It is inconceivable that we can continue the present proposed aid program for underdeveloped areas without bankrupting ourselves. It requires political stability, education, moral fiber, venture capital and years of experience in the art of representative government for an underdeveloped country to emerge as a modern state.

The tossing of billions around the world already has impaired the value of the dollar. As was pointed out on the floor of the Senate, Latin Americans are now transferring their capital to Europe instead of New York. It is the responsibility of you in the Congress to protect our country from disaster.

On the domestic front foreign aid has reduced our exports; increased unemployment; limited ability to modernize our plants; brought about distressed areas, Government subsidies, and tax in-

creases; forced our industrialists to expand abroad; and dumped low-cost foreign products on our markets.

Our European friends have not been so foolish. They are not giving away their shirts. I quote from a recent newspaper clipping which appeared in a metropolitan paper:

BRITAIN'S GOLD STORE SUFFERS RECORD DROP

The Conservative government has taken steps to steepen taxes and interest rates and plans cuts in foreign spending to curb inflation and buck up the pound sterling.

The time is long past due that we also take similar steps. Our aid actually is establishing domestic and international socialism. Surely this is not the aim of a free enterprise society.

THE FOREIGN AID RECORD

Foreign aid is now 14 years old. Sufficient time has passed to examine its record in the light of the theories and concepts on which it is based and the sums that have been invested in the program.

The theory is stated in Senate Document No. 52, 85th Congress:

An effectively designed program of aid for economic development is the best instrument available to the United States for encouraging the growth of politically mature, democratic societies.

In the light of this theory let us examine the operation of the aid program in several key countries:

KOREA

Into Korea at the close of 1960 we had poured more than $4 billion. Korean troops have mutinied. Three governments have been overthrown. A military dictatorship is in the saddle. Inflation is rampant. More American dollars are being requested.

VIETNAM

In 1956 Mr. Clement B. Johnson, past president, U.S. Chamber of Commerce, reported to the Senate Foreign Relations Committee:

The greatest disservice that we can do to these new countries is to fail promptly and sharply to disabuse them of their current apparent assumption that there are no limits to American generosity and that any and all budgetary deficits will be supplied promptly and cheerfully by the American taxpayers * * *.

The United States must assume her share of the blame for the fact that the people of Vietnam are now living by false standards and under a phony inflated currency.

We have poured $1.74 billion into South Vietnam. Today, threatened by a Red guerrilla movement, President Dien is calling for an increase in the $150 million we annually donate.

LAOS

Before the fall of Dienbienphu we had poured $821 million into French Indochina. We have since poured into Cambodia $250 million; into Laos $300 million.

As early as 1954 the Joint Chiefs of Staff had recommended against the creation of a Lao Army. Nevertheless, the Department of State proceeded to create and completely finance an army of 25,000. It was hoped that the Lao Army would act as a buffer against Red Chinese penetration into southeast Asia. Today the Lao Army is split into hostile factions, some United States and some Communist supported.

Our best hope is that Laos will be neutral.

IRAN

In 1957, the U.S. House of Representatives Committee on Government Operations found as follows:

> U.S. aid and technical assistance programs in Iran which, between 1952 and 1956 totaled a quarter billion dollars, were administered in a loose, slipshod, and unbusinesslike manner.

Into Iran we have poured $966 million up to March 31 last. In addition, her oil income is fabulous. Yet today Iran is on the verge of bankruptcy. In recent weeks we have had to rush in over $40 million of emergency aid. The people are restive. The Government is shaky. Communists threaten a takeover.

TURKEY

Turkey has received $2.863 billion in aid. Today the officials of the Government which we kept in power for 10 years by our aid are in jail for corruption in office. The head of the Government, Adnan Menderes, is under condemnation of death. Nearly a hundred other officials are under sentence or awaiting trial.

As early as 1956, former Ambassador Norman Armour reported to the Senate Foreign Relations Committee:

> Turkey is now in a very difficult economic situation. The country suffers from a sizable disparity between internal and external prices. It lacks foreign exchange; it has a combined internal and external debt valued at $2 billion and is seeing its credit with other nations shrink. Basically, Turkey is suffering today from too much economic development too fast with too little.

MOROCCO

On a crash program we built four airbases in Morocco. They cost more than a billion dollars. We now are under pressure by the Moroccans to evacuate these bases. They are being made available to Russian MIG fighters and technicians. Morocco has received $168 million in direct aid plus the economic benefits of military personnel expenditures.

CUBA

Cuba obtained freedom from Spain in 1902 through U.S. intervention. Since then American businessmen have invested $850 million in Cuba. This private capital brought with it know-how and managment and produced new capital. While our direct foreign aid to Cuba was only $54 million, through our sugar subsidy Cuba has received a bonus of some $140 million annually. Despite this extensive U.S. aid, Cuba has gone Communist and expropirated all American property.

Mr. PASSMAN. If the gentleman would yield at that point, the amount of aid, in various forms, going to Cuba in the past 14 years has totaled $2,355 million. We have checked the record on this and I am sure you would like to have your statement corrected.

Mr. HARNISCHFEGER. Thank you.

BRAZIL

Our aid to Brazil began in 1942. The total to the end of March 1961 is $868 mililon. During the period 1954–58 international agencies contributed $56.9 million. In addition, U.S. private capital investments from 1950 to 1958 rose from $644 million to $1.345 billion. Brazil has long been regarded as our best friend in Latin America.

Today Brazil is in another of its chronic financial crises. We have pledged an additional $270 million. Despite all this aid, Brazil is assuming a definitely neutralist posture.

I might say I was in Brazil less than 3 weeks ago and I saw Brasilia. It is fantastic. They spent $1 billion in Brasilia. They flew in practically all of the building material. The highway and the railroad were only finished within the last few months. Of course, I am not unmindful that any government should have a right to spend its money where it wants but when we are substantially financing a country, in my opinion we certainly should put some strings on it as to how it is used.

There is another very important matter that came to my attention.

The Brazilian cruzeiro is supported by the coffee crop. Surely we are pouring millions into Africa in order to build up coffee capacity. The result is we are breaking the Brazilian coffee market which again shows that this planned economy from one area to another brings about so may dislocations that what helps one country hurts another. That is all at our expense.

BOLIVIA

The United States has been supporting the Bolivian Government since 1943. Aid to date totals $198 million. In April 1952, a violent revolution occurred which resulted in chaotic conditions and severe economic deterioration. Today the Bolivian Government is communistic but we are still supporting it.

Of Bolivia, Time magazine reports (April 14, 1961):

> No Latin American nation has received more U.S. aid than Bolivia, and few have less to show for it. Since 1952, the United States has pumped $169,600,000 into Bolivia either in technical assistance or outright grants. Yet Bolivia's economy is still near bankruptcy, and its 3,500,000 ill-housed, ill-fed people are never far from revolt * * *

Now there is a situation. In my opinion—how our Government can finance a communistic government is beyond my conception. I attended the Inter-American Development Bank meeting, and under the provisions of the Bank, these people are members. We are really financing the Commies when we are financing Bolivia.

PERU

In view of a prospective new aid program for Latin America, in June 1960 an investigation of the aid program in Peru was instituted. Peru was selected because, "in the opinion of responsible aid officials"

Peru represented the "best example of ICA and State Department performance in the foreign aid field."

Peru has received $258 million in aid. Peru is one of the few countries in Latin America that has a balanced budget. In Peru are many valuable resources such as copper, iron ore, and oil. The principal crops are sugar, cotton, and coffee. Peru's ruling class is well educated and capable.

The investigation was handicapped by opposition from President Eisenhower, who on October 11, 1960, formally denied all requested information.

Finally, the Committee on Government Operations gained access to records. In part it found:

Audits were limited; $14 million relief funds were distributed with little or no record; only 5.7 percent of relief food was given to needy. The remainder was sold for a profit of $3.6 million.

SUMMARY—LATIN AMERICAN AID

At the recent Punta del Este Conference Secretary Dillon announced a $20 billion 10-year aid plan for Latin America. The plan was contingent upon agrarian and tax reform. In reality it amounted to a call for a social revolution. The commitment of $20 billion was wholly without authorization by the Congress.

We are in agreement that the masses of the world and particularly in Latin America have often been exploited. Dictators have stolen billions and invested them abroad.

Nevertheless, the fact remains that there are stable countries in Latin America. And in building a modern state political stability is the most important ingredient. Measures which foment revolution against existing stable governments drive out venture capital and bring in chaos. The sanctity of contract is the keystone of free society. When governments expropriate private property communism is in the saddle.

There is a threat to Latin America which, to avoid chaos, our Government must immediately resolve.

Today Cuba is the training center for Communist Latin teams which are infiltrating all of Latin America. This action, if permitted to continue, will undercut the billions in aid which Mr. Dillon has foolishly promised. Our aid as now administered creates waste and corruption and socializes the recipient governments. Thus it works hand in hand with Castro's infiltration from Cuba.

Sound, carefully developed loans for economically productive projects may be beneficial, but no one can honestly assert that 50-year "loans" with "little or no interest" are really loans—they are ill-disguised giveaway and to call them loans is an insult to the intelligence of the American electorate.

FOREIGN REACTION TO OUR GLOBAL AID PROGRAM

The third All-Africa Peoples Conference at Cairo which ended March 31, 1961, adopted resolutions excoriating foreign aid. The New York Times report of April 1, 1961, states:

The Conference denounced as neocolonialism the economic infiltration of newly independent states by foreign powers through "capital investments, loans, and monetary aid or technical experts under unequal concessions." The Con-

ference denounced President Kennedy's plans for a Peace Corps as a "so-called volunteer corps for peace set up by the American Government to reconquer and economically dominate Africa."

From an Iranian leader:

If you remember my old letters, I have clearly mentioned over and over again the same thing that the only effective way to get out of this deadlock is that your Government should stop any further direct financial aids which is like curing a dying man with a poison. We need a healthier policy to enable us to stand on our feet independently. To the contrary, the present policy is filling the pockets of very few and leaving the majority to more poverty and consequently pave the way for the spread of communism. * * *

THEORY ON FOREIGN AID FAILS

Let us be straight about it; the theory of foreign aid is that the world can be saved from communism by dollars. Whether the dollars go into arms and munitions, into high dams and steel mills, or into wheat to feed the hungry, the conviction is that aid will retard communism and enhance U.S. security.

In this study are cited one illustration after another in which the theory of foreign aid has failed to achieve its announced objectives. These illustrations show that our aid has failed to stem socialistic, even communistic trends; it has failed to establish sound economies; it has turned much of the world against us and thereby failed to contribute to our security.

Is it not time we reexamined the entire giveaway program? Why should it continue?

IMPACT OF FOREIGN AID ON THE U.S. ECONOMY

There is an even more compelling reason for discontinuing the present foreign-aid program. We cannot afford it. We are broke and operating on borrowed capital. Hundreds of American factories have been put out of business and millions of Americans have lost their jobs because of foreign competition. And this competition, to a marked degree, was made possible by our foreign aid.

Moreover, the gold crisis is not over. It presents a serious threat to our internal and international economy. It can be brought under control only if our allies carry their share of the military burden and if our giveaway program is drastically reduced.

The recent program to expand our military garrisons abroad aggravates rather than strengthens our military and economic position.

FOREIGN OPINION OF THE U.S. ECONOMY

London's Samuel Montagu and Co., leading bullion dealers, state:

The most important issue today is the restoration of international confidence in the dollar.

Jacques Rueff, noted French economist, states:

A grave peril hangs over the economy of the West. Every day its situation more and more resembles the one that turned the 1929 recession into the great depression. The instability of our monetary system is such that a minor international incident or a small economic or financial disturbance could set off worldwide disaster.

The Senate Committee on Rules and Administration states:

The real significance of the drain on our gold supply is that it is a symptom of a basic and potentially disastrous weakness in our economy. This weakness is the deteriorating position of the United States as a supplier of industrial products in world markets.

INFLATION

Do not be deceived by the stock market boom. It is simply a sign of a search for protective equities to hedge against the declining value of the dollar. Economically, we are in trouble. Our debt is nearly $300 billion. We had a deficit of $3.9 billion in fiscal 1961 and face a deficit in 1962 of $6 to $10 billion. We must stop this reckless Government spending and restore order to our economy.

Inflation can only be avoided by reducing Government handouts; excessive Government spending if continued at present rate will result in a 5-cent dollar within a decade. It will wipe out savings, pension funds, private endowment of hospitals, privately endowed institutions, and colleges. It will bring about social chaos. Most important, giveaway programs undermine private enterprise working through incentives, competition, and the pressure of the marketplace. It is the best and only system that improves the lot of mankind without a dictator. Our country has been built up on this philosophy. A vote endorsing this loose giving is voting to destroy our way of life.

As long as we do deficit financing and have an adverse balance of trade, the crisis is not over. We must eliminate the present proposed giveaway programs in order to restore a sound currency and maintain world stability.

FOREIGN AID AND DEFENSE

Foreign aid robs our own defense effort. We cannot survive without control of the sky. Yet while U.S. foreign spending totals some $10 billion annually (including $3.2 billion spent by our oversea troops and aid under Public Law 480) we are canceling new bomber programs and we are neglecting to make adequate defense preparations here at home. The serious international crisis demands that we conserve resources and use our means to maintain our own military and economic strength.

CONCLUSIONS

Our country is overextended abroad, militarily and politically. I believe we all recognize the desirability of building up underdeveloped countries. However, there are certain fundamentals that cannot be overlooked; namely, there must be political stability.

Furthermore, it takes years to educate people living in the bush and to teach them our philosophy of life. Personally, I question whether this is desirable even if it were practical.

We must keep in mind that we are today in a race for survival. Instead of madly dumping our hard-earned billions to the four corners of the earth, we should be thinking of how to strengthen our own economies and military power against the increasing competition and threats we shall face from abroad.

Much of our foreign aid has gone to people who in war would either be neutral or fight against us. We may well wonder whether,

when the chips are down, we will have any more support from our allies than we had in the Korean war.

Foreign aid is transferring the destiny of our country from ourselves to foreign hands. Foreign-aid planners are actually liquidating our country as fast as they can. They propose that as a continuing proposition we give away annually 1 percent of all we produce. I am glad to note that our European friends have turned a cold shoulder to such false conceptions of how to build a strong free world. This 1 percent actually represents the annual seed money we must reserve if we are to keep our own economy going.

However, in handling such foreign aid funds as are appropriated, the Congress should insist that they be entrusted to the Export-Import Bank. This Bank has a splendid record of administrating huge funds on a businesslike and self-liquidating basis.

In summarizing the plea on behalf of the Citizens Foreign Aid Committee for a drastic reduction in foreign giveaway, I wish to repeat that the United States is the last haven of Western civilization.

If we go down, the rest of the free world goes down with us and our children will no longer be able to exercise the rights of freemen. They will face the possibility of living in concentration camps. And there is no nation willing or able to liberate them as we have liberated many European peoples. We hope the Congress will recognize its responsibilities and drastically reduce the total foreign aid appropriation.

Mr. PASSMAN. Thank you very much. There is much food for thought in your statement. I, myself, shall study it in detail.

Mr. HARNISCHFEGER. Thank you. I can only add that in my life I have seen practically every country in the world except the inside of China. Also, by virtue of the business I am in, I have seen a great many of the people and construction jobs throughout the world. Unless these jobs are carefully controlled, and the only way they can be controlled is by private enterprise, every effort should be made to get American business to assume greater responsibility. I again say, before you take soft loans exhaust the hard loans. If we want to be so liberal let us give Export-Import Bank an additional amount because at least we will not be undermining the free enterprise system.

Mr. PASSMAN. Thank you.

STATEMENT OF GENERAL FELLERS

General Fellers, have you a statement to make for the record?

General FELLERS. Yes, sir.

Mr. Chairman and members of the committee, for the privilege of appearing before you, I am grateful. My name is Bonner Fellers. I speak from a background of 15 years oversea duty—12 in the Orient, 2 in the Middle East, 1 in the Southwest Pacific. During the years 1936–38, I was in the Philippines as the military liaison officer between General MacArthur and President Quezon. During 1940–42, I was the U.S. military observer with the British forces in the Libyan Desert campaigns. In the Pacific war 1943–46, I was military secretary to General of the Army Douglas MacArthur and chief of his joint planning division.

POLITICAL

For nearly a decade and a half our foreign policy has rested on foreign aid. Over these years, we have given away more than $85 billion. Based on the most recent assessed value of property this is the equivalent of giving our 41 largest cities to foreign governments.

Foreign aid began as an expedient to rehabilitate war-torn Europe. Assurance was given the American people that when European nations recovered control of their economy and created defense forces the aid would cease.

However, due to lack of imagination, initiative, and leadership, the Department of State has continued to lean on this aid expedient as its basis of foreign policy.

From the start such a policy was doomed. Foreign governments cannot resist accepting our aid. But to prove to their people and to the world that they have not been bought and are still independent, they frequently resist and even defy our policies.

But in a larger sense—and one much more sinister—the Department of State's real objective is being achieved. By taking from the "have" nations and giving to the "have not" peoples, the world is moving rapidly into international socialism. This, followed by some form of world government in which our sovereignty is yielded, has long been favored by the Department of State.

What the American people must keep in mind is that world government with an international police force means a disarmed United States. And a disarmed United States means the end of liberty everywhere.

The American people must find a way to wean our diplomats from their dependence on the Public Treasury. We must find this way because the Public Treasury is empty.

The time has come for us, having long ago financed free world recovery, again to look after our own welfare, to make certain of our sovereignty and of our survival as a free people.

Only with a sound economy, superior military might, and through spiritual strength can we survive. And without these attributes we cannot lead the free world.

MILITARY

To save money and to ease tensions with the Kremlin, the President canceled development and production of two new heavy bombers. Meanwhile, he is increasing the Army in the hope that, if war is forced upon us, it can be limited to conventional, nonnuclear combat.

This proposed manpower mobilization for a showdown with Khrushchev will fail to impress him. He may bluster but he will not be alarmed. Khrushchev has 175 regular army divisions, three-fourths of which are in European Russia; some 22 of these are in East Germany. In addition, he has 300 reserve divisions, well trained, with modern equipment. Red air support will outnumber NATO air support some 5 to 1.

The inability of NATO to control the air over Europe cannot be quickly remedied. The U.S. military aircraft industry is all but closed. Likewise, European NATO powers are building only a few aircraft. Our Martin Co., the Fairchild plants, and several other companies no longer build airplanes. Only a few bombers are on

order and the production of fighter aircraft is less than the rate of loss through wear and tear and accident.

The President could have made a decision which would have alarmed Mr. Khrushchev. He could have announced our resumption of development and production of the B–70 and a nuclear-powered bomber, an increase in production of the B–52, and a material strengthening of our continental defenses. Since the Kremlin is responsible only to force, the success of the Kennedy administration in dealing with the Kremlin will be measured directly in terms of our nuclear striking power.

The West German NATO ground force strength today is 20 divisions. Of these only the five American divisions are combat-ready.

News items report that the NATO goal is 30 full-strength divisions. Secretary Rusk has promised to send six additional American divisions if the situation requires them.

A NATO division is larger than a Russian division. As a consequence Pentagon planners assume that 30 NATO divisions could successfully meet an attack by 50 Russian divisions. An additional assumption is then brought into play. Our planners hold that because of supply difficulties, the Russians could support only 50 of their divisions in combat in the Berlin area. This assumption on the Red supply problem is possibly a world record in wishful thinking.

To bolster this Pentagon dream, Defense Secretary McNamara has assured the Congress that the Russians aren't "12½ feet tall" and that in the event of war the Red can't overrun Western Europe.

This incomprehensible optimism completely ignores history. Here, briefly, are the facts taken from German reports:

By autumn of 1942 the Nazi army of 220 divisions had reached the Leningrad-Moscow-Stalingrad line. Hitler held deep in Soviet territory until June 1944. Yet he could not win a decision. Faced with an Allied invasion on the western front, he was compelled to pull back his forces.

The Red army followup was deadly.

After having suffered 10 million casualties, the Reds were still able to commit 502 divisions to their followup. These divisions were not luxuriously equipped like ours, but they were tough and experienced in combat. The Red army advanced over scorched territory. If it had supply difficulties—which our planners now predict with confidence—the retreating Nazi army was unaware of them.

In June 1944, north of the Pripet Marshes, the Nazi army group center was struck by 150 Red infantry and 75 armored divisions. The Nazis suffered a total loss of 25 divisions. Three hundred thousand German youths were slaughtered.

At the same time, south of the Carpathians, Red forces of 101 rifle and 63 tank formations totally destroyed 16 Nazi divisions.

East of the Gulf of Riga the German army group north was struck by 120 Red infantry and 43 tank divisions. The German forces were cut off from their army group center to the south. Red forces then poured through the gap into East Prussia.

All along the entire eastern front, Red victories were characterized by an utter abandon in cruelty, by mass rape and wholesale slaughter.

By January 1945 the vaunted Nazi eastern front army had been reduced to 103 infantry and 32½ panzer divisions—all exhausted and understrength. Total defeat was inevitable.

While our Pentagon planners may ignore this savage followup of the Red army, it is certain that the German people remember. They could scarcely endorse the Berlin defense concept now being considered by our planners. It is the worst kind of military assistance which we could extend.

THE BERLIN PROBLEM

The Berlin crisis is closely related to our foreign aid program. Annually, as foreign aid comes before the Congress great crises plague our people.

Last year's crises were:

The blowup of the Paris summit meeting;

Khrushchev's withdrawal of his Moscow invitation to President Eisenhower;

Japanese riots against President Eisenhower.

Many Members of the Congress who were opposed to the foreign aid program, stunned by these crises, voted for it to uphold the President.

Today there are new crises: Communist Cuba; the Communist Latin American threat; the amazing space flight of Russian Major Titov; the Berlin issue.

This year, again, many in the Congress who oppose foreign aid will be urged to vote for it, because of these crises.

Clearly, each of these crises has been or is Communist-inspired. Each is timed to reach white heat as foreign aid measures are before the Congress.

Hand in hand with voting lavish foreign aid, these crises cause us frantically to bolster our defenses. If the President's program for foreign aid and increased defense spending is approved by the Congress it is probable that our budget for fiscal year 1962 will show a deficit of $8 to $10 billion.

The reason Communists time these crises so as to increase foreign aid appropriations is clear. If the capitalistic system can be collapsed, the Communists will have won without firing a shot. And the Communists are nearer this goal than most of us realize.

Although the Berlin crisis may have been created to force us into lavish spending, the danger of war over Berlin is real. There are too many in the act who could blunder and pull the trigger. Should war come, if it is limited to ground combat the Reds would have every military advantage.

One should be inclined to doubt whether or not Khrushchev really wants a separate treaty with an East German puppet government. Once this treaty is accomplished, union of the two Germanys under a free government might be merely a question of time. And this would be a solid blow to the Kremlin.

If there is logic to this assumption, then Khrushchev may need only a facesaving way out.

The British stand is one between that of the United States and the U.S.S.R. The British are accomplished negotiators. They are are capable of coming up with such a solution.

Meanwhile we should take proper care of Castro in Cuba, resume nuclear testing, strengthen our U.S. defenses and initiate an adequate and modern intercontinental bomber replacement program. These measures are the best answer to the Berlin problem.

OUR THREATENED ECONOMY

In presenting foreign aid, some of our officials resort to sophistry. For example, Secretaries Rusk and Dillon tell us, certainly we can afford it.

FOREIGN AID IS LESS THAN 1 PERCENT OF OUR GROSS NATIONAL PRODUCT (GNP)

The fact is GNP is not a fund. It is a statistic. Foreign aid and other U.S. spending overseas total some $8 or $10 billion annually. This is 10 percent of the Federal budget. The Treasury must raise this money by taxes—principally from the low-income people—or by printing it, which is inflationary and robs the people, or by borrowing, which again must be repaid by the people.

For some time there has been only a negligible flight of gold. Yet the conditions which caused foreign holders of dollar credits to draw down $5 billion of our gold reserve in the last 3 years still exists. In fact, if the President's aid program is approved the conditions to draw down our gold will have been greatly accentuated.

One is inclined to wonder that perhaps for psychological reasons, the Treasury may not be publishing flights of gold during the intense foreign aid fight in the Congress. Or, could it be that we have advised foreign governments not to make demands on our gold when the foreign aid issue is at white heat?

Nevertheless, this temporary halt in the flight of gold is a matter which the Congress might find interesting to investigate.

There is another matter of moment tied closely to our threatened economy. I refer to Secretary Dillon's $20 billion, 10-year aid commitment to Latin America. This pledge constitutes a dangerous and unwarranted usurpation of the constitutional power of the Congress by the executive branch. Public reaction to this arrogance is rising.

Even without the pledged $20 billion to Latin America it is certain that for fiscal year 1962 we shall again have a large unfavorable balance of payments. It is certain that our economy is terrifyingly threatened. Of this noted authorities observe:

Senate Committee on Rules and Administration:

> The real significance of the drain on our gold supply is that it is a symptom of a basic and potentially disastrous weakness in our economy. This weakness is the deteriorating position of the United States as a supplier of industrial products in world markets.

London's Samuel Montagu and Co., leading bullion dealers:

> The most important issue today is the restoration of international confidence in the dollar.

Jacques Rueff, noted French economist:

> A grave peril hangs over the economy of the West. Every day its situation more and more resembles the one that turned the 1929 recession into the great depression. The instability in our monetary system is such that a minor international incident or a small economic or financial disturbance could set off worldwide disaster.

OUR MAXIMUM EFFECTIVE FOREIGN AID

After 3 years of intense study, our committee summarizes its findings on foreign aid:

1. Our industrial allies of Europe and Japan have economies more flourishing than ours; they need no aid.

2. Our aid to industrialized countries has been so lavish, our tariff so low and our wages so high that, in many products, American industry is unable to meet foreign competition. Thus, foreign aid undermines the free enterprise which generates its support.

3. Emerging countries need improved diet, sanitation, and medical care. They need elementary education, technical know-how, strong moral standards, internal security, and a just and stable government.

These objectives cannot be accomplished quickly nor can money buy them. If the country is successfully to emerge, the needed ingredients must be developed simultaneously. To change the characteristics of a people is a slow evolutionary process requiring great determination and patience. Our committee favors extending technical assistance to emerging peoples if they seek our aid and are willing to pay at least for part of it.

4. Most emerging countries already have the small arms needed for internal security. They have little or no need for modern offensive weapons.

5. The present foreign aid program is Marxist in concept. This doctrine teaches that society progresses as economic aid improves the peoples' environment. Underdeveloped areas which have received our aid during this past decade have failed to progress as the foreign aiders have planned. Thus, it has been demonstrated clearly that people do not progress merely if their environment is improved. Lasting improvement, as Christianity teaches, must come from within.

6. Our aid has been principally from our Government to the recipient governments. Thus it takes from the have nation and gives to the have-nots. It is in reality a scheme for world socialism. And aid to socialism is an abomination to any people.

7. Such aid as is extended should be only to those countries whose governments are Western-oriented, for example, dedicated to free enterprise as opposed to socialistic and communistic systems.

8. In that foreign aid is undermining our economy and helping to establish socialism, it coincides with the Kremlin goal to collapse the capitalist system.

9. Our committee would keep treaty obligations and extend carefully screened military assistance to areas directly threatened by Red aggression. Berlin and Formosa are examples.

10. Through foreign aid, free world countries have amassed huge dollar credits which exceed our gold reserve. Since foreign-held dollars are redeemable in gold, free world countries have issued their own paper currencies based on the dollar credits which they hold. Should our dollar collapse, most free world currency would be practically worthless. The entire free world economy therefore rests on a sound dollar.

11. In that foreign aid expenditures are so vast that elements of our defense have been neglected, foreign aid robs our defense. Red military might numerically exceeds ours in all weapons except in intercontinental bombers and our surface fleet. The United States is the only country able and willing to challenge the Red military threat. Our nuclear striking power is superior to that of the Reds. As a consequence, the United States is able to extend to the free world reasonable protection against all-out war.

In view of the above, our committee holds that our maximum foreign aid contribution to the free world is to maintain a sound dollar and to remain supreme in air and space nuclear striking power.

This is far greater and more lasting aid than the present program of carrying 97 countries on our dole. Such aid merely diffuses our effort, undermines our economy, and deadens self-reliance of the recipients.

The fact is, if our economy collapses, the Reds will have won. If the Reds are permitted to gain control of the sky, we and the free world will be blackmailed into submission or be destroyed. To insure a sound dollar and to arm adequately our budget must be balanced, and our balance of payments must be favorable. This can be effected only if the present foreign aid program is drastically reduced.

RECOMMENDATION

In view of the fact that there are now seven lending agencies in existence with many billions of dollars in lending power, our committee recommends that the fiscal year 1962 foreign aid appropriation be cut to less than $1 billion.

Mr. PASSMAN. Thank you, General Fellers.

I wonder if you might prepare for the committee a summary statement of your recommendations for fiscal 1962. It would be of interest to review your ideas with relation to the allocation to be made of the $1 billion you suggest for the program.

(The recommendations follow:)

FOREIGN AID, FISCAL YEAR 1962

General observation

In planning the foreign aid program, the practice is to seek immediate objectives which require annual dollar transfusions. The aid program envisages—during the sixties—the achievement of a better life for everybody. This includes cultural improvement, better housing, increased income, and a higher standard of living. In some instances it includes sizable increases in military forces.

Thus, we are setting a standard, both economic and military, which the recipients cannot sustain. To continue the standard requires a continuous flow of dollars. Some foreign aiders predict at least a 50-year program.

This concept of continuous aid must be stopped. Foreign aiders have already emptied the U.S. Treasury.

After World War II, Germany had a greater recovery problem than any other European country. Every penny of our aid and every penny Germany was able to raise otherwise was channelled into productive enterprise. Better housing, increased wages, and all other measures to improve living standards, temporarily were sacrificed in a prodigious effort to produce. As a result, Germany quickly established a sound economy and the recovery which followed was phenomenal.

If other countries would show the same interest in self-help as was and is manifested by Germany, they already would have achieved economic independence.

Our aid program deadens initiative, fails to instill a spirit of self-help, makes people dependent on handouts, and destroys the very goal it seeks to create.

Specific observations

The industrial countries of Western Europe and Japan have economies more flourishing than our own. They need no aid and none should be extended.

Such aid as is extended elsewhere should be only to those countries whose governments are Western-oriented, i.e., dedicated to free enterprise as opposed to socialistic and communistic systems.

Underdeveloped countries need technical assistance and internal security. Neither of these needs is expensive. The following quotation on aid to the Philippines written by a Filipino newsman, A. L. Valencia, illustrates:

"Modern Filipinos like to say: 'America's greatest export to our country was the Thomasites.' They were 600 young American men and women—teachers, engineers, constabulary officers, and public health workers—got their name from the U.S. Army Transport *Thomas* which brought them to Manila. It is no exaggeration to say that these 600 young people laid the foundation of the modern Philippine Republic * * *.

"Schools were opened at first in shacks rudely built of bamboo and palm leaves. Many of the first teachers were American soldiers who had fallen in love with the Philippines and decided to take their discharge and stay on. Some of these men could do little more than teach the ABC's, but the English language began to spread.

"Today the Philippines is the third biggest English-speaking nation in the world."

While the United States cooperated, actually the Philippine Government sought our aid and paid for it. Today the Philippines is a modern state. The kind of aid Americans extended to the Philippines is the kind of aid we should now extend to the underdeveloped countries of Asia, Africa, and Latin America.

MILITARY ASSISTANCE

Since the amounts of military assistance being extended to various countries are not available to this committee, it is difficult, in turn, for us to be specific.

The Orient

After more than $4 billion in aid, South Korea could be put on a much smaller allowance.

From our airbases in Okinawa, North Korea is within bombing range. An announcement that the Monroe Doctrine had been extended over South Korea would enable us safely to bring our Korean garrisons home and permit South Korean forces to be reduced.

While military assistance to the Republic of China must continue, it should be carefully screened and reduced.

In South Vietnam we have already poured $1.74 billion. We now have this country on a $150 million annual dole. For the time being, aid should be continued, but reduced.

Following the principle that aid must be extended to countries directly threatened by Red aggression, an estimated $500 million annually probably should be allocated to the Orient.

South Asia

Here military assistance should gradually be discontinued. Possibly $50 million should be allocated as a tapering off figure.

Middle East

Turkey has received $2.863 billion in total aid.

Greece has received in total aid more than $3 billion.

Greece and Turkey should reduce their military forces to the level which their own economy can support. Meanwhile, as a tapering off measure, $50 million might be required.

Africa

The countries in Africa require principally small arms for internal security. These weapons, for the most part, are already available. If this judgment is somewhat in error, certainly $50 million would be ample to meet essential requirements.

Europe

Europeans should finance their own defense measures.

Latin America

Already $500 million has been granted this year. Military assistance, except small arms, would merely strengthen the desire in some areas for aggression. Such funds as are essential for needed small arms should be taken from the $500 million Latin American grant.

Summary.—Total estimate for military assistance $650 million.

ECONOMIC AID

There are seven lending agencies with a lending power estimated at $8 billion. The Export Import Bank should be used to make the allocations for loans. Loans repayable in dollars and for intermediate terms should be the rule. Long-term loans "with little or no interest" are disguised giveaways, a deception on the uninformed electorate, and should not be tolerated. No funds should be appropriated for such purposes.

From the $1 billion foreign aid recommended by our committee, $350 million remain available for economic aid.

This committee has not sufficient information to recommend which countries should receive loans or economic aid. We would not presume to recommend these allocations.

We do recommend technical assistance to countries which seek this aid and are willing to pay for at least part of it. It appears to us that $100 million is more than ample for this year's technical assistance.

India, a socialist state, Africa and Latin America all have enormous potential wealth. Wherever stable government is established, private capital will seek investments.

Of the $1 billion recommended, our estimates now account for $750 million. This leaves $250 million for such use as the appropriate officials deem most necessary.

Aid pledges

Unusually heavy pledges have already been made principally to India and Latin America. These pledges were made without the consent of the Congress. They are an unwarranted, unconstitutional usurpation of the legislative power of the Congress by the executive branch. They should be neither recognized nor honored.

STATEMENT OF MR. BUFFETT

Mr. PASSMAN. We next have Mr. Howard Buffett, of Omaha, Nebr., a member of the Citizens Foreign Aid Committee.

We shall be pleased to hear you at this time, Mr. Buffett.

Mr. BUFFETT. Mr. Chairman and members of the committee, my name is Howard Buffett. I am in the investment business in Omaha, Nebr. I have been assigned to present the views of the Citizens Foreign Aid Commitee on the effect of foreign aid on the value of the dollar. I appreciate the opportunity to present this testimony.

Knowing from experience the tremendous demands on your time and energy, the statement is as brief as possible. Afterward, I will be glad to answer questions within the scope of our premise.

It is our firm belief that foreign aid incites legal Federal embezzlement of the savings of the American people.

Four headings outline the testimony in support of this premise.

(1) The Congress is vested by the Constitution with the power to regulate the value of our money.

(2) With some short interruptions, Congress has regulated the dollar downward since 1933.

(3) As long as foreign aid continues, Congress is constrained to regulate the value of the dollar downward.

(4) If foreign aid is continued, then out of respect for the right to know, the American people who are unversed in monetary manipulation should be fully advised by the Congress that the value of their savings in fixed dollar obligations is being persistently diminished.

Parenthetically my presentation may seem to reveal an especial interest in the integrity of Congress. As a former Member, and in respect for the constitutional supremacy of the legislative branch of Government, I readily admit my concern on this score.

Congressional continuation of the policy of deficit spending, plus immeasurable guarantees and credit arrangements of various kinds, amount to deliberate regulation of the value of the dollar downward.

When such dilution is done without fully informing the people of the inevitable effects of such action, the only truly accurate label for it is legal Federal embezzlement. It is embezzlement of all unwary citizens by a Federal body, the Congress of the United States.

The fact that other branches of our Government, plus foreign governments, and private groups have pressured Congress to take the actions that diminish the dollar's value is no defense. The final responsibility is on Congress alone.

All these facts you already know. But their importance makes their restatement imperative. We all know that when parliamentary institutions fall into disgrace, freedom itself is the next victim. The danger is not imaginary.

At all costs, I urge you to defend the integrity and good name of Congress in all future actions involving the value of the dollar.

In my introduction, I outlined four propositions. Nos. 1 and 2 are simple statements of fact. A demonstration of the amount or percentage that the value of the dollar has been regulated downward seems unnecessary.

So I go on to my third point, the proposition that as long as foreign aid continues, Congress is constrained to regulate the value of our money downward.

People unversed in the realities of politics might question this proposition. But anyone who knows the facts of life about elective officials that control taxes and spending will not. More significantly, any thoughtful person who understands the principle of fair play will not.

This situation can best be portrayed by a homely illustration.

No father could long play Santa Claus for children in other parts of town and Old Scrooge at home. Neither can Congressmen vote continually to spend billions of American tax dollars abroad, and at the same time vote for austere economy at home.

Moreover, it is probably unfair and certainly it is unrealistic to expect Congressmen to long oppose ostensibly compassionate schemes to bring additional tax dollars back into their own districts—when the Congress is taking out of their constituents' pockets millions of dollars for foreign groups having no legal or moral claim against American citizens.

The evidence supporting this conclusion is overwhelming. Let us look at the record of the last 8 years under a reputedly conservative administration. That record was tabulated and released by your chairman March 1. He reports:

> **Notwithstanding the fact that Federal revenues for the past 8 years exceeded by *$53 billion* the total revenues received in the 164 years from President George Washington to President Harry Truman, inclusive, we borrowed an additional *$23 billion* during the same 8-year period and spent that.**

Gigantic as the spending of the Eisenhower administration was, it is already evident that it will be quickly surpassed. The forecast of things to come is seen in the frequent headlines indicating quick passage of new spending proposals.

Nor are the conservative midlands of America immune to the domestic spending pressures engendered by foreign aid.

In my hometown, Omaha, we elected a new mayor in May. In his campaign, the winning candidate embraced the doctrine that if the Federal Government can spend billions on foreign aid, it it his duty to obtain additional Federal funds for Omaha.

Note these paragraphs from his platform:

> **In general it has been my philosophy, backed by proof, that community projects can best be taken care of by the community itself, without resort to Federal aid and its accompanying supervision.**
>
> ***But with the Federal Government spending billions of dollars for foreign aid each year*, it is well to remember the truism, "Charity begins at home."**
>
> **If Federal funds are available to pay for low-cost housing for the many senior citizens well able to take care of themselves with dignity, we should take immediate advantage of them.**
>
> ***To relegate people victimized by heavy taxation and inflation to institutions* once their earning years have passed is inexcusable. * * * [Italic supplied.]**

Midwestern people are conservative. Sometimes we are slow to catch on. But after 16 years of foreign aid and the hog trough behavior it engenders in domestic spending, that condition compels us to abandon principle. That seems to be the Omaha mayor's conclusion. Who can justly quarrel with it?

Rather than burden you with more evidence on this point, I urge you to ponder the effect of foreign aid on the morals and morale of the American people.

That brings me to the fourth point, my plea for fairness to Americans who are unskilled on money matters. If foreign aid is not to be stopped quickly, these people should now be given facts that have too long been kept obscure.

The great majority of the victims of regulating the value of our money downward are the less affluent and more trusting of our citizens.

Surely Congress has a moral and legal obligation to them that is prior to any promises or pledges our officials have contracted abroad.

Congress should tell these citizens that governmental inflation is in reality legal Federal embezzlement of all savings payable in a fixed number of dollars, such as Government bonds.

It should be explained to them that so far diminution of the value of the dollar has been somewhat slowed down by subsidy schemes, official reassurances, and propaganda. Most of all it has been restrained by the patient faith of the innocent victims who excite my concern.

Since 1939 the purchasing value of the savings of the thrifty Americans then invested in Government bonds, building and loan shares, pensions, annuities, and life insurance have been cut in half, and then some.

Moreover this confiscation took place during a period when the Government was drenching the American people with advertising and sales promotion praising its bonds and the dollar with such claims as "There's no safer security anywhere."

Today the only persons in the world who have power to stop this Federal embezzlement of innocent people is Congress. Either you stop it, or it goes on until the institutions of republican government are discredited and then vitiated.

You have an awesome responsibility. I know something of the pressures to continue foreign-aid spending. Among those against you and the great numerical majority of frugal and trustful citizens are the following groups:

1. Debtors of all kinds and descriptions, whose original obligations, contracted in dollars of higher purchasing power, become smaller and smaller as the value of the dollar goes down and down. This group gains most of what the thrifty classes lose.

2. The majority of promoters and speculators, who understand the workings of Federal embezzlement, and arrange their financial affairs to profit from it.

3. Those enterprises and officials who profit from the reckless spending policies that stem out of foreign aid and its domestic consequences.

4. Union bosses who have exploited currency finagling to entrench and expand their power. Union labor that is promised, and usually receiving, protection from a peril they do not understand, pay additional fees and dues willingly.

The foregoing groups have a vested interest in the continuation of foreign aid because it practically guarantees continuous destruction of the value of the dollar. In fairness, we recognize that there is also a significant number of intellectual and sincere people who believe in foreign aid for more creditable reasons. These people believe that foreign aid brings permanent political strength to other lands and that America has the intellectual, moral, political, and economic capacity to do it successfully.

I differ with them on all four counts, but I have discussed only one—our proven inability to carry on this policy without relentless dilution of the value of the dollar.

To those who feel that the mutual security program is a must, even if it ruins the dollar, I offer a bit of history.

After World War I France set out on a program of mutual security. They were determined that if war with Germany came again, they would have allies. Probably they also thought that their mutual security program, like our officials tell us, would prevent war.

What did they do?

France made loan after loan to 10 nations that formed a circle around Germany. A few short years went by. Again the war clouds gathered in central Europe.

How did France's mutual security program work out?

Five of France's mutual security allies fought on Germany's side. Four of them were overrun by Hitler's army in jig time. No. 10 in her mutual security alliance was Turkey. The wily Turks carefully preserved their neutrality—despite the loans and pledges.

What did this kind of spending do to the thrifty savings of the French people? When I asked former Premier Paul Reynaud that question a few years ago he replied, in five words, "Oh, they were wiped out" and went on quickly to another subject.

Mr. Chairman and committee members, do not let that happen here.

EXPLANATORY NOTE

It is possible that the phrase "legal Federal embezzlement" may seem harsh to some. If so, I regret it. I intend only to be factual. The facts are harsh.

If anyone can supply wording that more accurately describes this aspect of the U.S. financial policy, his help will be welcomed.

Webster's 20th Century Dictionary Unabridged 1936 Edition defines embezzlement:

The act of fraudulently appropriating to one's own use the money or goods entrusted to his care and management.

The key word is "entrusted." On money, Congress is entrusted with the duty of "regulating the value thereof." Implicit in this charge is the responsibility to preserve the dollar as a fixed unit of value. When the dollar ceases to be this, it fails a fundamental purpose for which it exists.

One may object to this analysis by advancing the claim that Congress has no constitutional obligation to establish a dollar of intrinsic and metallic redemption value.

Waiving the constitutional question, I suggest that this contention could have merit only if two conditions prevailed:

1. If candidates for Congress favoring foreign aid would spell out in their election campaigns the destructive effects that foreign aid is having on the value of the fixed income savings of the American people.

2. If the U.S. Treasury would forthrightly tell bondholders, present and prospective, that Government bonds have been and are an unwise investment for the individual needing future purchasing power, and that under present fiscal policies, owners of these bonds can expect to lose purchasing power as fast, if not faster, in the years ahead.

Neither of these simple canons of decency prevail today. Instead of the principle of full disclosure, we witness in the sale of Government bonds an unabashed policy of "caveat emptor."

Is it not time that this spoilation of those who trust the Government be halted?

We all remember the legendary Robin Hood, the thief who robbed the rich and is reputed to have divided his loot with the poor. Few honorable persons today would defend his conduct.

Yet the legal and prolonged Federal embezzlement of the dollar savings of frugal and trustful Americans puts Congress in a role that should, I respectfully suggest, give you cause for alarm.

Certainly, the word of many meanings, inflation, needs to be replaced by simple and accurate terminology. The use of the phrase "legal Federal embezzlement" in this testimony attempts to achieve that goal.

Mr. PASSMAN. Our distinguished witness, the Honorable Howard Buffett, is a former Member of Congress. He created many friendships during his tenure here, and it is always a pleasure for me, as chairman of this subcommittee, to welcome our former colleagues to appear and present their views.

FOREIGN AID PROGRAM

WITNESS

JAMES A. HAMILTON, ASSOCIATE DIRECTOR, WASHINGTON OFFICE, NATIONAL COUNCIL OF CHURCHES OF CHRIST

Our next witness is the Honorable James A. Hamilton, who represents the National Council of the Churches of Christ.

Mr. Hamilton, we are pleased to have you back before the committee. We shall be happy to hear from you at this time.

Mr. HAMILTON. My name is James A. Hamilton. I am associate director of the Washington office of the National Council of the Churches of Christ in the U.S.A. I am pleased to testify on behalf of the National Council of Churches as authorized by appropriate officers on the basis of its official policies.

The National Council of Churches is composed of 33 Protestant and Eastern Orthodox denominations with over 40 million members. I do not presume to speak for each member, but base my statement on the official positions of the national council. These positions are established by democratic processes with study and deliberation by official representatives of the council's constituent communions.

The position of the national council on international development is this: On the basis of Christian concern, and in keeping with actions of many of our constituent bodies, we hold that the United States should continue to develop, improve, and expand such programs of technical assistance, economic aid, and international trade as will make for stability, justice, freedom, and peace for the peoples of the economically underdeveloped areas of the world and for all nations, including our own.

The competence of the churches in such matters has long been established. We have had an increasing roll in aid around the world for over 150 years. Ministry to the basic needs of men has been an essential feature of missionary effort. The churches have pioneered in oversea programs of education, literacy, medicine, public health, agriculture, industry, mass communications, and leadership training.

Through our Department of Church World Service our churches carry aid to people in need around the world, distribute surplus food, give relief in disasters, and develop village and community projects. Other related units such as United Church Women, the United Christian Youth Movement, and the National Student Christian Federation carry on projects and aid around the world.

RELIGIOUS AND MORAL FOUNDATIONS OF INTERNATIONAL DEVELOPMENT

There is, I believe, no question as to the competence of the churches to speak on religious and moral questions. On these grounds we primarily base our support for constructive foreign aid. Here we are dealing ultimately with questions of life and death, of the nature of man, his dignity and his destiny. Such moral and religious questions rest on theology and faith. Many of the so-called practical arguments for foreign aid, those of "security," "military necessity," and "good business" have moral values involved in them.

More basic however, certain religious and moral considerations compel us as a nation to greater responsibility in constructive foreign aid programs: The interdependence of humanity under God our Creator; our stewardship as a wealthy nation in a world of poverty; what happens to men and nations as they do or do not have a real concern for others in need; the importance of these programs in sustaining human life which we hold sacred. Foreign aid programs go beyond material realities and attain moral and spiritual dimensions in human relations.

MORAL CONCERNS AND NATIONAL SELF-INTEREST COMPLEMENT EACH OTHER IN CONSTRUCTIVE AID

In constructive aid for international development, the practical and the moral are not in conflict, but in agreement; realism and Christian idealism meet in accord; self-interest and altruism are joined. From the perspective of religion and morality, we believe that our national self-interest, indeed our national welfare and our very survival are involved in recognizing that our destiny is inescapably bound up with the destiny of the world.

SOME GUIDING PRINCIPLES FOR INTERNATIONAL DEVELOPMENT AID PROGRAMS

Based on our experience in oversea service and our moral concerns in international affairs, we have evolved through the years several principles which we believe are essential for making international aid programs of maximum efficiency and effectiveness. These principles have clear implications for the proposed international development program for fiscal year 1962:

(1) As to magnitude, the need is not to cut funds for economic development, but urgently to expand them toward the full extent of our capabilities as a nation and the absorptive capacities of cooperating nations. Therefore it is hoped that this committee would not seek to make major cuts, but to make sure that amounts are appropriated adequate for the urgent situations in our world.

(2) Both public and private programs need to be strengthened and expanded. Therefore, it is hoped that this year's program will give further support to both the public and the private sectors.

(3) Programs of technical cooperation should be increased. It is encouraging that this committee and the Congress have supported technical cooperation as consistently and strongly as you have.

(4) Larger sums of capital should be made available for economic development. Therefore it is hoped that maximum appropriations will be made to meet the needs for capital.

(5) A long-term basis is necessary in financing, programing, and administering aid programs. This is more essential than ever at the beginning of a new "decade of development" to which President Kennedy has challenged us, and which we feel is absolutely necessary.

(6) Greater emphasis should be placed on the use of international agencies such as regional organizations and the United Nations. Thus, it is hoped again that the full appropriation requested will be made for such items as the U.N. Children's Fund, the U.N. Technical Assistance Program, the U.N. Special Fund, and the social and economic development program in Congo under the U.N.

(7) Although all parts of our foreign policy are interrelated, programs of technical and economic aid should be planned and administered in relation primarily not to political and military considerations but to economic and social needs and opportunities. Therefore, we welcome progress in separating economic and social development from military assistance and the increasing emphasis on what we feel is the constructive side of the program.

PROGRAMS MUST BE IMPROVED AND PLANNED ON A LONG-TERM BASIS

We are well aware that some mistakes have been made in programs. But errors in operation do not invalidate the duty to persevere in seeking to fulfill the purpose and attain the goal for which the operation is undertaken. They only mean that such errors must be corrected and improvements and necessary reforms must be initiated. Trial and error seem to be inescapable and accompany all human progress; they need not be feared in the realm of international development so long as the lessons of the past are wisely used as guides for the future. We welcome, therefore, the more unified and tighter administration being planned for international development programs and we trust they will have the maximum resources possible to carry out a longer range, more efficient operation.

President Kennedy well expressed the deep feelings of the citizens of our Nation and the kind of concerns which our churches and Sunday schools have been developing among our people, when he said:

> To those people in the huts and villages of half the globe struggling to break the bonds of mass misery, we pledge our best efforts to help them help themselves, for whatever period is required—not because the Communists may be doing it, not because we seek their votes, but because it is right.

Under God, we believe our Nation must more fully accept this responsibility, not grudgingly, nor weakly, but giving our maximum, our best in helping other peoples to help themselves and to help the world to a more abundant and more peaceful life.

Mr. PASSMAN. Thank you, Mr. Hamilton.

I think I would be remiss if I did not indicate for the record that our own tax system has approached the point of being almost confiscatory; so it is not reasonable to advocate increasing taxes, although we may find ways to make the burden move equitable, if we cannot ease it. But, when we look at the daily statement of the U.S. Treasury, and we discover that during the first 45 days of fiscal 1962, which began July 1, our intake from these taxes amounted to $7,315 million, as compared to an intake during the same period last year of $7,510 million, it is evident that the amount of money accruing to the Treasury is dropping.

We find that withdrawals from the U.S. Treasury for the same period this year show $13,006 million as compared to a withdrawal of $11,327 million for the comparable period last year. So, we are humanitarians worldwide and around the country.

Would you suggest to the committee how we may get the money to carry out the enlarged program which you recommend, especially when you take into account the situation that I have indicated?

We now have a public debt which exceeds by $24 billion the combined public debt of all the other nations of the world.

Mr. HAMILTON. Is this a daily statement of the Department of the Treasury?

Mr. PASSMAN. Yes.

Mr. HAMILTON. I appreciate your courtesy in permitting me to see the statement.

Mr. PASSMAN. Do you not think it is well for you to look into this? Every time you have been before the committee you have impressed us. But along with your statement in which you recommend expenditures, it would be helpful, too, if there were some recommendations

as to how and where to get the money to meet the expenditures. I believe you would not recommend increasing taxes any more than they are?

Mr. HAMILTON. I believe that possibility has been mentioned. I am not recommending it.

Mr. ROONEY. I suggest to Mr. Hamilton that the President of the United States and the Secretary of the Treasury think we can afford this.

Mr. HAMILTON. Have not some people, Congressman Rooney, already suggested that a tax increase might be necessary?

Mr. ROONEY. I would rather not see the tax increase.

Mr. HAMILTON. I wouldn't, either.

Mr. PASSMAN. If you are going to continue these programs and to increase them, you will have to get the money from some source. When we are borrowing the money to carry out these programs, I am prompted to ask the question as to the source of the funds.

Mr. ROONEY. I believe the people Mr. Hamilton represents will be satisfied with the amount of the President's budget estimate. Is that correct?

Mr. HAMILTON. Yes.

Mr. PASSMAN. Your recommendation for an increase prompted me to ask the question.

If you had not recommended an increase I would not have suggested that you might recommend a source of revenue. The President sent down his message, estimated the income, and estimated the cost of the program.

Out of fairness to you, and to all who must furnish the money, when you recommend an increase over the amount requested, it would also help if you could recommend a source of revenue.

I say that in all good faith.

Mr. HAMILTON. I know you do, Mr. Chairman.

Actually, what we are saying is that we feel as the President does—that this program is of equal importance as are other programs for which you appropriate money.

Mr. PASSMAN. I represent a lot of people who are members of churches which are affiliated with your organization. My mail runs about 99¼ percent against the back-door withdrawal proposal to only about three-quarters of 1 percent in support of it.

We thank you very much, Mr. Hamilton.

The subcommittee has received statements from various organizations which will be inserted in the record at this point.

(The statements follow:)

STATEMENT OF THE LEAGUE OF WOMEN VOTERS OF THE UNITED STATES IN SUPPORT OF MUTUAL SECURITY PROGRAMS FOR ECONOMIC DEVELOPMENT AND TECHNICAL ASSISTANCE

The League of Women Voters of the United States has for a long time studied and supported efforts of our Government to aid less developed countries through development loans and grants, bilateral technical assistance, and the United Nations expanded program for technical assistance and the Special Fund.

League members are agreed that our programs for economic aid must be long range in character, adequately financed, and effectively administered. We know these programs have come under attack because of inefficiency and waste. We appreciate the care with which this committee has reviewed each item; however, we believe that the executive department's plans for carrying out aid programs during the coming year will give new vitality to these programs, and

that there is a chance to make a major breakthrough in many of the countries needing this aid. In view of the dangerous international situation it will be disastrous if these plans should fail because of underfinancing.

We urge this committee to grant the full amount authorized, $380 million, for development grants. We are glad to see that the full amount requested ($40 million) for U.S. contributions to the United Nations technical assistance and Special Fund has been authorized. We urge that these amounts be appropriated.

If Congress decides in the final action on the authorizing legislation to continue the development loan program through annual appropriations we hope that the full sum authorized by the House $1,200 million, will be appropriated for fiscal 1962.

We believe it essential that the United States demonstrate that we seek peaceful solutions to world problems. What better way can this be done than through assuring the countries which are just beginning to struggle for a place in the modern world that we are their friends and want only to help them take their place among the developed nations?

What this committee recommends to the House in the way of appropriations for economic aid can make all the difference in our country's testament of good will. We hope you will grant the amount authorized for these programs.

Hon. CLARENCE CANNON,
Chairman, Committee on Appropriations,
U.S. House of Representatives, Washington, D.C.

GENTLEMEN: The Liberty Lobby, representing more than 15,000 patriotic Americans and whose headquarters are at 825 Dupont Circle Building, Washington, D.C., thanks you on behalf of our organization for the privilege of stating our views on the important matter to which this hearing pertains.

As the national debt is rapidly approaching the staggering sum of $300 billion, and in light of the following facts we earnestly request that the foreign aid appropriations for the fiscal year of 1962 be reduced by 75 percent.

(1) Foreign aid began and was to have ended with the Marshall plan. However, it still continues, and to date $80 billion has been spent on this great giveaway program.

(2) Almost every country which has received American assistance has felt the evil consequences of inflation as an almost direct result. Sometimes the economic crisis is so acute a revolution ensues, and the very nation which has been the recipient of vast sums of our aid money is overcome and subdued by communism.

(3) U.S. aid to Iran has totaled more than a billion dollars. Despite this aid and Iran's fabulous oil resources, this country faces bankruptcy, and political unrest is mounting. The result of our aid to this country has been turmoil, corruption, and economic dislocation.

(4) The fourth report to the 87th Congress by the House Committee on Government Operations, issued July 26, is a sickening document, staidly entitled "United States Aid Operations in Peru." It is a tale of such incredible ineptness and abuses—or worse—as to be almost a complete handbook on how not to operate a foreign aid project. The report involves a $14 million program of U.S. drought relief aid to Peru undertaken in 1956 and includes a conflict of interest by a responsible U.S. official, aborted investigations by those supposed to discover such things, and coverups of irregularities and violations of the rules governing such projects.

(5) Despite the $3 billion we have already spent in Latin America under official aid programs, Latin American stands on the brink of communism. Cuba, the recipient of many hundreds of millions of our aid money has become a "Communist" state, discarding all elections and nationalizing private schools. The tragic part of it all is that the effect of U.S. economic assistance to Cuba is to make us the whipping boy for Cuba's troubles.

(6) Before the fall of Dien Bien Phu, we had poured $821 million into French Indochina. We have since poured into Cambodia $247 million; into South Vietnam, $1.74 billion; into Laos $300 million. During 1959 a subcommittee of the Committee on Government Operations, U.S. House of Representatives, held hear-

ings on the Laotian aid program and in its report summarized its findings as follows:

1. Laos obtained more foreign aid than its economy could absorb.

2. Excessive cash grants forced money into the Laos economy at a faster rate than could be absorbed.

3. Inflation has doubled the cost of living in the 5 years between 1953 and 1958.

(7) Turkey has received grants of nearly $2 billion in military aid and gifts of $1 billion in economic aid. Since foreign aid started the economy has met increasing difficulties and representative processes of government have been receding. So today, it may be seriously doubted whether Turkey is as reliable an ally as she was before our aid effort started.

(8) During the past decade U.S. aid to Bolivia has run to over $200 million, and despite our aid, the Bolivian favorable trade balance of $313 million in 1953 dropped to $3.2 million in 1958. In the March 5 edition of the New York Times, it was stated: "Bolivia is virtually bankrupt * * *. There is real danger of a breakdown in the essential mining and transportation industries. Labor agitation and social unrest are on the rise * * * the Pax administration, after 7 months in office, has taken no important action to correct the economic problems."

(9) While we have poured out this $80 billion in foreign aid, almost a billion people have been taken into the Communist orbit, and a similar number have moved away from anticommunism to a species of procommunism. Neutrals such as India, Ceylon, Egypt, Burma, and Cambodia have two things in common with our formerly staunch allies as Japan, Brazil, Thailand, and even Great Britain. They have all received substantial grants of our aid in the past 14 years and all have moved closer to communism.

Let's stop buying allies. While we are not hardhearted nor hostile, we have spent as no other nation in the world's history, billions to rebuild our former enemies. It is time to tell the world two things:

1. We are out of the market for allies who have to be bought and then hired to stay bought.

2. We have no time for freeloaders and freespenders of our precious tax money.

Sincerely yours,

JOHN W. WOOD, *General Counsel.*

STATEMENT IN SUPPORT OF APPROPRIATIONS FOR THE ACT FOR INTERNATIONAL DEVELOPMENT BY THE AMERICAN ASSOCIATION OF UNIVERSITY WOMEN, WASHINGTON, D.C.

As tensions mount in this current crisis of the cold war the American Association of University Women is disturbed by congressional actions which weaken the proposals made by the executive branch to strengthen U.S. foreign policy through the Act for International Development. In our belief, the fight for the goal of world peace can be furthered by granting the authorization for Treasury borrowing, used so effectively in other Federal programs, which has been requested by this and the preceding administration for the AID program. Such authority, which would make possible long-range planning, should facilitate effective programing, contribute to the elimination of waste and misuse of funds and greatly strengthen this country's constructive efforts to help others help themselves and create the kind of a world we should like to see—and—at a fraction of the billions now being spent annually on military defense.

We believe the sums requested in the administration's program should be appropriated—failing that—we urge appropriation of the maximum sums authorized in H.R. 8400.

MRS. WALTER M. BAIN,
Chairman, Legislative Program Committee, AAUW.
DR. M. MARION SPECTOR,
Chairman, International Relations Committee, AAUW.

Statement of National Farmers Union on the Foreign Operations Program for the Fiscal Year 1962

Mr. Chairman and members of the committee, National Farmers Union, since the beginning of the mutual security program in 1949, has continuously been in favor of programs of economic, technical, and military assistance and we recognize their importance to increased security for the United States and the free world. Such programs constitute as well a U.S. response to satisfying the needs of the less developed areas of the free world in keeping with our role, interest, and leadership responsibilities in world affairs.

We especially favor the increasing attention to the provision of technical cooperation assistance to the less developed countries. The history of our own country shows the advantages that can be derived in a short time by the prompt application of techniques and knowledge previously acquired by older, well-established, and more experienced countries through years of research and experiment. Members of the National Farmers Union know at first hand the values to be derived in the field of agriculture through our own vocational agriculture and extension services which may be called domestic technical assistance programs. We believe that the transfer of the fruits of research and the techniques developed through experience by way of U.S. technicians is a most important contribution to the more rapid development of large areas of the world.

Technical assistance in such vital areas as agriculture, health, and education can only be received effectively by peoples accepting the principle of self-help, for it is up to them to apply the techniques. It thus stimulates local endeavor and the acceptance of domestic responsibility for improvement of economic conditions. At the same time we recognize that much more than education is needed if a satisfactory rate of economic growth is to be achieved. This is particularly so for large territories and populations now achieving political independence in an unbelievably short period of time. To this end we support the activities of the Development Loan Fund.

In the formulation and implementation of technical assistance activities we wish to emphasize our interest in agricultural land reform in all its manifold facets—particularly those of land tenure, credit facilities, and farm purchasing and marketing cooperatives. We believe the development of prosperous farming communities is a major factor in the establishment of a politically stable and democratic nation.

We note in the mutual security program further contributions to the United Nations agencies specializing in technical assistance and express our approval of U.S. participation in this program. We urge that major efforts be made to assure that U.S. bilateral programs are consistent with and do not duplicate those of the United Nations.

National Farmers Union regards continued military assistance as essential to the support of our allies to increase their ability to defend themselves and thus materially improve the security of the free world. Coincident with such assistance we accept the necessity for the provision of defense support assistance to support and make possible larger defense forces than could otherwise be maintained and to make more effective the direct military assistance program.

We urge upon the administration intensified attention to further use of our supplies of agricultural commodities to meet the requirements of needy peoples and at the same time to promote through use of sales proceeds of these commodities an improvement in the fundamental sectors of their economic life—health, education, and agriculture.

The National Farmers Union sees in the mutual security program the means to assist those areas of the free world emerging into a period of increased economic activity. We believe it is in our mutual interest to see this development take place by democratic means and the early attainment of an economic position where an increased level of trade can take place between us. Certainly a source of increasing strength for the free world lies in the growth of a high level of mutually beneficial trade. This can only be possible on a continuing basis between prosperous countries.

We regard it as important to the United States that we take a long view in devising measures to deal with the very real problems faced by these friendly countries and that our response as expressed in the mutual security program befits our role as a leader of the free world. We should be prepared to provide to a growing free world community such assistance within our means which is needed, which will promote economic improvements and enhance our mutual

security. In this connection we emphasize that the request of President Kennedy for a 5-year program should be approved without restrictive amendments. Economic aid cannot be efficiently administered on a year-to-year basis. Accordingly, we urge you to approve the full amount authorized by the Senate in H.R. 8400.

STATEMENT OF THE AMERICAN VETERANS COMMITTEE (AVC)

The American Veterans Committee deeply appreciates the opportunity to have its views on appropriations for foreign aid inserted in the record. We have the greatest respect for the chairman of this subcommittee, the Honorable Otto Passman, of Louisiana. We sincerely believe that his watchdog work has contributed to the effectiveness of our foreign aid program.

The American Veterans Committee believes very strongly that our foreign aid program, in particular, the programs for economic development, have truly been our first line of defense. We believe that in the troubled world today nothing is more important in our cold-war efforts than the development of stable governments. This stability must be economic as well as political. While the cost to the United States may seem great, it is not as great as the cost would be if it became necessary for us to intervene militarily to save one of these countries from Communist takeover. We believe that the long-term Treasury borrowing proposed by both the Eisenhower and Kennedy administrations will lend effectiveness to this program.

The American Veterans Committee urges that the full appropriation requests for foreign aid, particularly foreign economic aid, be voted by your subcommittee and by the entire Appropriations Committee of the House of Representatives. We believe that the economic appropriations and the appropriations for military assistance to stable democratic governments are particularly important. These are more important than military aid to unstable dictatorships that might temporarily be allied with us in the cold war. Our approach should be one of willingness to spend whatever is necessary to build stable democratic governments throughout the world so that the people in these lands will have both the ability and the desire to resist encroachments and threats to their independence.

Respectfully submitted.

J. ARNOLD FELDMAN,
Executive Director, American Veterans Committee.

STATEMENT ON FOREIGN AID BY MERWIN K. HART, PRESIDENT, NATIONAL ECONOMIC COUNCIL, INC., NEW YORK, N.Y.

The foreign aid proposals now before this committee, and backed by the full power of the President, threaten both our form of government, wherein Congress has the sole right of passing upon appropriations, and also the continued existence of the United States as an independent country and a free people.

The people of few countries have been benefited by our foreign aid. Some, like West Germany, Spain, Turkey, and a few others, have, of course, been greatly helped. But our aid to Britain, going as it did directly to the Socialist British Government, wreaked havoc with the foundations upon which British greatness has long existed. And our aid to Communist-dominated countries like Poland, Czechoslovakia, and others, has been worse than money thrown away.

To continue heavy foreign aid now, and worse still, to step it up beyond the roughly $70 billion appropriated and spent, beginning with the Marshall plan, threatens our country with destruction.

On October 1, 1952, Presidential Candidate Eisenhower said about foreign aid:

"Certainly I know we must find a substitute for the purely temporary business of bolstering the free nations through annual handouts. That gets neither permanent results nor friends."

President Eisenhower, in his so-called mutual security message to the Congress on February 16, 1960, said:

"The overwhelming support of the vast majority of our citizens leads us inexorably to mutual security as a fixed national policy."

We deny that even a simple majority or anything like a majority of our citizens has ever expressed approval of mutual security. They simply haven't

had the chance. Why this change in attitude between Candidate Eisenhower in 1952 and President Eisenhower in 1960?

I think the reason is that this country has come largely under the control of certain private groups, including the Council on Foreign Relations, certain of the great foundations—Ford, Carnegie, and Rockefeller—together with other groups of internationalists to be found largely in our great universities.

While pro-American organizations have long been denied deductibility before taxes to their contributors, all these international groups enjoy the full benefit of such deductibility. Thus, individuals and corporations that would like to help to keep America free and solvent, are penalized if they contribute to such pro-American organizations.

All these internationalist groups have a common philosophy, which prompts them to try to bring about world government. They would see the United States firmly committed to world government. And they view with complacency the fact that under such world government, the United States would lose its sovereignty.

Part of their program includes the view that the United States, because it has accumulated wealth, should divide its wealth with all the nations of the world. This happens to be the philosophy of the Soviet Union, also. And if this country is brought into a world government, it would be Soviet Russia that would control that government.

The fact that this folly of handing out American wealth to other countries, and at the same time assisting Communist Governments in many parts of the world, has been done under at least two Presidents, Eisenhower and Kennedy, shows that those two administrations themselves have been infiltrated by Communist influences.

This frenzied foreign aid is leading the United States toward bankruptcy. It is convincing thinking men of other countries that loyal Americans are not in control of their own foreign affairs. It is convincing them that it is the belief of our Government that we can buy the good will of other nations. And meanwhile, we have done little to stop communism either in the United States or anywhere else. In fact, under inspiration of the Council on Foreign Relations, American dollars and mistaken American foreign policy have been the Soviets' chief ally.

Due largely to our foreign aid policy the past 2 years, some $5 billion of our gold has been drained off and sent abroad. Conditions under which this loss of gold took place are about the same as they have been for some years. Yet the American people have had little news as to any amount of gold being shipped abroad for some time. Has internationalist influence been used to halt the gold outflow till after the foreign aid bill has been passed?

Fortunately, the people at the grassroots are speaking out today in ever-increasing numbers. They are bringing pressure that is beginning to tell against Members of Congress.

These people at the grassroots are more American than many of our intellectuals. They are seeing the dangers to America as even some Members of Congress do not see it.

We strongly urge the Congress so to amend any Foreign Aid Act that is passed, that back-door spending, by borrowing from the Treasury, will be completely ruled out.

We ask the Congress to cut the appropriations asked by the President, at least in half.

Now, in these closing days of the 1st session of the 87th Congress, while we know that all Members are fatigued after this long session, we believe there is opportunity for men of growing thoughtfulness and understanding in both Houses to recapture the power of the purse, to reduce foreign aid spending and to strike out back-door spending.

STATEMENT IN SUPPORT OF THE MUTUAL SECURITY ACT OF 1961 (H.R. 8400) BY UNITED WORLD FEDERALISTS, INC.

United World Federalists, Inc., believes that the philosophy and the organization of U.S. international assistance set forth in H.R. 8400 will increase the effectiveness of the resources devoted to this important aspect of U.S. security and world leadership.

As an organization working for world law and order, we believe that an integral part of world order must be growing use of the world's resources to meet the problems of poverty, hunger, disease, and ignorance. We believe that the world's peoples must have the opportunity to pursue in their own ways, free from external violence and outside interference, their own cultural and material development.

At our 15th general assembly held May 19–21, 1961, in Chicago, we adopted the following resolution:

"We urge the United States to provide an expanded program of long-term loans and grants for appropriate projects in the less economically developed areas, channeled insofar as practicable through the U.N. and its specialized agencies. We also urge measures to encourage private investment in those areas.

"We believe that expanded technical assistance programs are needed both through the United Nations and on a bilateral basis. We particularly commend the U.N. program to provide administrative personnel to governments requesting such assistance, as well as the new U.S. program to develop a carefully prepared Peace Corps.

"We recognize that economic aid and technical assistance should be accompanied by efforts to improve social conditions within recipient nations."

Thus the provisions of this bill for long-term planning and commitments are most welcome to the 15,000 members of this organization. We believe they are of vital importance to the efficiency of the program and to the good will and respect of the nations with which this country must work. The program must be given more solid and rational foundations than the present erratic, uncertain, year-to-year authorization and appropriations permit.

We find considerable merit in several other features of H.R. 8400:

(*a*) The increasing use of development loans as opposed to grants should place our assistance on a businesslike basis more acceptable to many nations.

(*b*) The increased unification of operation and responsibility through creation of the Agency for International Development should eliminate duplication, permit more comprehensive planning, and cut administrative costs.

(*c*) The country planning should better tailor our aid to the specific needs of each recipient nation and make possible a well-rounded program that will best meet the level of need and encourage balanced progress.

(*d*) The emphasis to be placed on the initiative of the recipient and its willingness to take steps to improve its own social and economic pattern by instituting reforms in land tenure, tax structure, interest rates, etc., should assure that U.S. funds will encourage and assist measures which are fundamental to both ultimate viability of the recipient's economy and productive use of U.S. resources.

It is generally agreed that this country cannot afford to slacken its military preparedness. Mr. Khrushchev's statements about "burying" us and the very active programs of the Communists in economic, political, and cultural affairs should make it equally clear that intensifying our programs in these fields is necessary. We believe that H.R. 8400 can be an important step in this direction.

We support particularly the relatively modest funds requested as U.S. contributions to international organizations. The $158.5 million involved will pay major dividends in terms of the U.S. contribution to building an ordered and stable world community. Every dollar contributed to such international programs is well spent because it is joined by money from other contributors and from the recipients as well as drawing on worldwide human and physical resources. We urge that assistance be increasingly channeled through multilateral programs and that U.S. support of United Nations projects be maximized insofar as is consistent with the international character of the United Nations.

United World Federalists, Inc., respectifully recommends to the committee that it appropriate the full amounts authorized under H.R. 8400 trusting that this measure will contain improvements of vital importance.

LIBERTY LOBBY,
Washington, D.C., August 23, 1961.

Hon. CLARENCE CANNON,
Chairman, Committee on Appropriations,
House of Representatives, Washington, D.C.

DEAR CONGRESSMAN CANNON: Having missed an opportunity to testify in person in opposition to the Peace Corps, I request that you enter the enclosed testi-

mony in the official record of the hearings, as the official statement of the Liberty Lobby.

Thank you.

Sincerely,

WILLIS A. CARTO, *Treasurer.*

THE CORPSE OF PEACE

Now that the last election has brought utopia to America, the New Frontiersmen have advanced the proposal to bring it to the underdeveloped, puzzled cannibals of Africa, as well. This is to be done through the instrumentality of a combination of Children's Crusade and Harvard laboratory hothouse. And best of all, "reciprocity" is part of the grand idea. Just what we are to receive in return from areas not blessed—as yet—with utopia, is something which has not been explained.

Although the "Peace Corps" may be a "new idea" to some, it is in reality just a rehash of some of the oldest, most futile, destructive, unscientific, impossible, ludicrous delusions in history. For these reasons, and the reasons below, and for other reasons, the Liberty Lobby opposes the entire scheme of the so-called Peace Corps, and urges its total defeat in Congress, and the rejection of the dangerous principles upon which it is based.

(1) The scheme is fundamentally out of step with the times. In spite of the pretensions of the bankrupt American intellectuals, the world we live in is one of increasing nationalism. Only the self-deluded are incapable of realizing that internationalism is dead. It is as dead as the control of the seas by the British Navy; as dead as the promises of the Atlantic Charter; as dead as freedom in East Europe; as dead as the Suez Canal Co.; as dead as Christianity in Black Africa, and as dead as the wild promises of international utopia found in the writings of Karl Marx.

(2) The scheme reeks of an inherent and distasteful theory of racial superiority. It seems odd that the liberals and internationalist America-lasters who dreamed this thing up have laid aside their cherished pretense of a belief in racial equality. How can these virtuous paragons assume that they are so superior to others that they alone have the right and the proper qualifications and the sole value system of any worth, to teach other humans how to behave? Have these amateur psychiatrists solved their own personal problems before they have undertaken to solve the problems of people they can never really understand? Have they worried about the state of affairs in America and the free world of Europe before they began to contemplate upon the problems in Uganda? Do they understand one-thousandth as much of the history of their own people as they purport to understand of the history of the strangers they wish to proselytize?

(3) The scheme is founded on the totally false theory that poking our nose into the business of others is a sure way to guarantee peace among all nations and eternal love for ourselves. This theory is called internationalism. It is the sure way to never-ending ridicule and contempt from the rest of the world, developing into hostility, enmity, and the possibility of loss of allies in war.

(4) The scheme is founded on a naive notion of the causes of conflict between states. "Friendship" between nations is and must be based upon common interests. It is disastrous to expect favors from nation to nation, as George Washington warned. He also said that foreign influence is the most baneful foe of republican government. "Peace" is therefore not a product of individual friendships from country to country. America must remain free to choose her friends and allies according to her real interests, not according to the unpredictable longings of unstable zealots. To deny the primacy of national interest is to betray your country or to be a child in political affairs. The "Peace Corps" could only make a corpse of peace.

(5) Even if the "Peace Corpse" would be successful in its professed objective of increasing the population of "underdeveloped" areas of the world, and bettering the health of the people, and increasing the economic stability and strength of the areas in question; this would have the effect of being directly contrary to our national interests. Or in the never-never land of the Peace Corpsmen, perhaps the "population explosion" does not exist, and perhaps well-fed, well-organized nations do not commit aggressive war if they need more land to feed their people.

(6) The underlying assumption of the scheme is fundamentally ruinous to a stable society. This assumption is that since the problems of America are

insoluble, we must solve the problems of the world. To quote Joseph Emerson Newton in his new book, "Years of Destruction": "This is literally the hour of decision; if you cannot run your own government (and that means in your own town or office), and yet fall into a swoon about a world government that will bring everybody peace, lollypops and slavery * * * then you are finished as a form of life upon this earth."

The "Peace Corpse" idea is a means where the movement toward the complete and final disintegration of our own culture and values and social unity will be greatly advanced and our destruction greatly hastened. The "Peace Corpsemen" are serving the interests of those whose aim it is to break down all social order preparatory to a world dictatorship.

The "Peace Corpse" could be diagnosed by a social scientist-combination-psychiatrist as dementia giving evidence of a deep social sickness brought on by two decades of frustrating, abortive internationalism and guilt pangs because of our attempts to deny our own heritage. The patient, now in the early stages of complete insanity, feels it necessary to deny his identity entirely and absorb himself in history's womb—the primeval jungle.

(7) This is the type of scheme which, if passed, will surely grow and grow and grow and grow. The promoters first said it would cost $3 to $10 million. Then they went to $25 million. Now the magic figure to bring world problems to an end is $40 million. Next year, of course, it will be $75 or $100 million, etc. This is an excellent boondoggle, with all the early characteristics of developing into a healthy item in the budget. And there are unlimited opportunities for bureaucratic empire-building here—on an international scale, at that. No wonder the enthusiasm runs high.

(8) But whatever the cost in the money of the taxpayers and the sweat of the bureaucrats in spending it, it is worth it, in the view of the "advanced" souls who are promoting it. For the "Peace Corpse" will provide a perfect basis for the regimentation and indoctrination of American youth into approved patterns of America-last international socialism.

To sum up, the scheme is an expensive, visionary, useless, needless, harmful, absurd idea. It can do no possible good, except for those who are promoting it, and for the enemies of America.

MONDAY, AUGUST 21, 1961.

GENERAL SIKORSKI TRADE SCHOOL, HYZNE, POLAND

WITNESSES

HON. THADDEUS M. MACHROWICZ, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN

HON. JOHN C. KLUCZYNSKI, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

HON. JOHN D. DINGELL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN

Mr. PASSMAN. The committee will come to order.

We are delighted this morning to have three distinguished and very able Members of Congress appearing before the subcommittee; Mr. Kluczynski of Illinois, Mr. Machrowicz, and Mr. Dingell.

They have with them some of their good friends and constituents who have taken the trouble to travel all the way from Illinois to testify before the committee.

I might say it is unusual to have three distinguished Members of Congress appear before this committee at one time and it certainly indicates a significant interest. I might also add we have allotted more time than we usually would because these men are some of our ablest Members and we are always delighted to have their counsel.

Certainly any witnesses they present to the committee we will accept their testimony at face value because they would never bring any witnesses in without feeling they had something to contribute.

Who will be in charge of the program?

Mr. KLUCZYNSKI. Mr. Machrowicz, Mr. Chairman.

STATEMENT OF REPRESENTATIVE THADDEUS M. MACHROWICZ, MICHIGAN

Mr. MACHROWICZ. Mr. Chairman, Congressman Kluczynski, whose constituents are here today, and who is primarily interested in this program and project, asked that I speak on behalf of the Members present, in order to conserve your time which I know is so valuable.

May I say first of all, on behalf of my colleagues and these gentlemen who have come from Chicago to present their cause to you, we want to express our appreciation for the fact that you have given us this time to present what we consider to be a very justifiable cause. We know how valuable your time is and the fact that your time is limited, so I will try to make this just as brief as possible.

Mr. PASSMAN. You take your time because any time John hollers, we are going to listen.

Mr. MACHROWICZ. Nevertheless, I know you are tremendously busy with very many important matters.

May I say first of all that I would like to limit my statement to three matters.

Mr. KLUCZYNSKI. Mr. Chairman, may I also say that I want to thank you for giving us this valuable time.

I would like to present to you the members of Club Hyzne who live in my district: Mr. Joseph Pienczak, Mr. Edward Pienczak, Mr. Casimer Sowa, Mr. William Bialic, Mr. Joseph Krupa, Mr. Julian Dziak, Miss Mary Nowak, Miss Jean Lofek, Mr. Andrew Kosciak, Mr. Alexandria Sowa, Miss Rosetta Trzyna, Miss Theresa Slemp.

Mr. PASSMAN. Thank you very much. Welcome to Washington. Proceed.

Mr. MACHROWICZ. Mr. Chairman, as my colleague said, Club Hyzne is a very unique club which has existed for about 3 years and which consists of former residents and descendants of former residents of the village called Hyzne in Poland. It is an organization devoted to the cause of assistance to the people of that community in Poland. This activity is directly in line with the people-to-people program initiated under President Eisenhower.

These people attempted to show their interest in the people of that village by various means. They presented a bell to their church in Poland, as well as various equipment to the hospital there. They arranged for the electrification of the entire village and they also did various relief work by sending individual and collective relief parcels to the people of that area. All in all, they created a tremendous amount of good will for the people of the United States in showing the interest of our people in the people of that country.

The village of Hyzne is just a small village but it has a particular significance in connection with this project because it happens to be the town in which Gen. Ladislaus Sikorski was born.

I am sure that this name may not have particular significance to the members of this committee, but I would like to briefly remind

you that General Sikorski was the head of the Polish troops who fought at the head of the Allies along with——

Mr. ROONEY. General Bor?

Mr. MACHROWICZ. General Bor fought under him.

Mr. ROONEY. What was his name?

Mr. MACHROWICZ. Komorouski and General Bor fought under him.

Mr. ROONEY. Would you indicate in what part of Poland the village is situated and the population?

Mr. MACHROWICZ. The population of the village is approximately 4,000 and it in the southern part of Poland. It is very well situated in that, although it is a small town, it is near several large cities in Poland and the importance of the village, to us, at least, is the fact that General Sikorski was born there and he was the commanding officer of Polish troops who fought with the Allies, on the side of the Allies, and he was in General Eisenhower's staff. Subsequent to the time Poland became lost to the Communist cause, he was the first head of the so-called Government-in-exile in London which was then recognized by Great Britain and a number of other countries. It is still recognized, although many people fail to realize that, by several countries such as Spain and others.

The name General Sikorski has a particular significance in the minds of all of those who have a hope and a confidence that the present status quo in Poland will not remain and that some day Poland will again be free.

He stands for a free Poland as we understand a free Poland, being the first President of the Polish Government-in-exile who in 1943 met a tragic death in an airplane accident at Gibraltar. This citizens committee is here today to urge aid in their latest cause which they are now espousing and which has caught the fancy of all Americans of Polish descent and has support from all of them. They have organized a building committee which is proposing to build a trade school in Poland named after the general, called the General Sikorski Trade School. The trade school will be for the use of the people, not only in the town of Hyzne but all of Poland, and will have particular emphasis on the construction trade which is the area in which there is the greatest need.

In order to proceed with this plan of building this trade school they have created a committee which has raised $17,000 here with $10,000 from the Polish National Alliance, the largest fraternal organization of its kind which consists of 350,000 members of Polish descent. They also have the support of the Polish-American Congress. They continue to raise money to finance, insofar as they can, this project. They have also formed a committee in Poland which is doing likewise, and they have gone to the extent of having an architect draw up the plans.

They have received from the Roman Catholic Church in Poland a valid contract for 30 acres of land upon which this school is to be located. They have also obtained, with tremendous difficulty, the consent of the Polish governmental authorities on their plan to build this trade school, which, to me, is very unusual knowing the conditions as they are in Poland. The entire management of the school shall be turned over to a committee of educators and teachers under the sponsorship of this organization which will prepare the educational pro-

gram and name the faculty. The plans which the architect has already drawn up have been approved by the Polish Government.

I want to say that I recognize the fact that psychologically they come at a very poor moment, following, as they do, what happened in the House in the last few days. I am not here arguing for or against the use of counterpart funds in Poland. I have very definite ideas in that respect and I know several members of the committee have ideas not in agreement with mine, but the point I raise is this: We do not know what the final status of legislation before us will be, but if the legislation will be such that it will permit the use of funds in Poland for projects which the President may, in his opinion, evaluate as being in the best national interests of the United States, then I think it should be the concern of all of us whether we do, or whether we do not, favor aid to these countries, that the counterpart funds be used wisely.

Mr. PASSMAN. Will you indicate for the record that you are discussing counterpart funds?

Mr. MACHROWICZ. May I make clear that I am discussing counterpart funds available which, as I understand, are in the amount of near $700 million equivalent, mostly from Public Law 480.

As I started to say, regardless of what our attitude may be about the wisdom of aid to these countries, if the legislation finally adopted by the Congress provides for the President's use, within his discretion, for these funds, I think we all, regardless of our original position on this question, should be interested, and are interested in that money being used as wisely and as efficiently as possible with the best possible benefit to the national interests of the United States.

For that reason, we Members present, and I might say that among Members who are interested in this proposal are some who voted against aid to countries such as Poland. However, they feel that if such aid is given, it should be given so that the use is beneficial to the cause of the United States.

We feel that this trade school is the type of project that could be most useful to our cause, first, because it gives as direct benefit as can possibly be given under the circumstances—over which none of us have control—to the people of Poland.

Secondly, the name General Sikorski will be used, a name known to all Poles in and out of Poland, as an emblem of the cause of a free Poland. These two factors combined with the fact that this project has gone to the extent where the committee has plans which have been completed for this school, and with grounds available, and with Polish Government approval of these plans—under the control of this corporation of American citizens and of this group of educators, which will be selected by them—because of these factors we are very much interested in approval of this project if and when legislation authorizing the use of counterpart funds in Poland should be adopted by Congress.

I am sure we would not have time to explain this plan in detail, but I am sure these gentlemen would be willing to justify its project to this committee, or, as it may happen, to the President.

The building committee has three or four steps in the construction schedule and first is the construction of the school building, the

administration building, workshops, and equipment. That is the major part of the project.

The second step of the project is the technical school, laboratories, library, and landscaping, plus all equipment.

The third step is the dormitories and faculty houses.

The fourth step is the gymnasium, student halls, sporting, and complete roads and landscaping.

Step one is the one they are particularly interested in, and that is the essential one which will involve the expenditure of approximately $250,000.

In addition to that, the committee has obtained the consent of the Polish Government for the construction of this building and they have also obtained a second concession; namely, that American dollars which they are raising and will continue to raise will be changed into zlotys, which is the Polish currency, at a rate of, not 25, which is the official rate of exchange, but at a rate of 72 zlotys, which is a special rate for purposes such as this. Actually, therefore the dollars which this committee will raise will have three times the value they would ordinarily have if they were sent through, and exchanged at the regular rate of exchange.

In presenting this proposal to the committee, we hope that the committee, in its wisdom, will consider this a worthwhile project which, as I said before, we truly believe will bring good results to the national interests of the United States.

It has been my fortune to be in Poland twice in the last few years so I am in a position to confirm, from my own personal knowledge, the effect aid to Poland has on the people and the effect that the project, previously approved by this committee for the Children's Hospital at Cracow has had. It has had a tremendous effect and if we ever are to count upon the cooperation of the people of Poland—and I want to make it very clear I am not speaking of the Government but I am speaking of the people of Poland—it is projects such as this that will endear us to their hearts, and will remind them we are still their friends, and we are active and hopeful that their cause of freedom will someday be brought to fruition.

Their hope is that within the limits—and I understand that there will be limitations upon the use of counterpart funds in a country if the proposal by the Foreign Affairs Committee, not accepted by the House—is approved, that within the limitations the committee may have and within the justified figures that may be presented subsequently by the committee, this committee will see fit to approve this project. This is one which I believe personally is tremendously worthwhile for our own national interests.

Mr. PASSMAN. Briefly, do you know whether or not there is a budget estimate for the item?

Mr. MACHROWICZ. As I said, the budget estimate is $250,000 for the first stage, and the total of the other three stages——

Mr. PASSMAN. You are speaking of the organization's budget?

Mr. MACHROWICZ. The organization's budget, yes. You are talking about how this money is to be raised?

Mr. PASSMAN. Our U.S. budget.

Mr. ROONEY. The Bureau of the Budget.

Mr. PASSMAN. This is not a budgeted item?

Mr. MACHROWICZ. This is not a budgeted item.

Mr. PASSMAN. We are speaking of the organization's budget?

Mr. MACHROWICZ. Yes, I am speaking of the organization's budget. I misunderstood you.

Mr. PASSMAN. What is the total construction cost of the project?

Mr. MACHROWICZ. The first phase is really the most important phase, approximately $250,000, and the cost of the other three phases is approximately $163,000, I believe.

Mr. PASSMAN. I think that you will find sympathy on this committee for the great Polish people and I have a lot of them who are very dear friends. They do not have very much sympathy for the Communist government.

We have to think of it as a Communist government for the time being and it may be that this will be decided by policy at the executive level and not at this level.

You may wish to expand a little bit on the total cost because those questions will be asked.

Mr. MACHROWICZ. The ultimate cost of the four stages is 30 million zlotys, which is the equivalent of about $415,000.

Mr. PASSMAN. Is that in addition to the land?

Mr. ROONEY. What are the amounts in the four stages?

Mr. MACHROWICZ. The first stage cost is 18 million zlotys, which is the equivalent of $250,000.

Mr. PASSMAN. Again, this would be in local currency?

Mr. MACHROWICZ. That would be in local currency.

May I say that the committee is continuing its drive for raising American dollars and their counterpart committee in Poland is raising funds. I do not know just how much they could raise in Poland but I suppose it is more nominal than actual for the construction of this project and for its maintenance.

Mr. PASSMAN. Will you give us a brief report on the hospital while you are here? I am sure you are familiar with the progress being made.

Mr. MACHROWICZ. As to the progress, I will say that I am not the person best equipped to speak on that because Mr. Zablocki is the one who is the author of the project, but I will say this: It is under construction and several months ago the cornerstone was laid at a tremendous ceremony. The thing I like about it most is——

Mr. PASSMAN. I might state that we included in our bill last year hospital funds.

Mr. MACHROWICZ. That is correct.

Mr. PASSMAN. Then I think it was stricken on a point of order and then put back in conference.

Mr. MACHROWICZ. I do not know if some members of the committee know that I broadcast on the Voice of America and Radio Free Europe on an average of once a week to Poland directly since I have a little knowledge of the Polish language, but I am in quite close contact with many groups in Poland.

The thing that I am particularly pleased about is the fact that America's participation in that hospital has, in this instance, been given proper publicity. It is not like many of our other projects which go ahead without the people actually knowing what the United States has done.

I might also say that I can vouch personally that this committee which is here today is just about as anti-Communist as any committee can be. There is no question about the people who are sponsoring these projects. Their only reason for sponsoring them is their hope that they can keep the spark of freedom alive in these people long enough so that when the time comes, which we are all hoping for, they will be ready for a new day.

Mr. PASSMAN. Mr. Machrowicz, we want to thank you for a very forceful statement.

Mr. ROONEY. Would the gentleman yield?

Mr. PASSMAN. Yes.

Mr. ROONEY. I must leave this committee within about 2 minutes for the Deficiency Committee, but I do not have an answer yet on my question. This is important to some of us who want to help in regard to this item. I do not yet have an answer to my question as to the amounts in the four stages.

Mr. MACHROWICZ. The first stage is the school building, the administration building, the workshops, and all equipment, and that is 18 million zlotys.

Mr. PASSMAN. The equivalent?

Mr. MACHROWICZ. Eighteen million zlotys.

Mr. ROONEY. Let me have the dollar figure. We count these zlotys as dollars when we put them in the bill.

Mr. MACHROWICZ. It is the equivalent of $250,000.

Mr. PASSMAN. Stage one?

Mr. MACHROWICZ. Stage one.

Stage 2 is the technical school, laboratories, library and landscaping, plus all equipment which is the equivalent of 5 million zlotys.

Mr. ROONEY. $163,000?

Mr. MACHROWICZ. It would be about $70,000.

The third stage is the dormitories, faculty houses, and that is 5 million zlotys, or the equivalent of again about $70,000.

The fourth stage, which is the gymnasium and student halls, sporting, and complete roads, and landscaping, is 2 million zlotys, the equivalent of $27,000.

The total is 30 million zlotys and that is approximately $416,000.

Mr. PASSMAN. Would you give the committee a memorandum on the completion date projected for each stage and when it will be completed?

Mr. MACHROWICZ. Yes, I will get that information.

(The information follows:)

The first phase of the project is scheduled for completion within 1½ years, the second phase 1 year later and the third phase in another 1½ years, making the total scheduled completion in 4 years.

Mr. PASSMAN. Do you want to make a statement, Mr. Kluczynski?

STATEMENT OF REPRESENTATIVE JOHN C. KLUCZYNSKI, ILLINOIS

Mr. KLUCZYNSKI. Mr. Chairman, I want to thank you for the time you have given us this morning.

Mr. Natcher, Mr. Alexander, these are the people from Hyzne, Poland. As Mr. Machrowicz said, these people were born in Poland and came to this country. In my district, I have about 200 families with relatives who are still in Poland. They came here to be good

American citizens, to learn the language first, get a good job, get married, raise a family and to be real Americans.

That, Mr. Chairman, is it.

This committee has sent to its hometown in Hyzne, Poland, some help and they have helped people out with this hospital and they are now interested in this school where General Sikorski was born and raised.

Mr. Chairman, I have a statement which I would like to submit for the record.

Mr. PASSMAN. Without objection, it will be inserted in the record at this point.

(The statement follows:)

Club Hyzne was organized after World War I, following a plea from their homeland to aid them in restoring their destroyed towns and churches. The plight of the people in Hyzne initiated a committee, in Chicago, to aid them. The committee consisted of the following organizers: Mr. Joseph Pienczak, Mr. M. Jaworski, Mr. W. Gajewski, Mr. J. Trzyna, Mr. J. Janik, Mr. M. Janik, Mr. G. Bukala, Mr. L. Bialic, Mr. J. Dudek and Mrs. J. Dudek. The request by the pastor of the church in Hyzne, for any aid, aroused and inspired the people in Chicago to work together. Through their efforts the committee raised funds of $1,600 to restore the church and the church bells, which had been seized. The committee continued zealously with its welfare work, extending aid to the immigrant and to the people of Poland. Growing in membership it was finally organized and granted a charter in 1928. Its members are Roman Catholics and American citizens and proud of their ancestry, trying to raise their children with the spirit of their forefathers to become worthy citizens of the United States. There are more than 150 families residing in Chicago from Hyzne, Poland.

Since its existence the club has continously donated to local relief funds and to national funds. It has been a member of the American Relief for Poland since its inception, and the Alliance of Polish Clubs. The record of these two organizations is acknowledged for its relief aid given to all sections of Poland. All the members belong to the Polish National Alliance and the Polish Roman Catholic Union.

Though all the club members are of a laboring class, with families to care for, they have managed to raise more than $8,000 within their club group for aid to their brethren in Poland.

During the most recent years the club has aided financially in the building and furnishing of a medical clinic, which serves the medical needs of 20,000 people in 3 towns. Just recently an X-ray machine has been donated to this clinic to help them extend medical needs. Another noteworthy aid financed by this club's efforts is the electrification of an entire village.

It was in this town of Hyzne that the late Gen. W. Sikorski, Premier of Poland, was raised and educated. His biography and heroic feats are well known to all people of the world. His patriotism should forever be a symbol to all freedom loving people. That we may perpetuate his greatness and keep his name alive as an inspiration, the people of Hyzne, Poland, and the members of Club Hyzne in Chicago, feel that this trade school should be built in his name.

Mr. KLUCZYNSKI. Again, I want to thank you for giving our people of Polish descent an opportunity to appear before this fine body and to be here in the Capital of the free world. We are very enthusiastic about this and I will say to you that I will do my best to see that they see everything possible in Washington.

Mr. PASSMAN. We are very fond of your able Congressman and we are always glad to receive his friends and to hear their statements.

We now have our very good friend, John Dingell.

John, do you have a statement?

STATEMENT OF REPRESENTATIVE JOHN D. DINGELL, MICHIGAN

Mr. DINGELL. Mr. Chairman, I merely want to support the statements made.

I merely want to support the statements made previously by my good friends and colleagues, Congressmen Machrowicz and Kluczynski and also to tell you that I am well aware how busy this committee is and I particularly appreciate it, Mr. Chairman. I particularly appreciate the honor which you have done our people today in hearing us, and in extending the courtesy that you have this morning. I know the committee will consider this very carefully and will screen it in the way it does all requests for funds, and will very carefully see to it to achieve the proper public interest.

I want to pay particular tribute to the chairman of this committee and the ranking minority member, Mr. Taber, as well as Mr. Rhodes, Mr. Natcher, and my good friend, Mr. Alexander.

I want to express to you gentlemen my sincere appreciation and commend this project to you as one very deserving and one in the public interest.

Again, we are aware that this committee will do right by this.

Mr. PASSMAN. Thank you, John. We are very happy you could find time to come with your friends and colleagues this morning.

Mr. RHODES. Mr. Chairman, may I ask a question?

Who will be responsible for the administration of this school?

Mr. MACHROWICZ. The Club Hyzne, which is incorporated in the State of Illinois, will be responsible for it.

Mr. RHODES. For operating the school?

Mr. MACHROWICZ. Yes; they have organized a Hyzne Club in the area, a counterpart committee which is working as their agent and which consists of educators and experts in this particular field. They will be working as their agents.

Mr. RHODES. The funds for paying the teachers and administering the school will be coming from this group?

Mr. MACHROWICZ. That is correct.

Mr. RHODES. They are taking on an obligation which they realize will last for many years?

Mr. MACHROWICZ. Yes, sir. In that connection, I was going to say something further. Although this project started out as a project, it has now assumed greater proportions. Although this started out to be a project of a small group, it has now been unanimously adopted by Americans of Polish descent throughout the United States.

In order to be perfectly honest with you, it covers studies that naturally will be subject to control by the Communist government. I would not want to leave you with the impression that this committee, which is going to have charge of the school, will be completely independent of the Government. I think all of us are aware of the situation that exists in Poland, a very delicate situation, and in order to get consent for the construction of the school, they did have to get the consent of the Polish Government. However, they have had formal hearings before the Ministry of Education in Poland and they have received a contract which is, in my opinion, rather strangely liberal to some extent. It did give them great discretion, this committee of edu-

cators in Poland, to have charge of, not only the subjects that will be taught there, but also the selection of the students.

Mr. PASSMAN. You may wish to give the committee a memorandum on the legal status, so far as our Government is concerned, whether you will be making the contributions to the organization or to Poland. That question will be asked.

Mr. MACHROWICZ. The contributions will be given to the committee, not to the Government.

Mr. RHODES. What about the land? I believe you said the land has been given to the Roman Catholic Church?

Mr. MACHROWICZ. The bishop of the diocese has donated 25 acres of land and the contract of sale of donation has already been legally entered into and reported.

Mr. RHODES. This interested me because I assumed that, as in most Communist countries, it is impossible for anybody to own land other than the government.

Mr. MACHROWICZ. May I tell you something on that on the record: My personal impression is that the reason the bishop donated this land is that they are conscious of the fact that land is being appropriated by the Government and they felt they would rather give it to a cause like this. The situation in Poland has changed tremendously in the last 12 months. Church property was not subject to taxation before and now it is. Church property now is being limited and the church cannot own property unless it actually needs and uses it for the purposes of the church.

I can only give my personal supposition on this, that the church, recognizing the fact that the screws are being tightened upon them and that they would eventually be forced to turn the property over to the Government, felt it was advantageous to turn it over to a corporation of this type.

Mr. RHODES. Do you not think it will be just about as easy for the Polish Government to take land which belongs to an Illinois nonprofit corporation?

Mr. MACHROWICZ. There is no question but that that is always something that may happen, depending on international developments, depending on developments in Poland. I think we are all operating on the hope and in the confidence that the situation will gradually change.

There is no question in my mind that whatever we do of this type is a risk.

Mr. TABER. How many young men and young women will be trained at one time in this school?

Mr. MACHROWICZ. There are 500.

Mr. TABER. Will it be a local proposition?

Mr. MACHROWICZ. They will come from all parts of the country.

Mr. KLUCZYNSKI. There are only 4,000 residents in Hyzne.

Mr. MACHROWICZ. The purpose of selection of the town of Hyzne is that geographically it is well situated and because it is near many of our cities. Secondly, the importance to us, at least, of this selection is that it is the birthplace of General Sikorski and it does signify that link with Free Poles outside the United States.

Mr. PASSMAN. I would like to assure our distinguished colleagues, as well as the witnesses, that this is a very sympathetic committee in

matters of this kind. We indicated that last year when we authorized funds for the hospital. We do not know what the legislation will be after it comes back from conference, but inasmuch as we own the local currency and it could be put to use, we want to be just as sympathetic as we can.

It may well be that we will give some thought to mentioning this in our written report in case it is not clear in the legislation.

Mr. KLUCZYNSKI. Mr. Chairman, this is Mr. Pienczak.

Mr. PASSMAN. We are very happy to have you before the committee and we shall be very happy to insert your entire statement in the record.

(The statement follows:)

CHICAGO, ILL., *August 21, 1961.*

We the members of Club Hyzne of Chicago, Ill., on behalf of the General Sikorski School Fund are appealing to your committee for consideration of assignment of certain of the foreign aid funds to be used for the building of this trade school.

The school would be named in honor of General Sikorski, national war hero and world diplomat. His name would be a constant reminder of freedom to all Polish people. This school would be located in Hyzne, Poland, where the general was brought up. The land for this project has already been donated by the Archdiocese of Przemysl, Bishop Tomaka. This land measures approximately 30 acres in the town of Hyzne. This contract with all other plans is in the hands of this committee approved and agreed by the local and National Government of Poland. The people of this committee and all people concerned with the initiation of this project feel strongly that this type of aid to the people of Poland is most beneficial as it helps the people directly and educates them to be more beneficial to mankind. You can be assured that just as in the past the members of Club Hyzne have sent aid to this region in the form of electrification, hospitals, medical equipment and various other projects, all of these gifts are well remembered as coming from the American people and their Government. A Pole's greatest wish is to be free again and raising his standards of living. It is also the wish of the members of families of all these people now living in America.

The building committee of General Sikorski Trade School in Poland has proposed the following plans as to the building and curriculum. It will be a technical trade school, attended by not only local students but by students from the entire State. Plans for the building will accommodate 600 students. A school with such a capacity and accommodations will be most feasible economically, because teaching of students can progress at a larger scale and prove more practical. The school will teach and train students with an above-average scholastic ability, on a high school grade level. Upon completion of a 5-year course, qualifying a student for a diploma, he may continue further schooling in a specific trade or degree.

General courses will also be in the school program, enabling a young man to generalize in an open field after 1 to 3 years of schooling. The following subjects will be taught: Humanities, Polish language, foreign language, history, geography, physics, mathematics, chemistry, horticulture; but will specialize in all technical and practical education of all the building trades including courses of civil engineering.

The corps of trade specialists and professors are guaranteed by the Director of Council of Education in Rzeszow, Poland. To carry out this educational program and building program the committee has drafted the following schedule of construction so as to guarantee a student a complete course as he progresses.

The building committee has the following schedule:

Step 1. School building, administration building and workshops and all equipment.

Step 2. Technical school, laboratories, library and landscaping plus all equipment.

Step 3. Dormitories, faculty houses. (This step would be necessary upon the completion of the school to enroll transient students.)

Step 4. Gymnasium, student halls, sporting and complete roads and landscaping.

Capacities and cost of the project

Project steps	Capacities	Cubic meters	Cost per cubic meter	Total cost of each step
			Zlotys	*Zlotys*
Technical school and lecture rooms with auditorium.	Accommodates 600	13,000	800	10,000,000
Workrooms, machine shops, and technical rooms.	150 units	10,000	800	8,000,000
Technical units, laboratories, and libraries	200 seats	4,000	800	3,000,000
Storage buildings, boilerrooms, maintenance, and sewage and water.		2,000	500	2,000,000
Dormitories	300	10,000	500	5,000,000
Faculty homes	10 to 15	5,000	400	2,000,000
Total cost of entire project				30,000,000

All the athletic fields, gymnasiums, theater, roads, common labor, will be provided at the expense of the local residents in Poland.

On behalf of the entire committee, we thank you for the privilege of presenting this program before you. We beg your sincere consideration of this appeal.

Sincerely submitted by,

EDWARD J. PIENCZAK,
Trustee.

Accompanied personally by:

JOSEPH PIENCZAK,
President and Fund Chairman.
CASIMIR SOWA,
Building Chairman.
MARY NOWAK,
Recording Secretary.
WILLIAM BIALIC,
Treasurer.
JOSEPH KRUPA, *Trustee.*
JULIAN DZIAK,
Committee Member.
JEAN LOFEK,
Committee Member.

Mr. PIENCZAK. I have it all here, Mr. Chairman. Most of it was translated by Congressman Machrowicz.

I am most appreciative of the time you have allotted us. As a group, our committee has worked in close cooperation with the people in Poland. Three years ago, we had a committee out there and then last year and then this year, and we have had committees working in cooperation with them.

If there is any further information we can provide, we will be glad to give it to you at any time you wish.

Mr. PASSMAN. We appreciate your very able Representatives coming before us and they are wonderful men.

If we need any additional information, we will contact your Congressmen.

Speaking for the committee, we wish you every success in your undertaking, and we will be just as considerate as the legislation will permit.

Mr. MACHROWICZ. I will furnish for the record the information requested by members of the committee as to the costs and the time schedule.

Mr. PASSMAN. I think that all members——

Mr. NATCHER. Mr. Chairman, I certainly want to join with you in thanking our colleagues for appearing with these fine people on this particular matter.

You may rest assured that every consideration will be given to your request.

Mr. ALEXANDER. I would also like to add, particularly to you people here, my high estimate of my colleagues who appear here, and to say to you that you are well represented, and this committee will certainly give every consideration it can to your request.

We appreciate your taking your time and appearing before us.

Mr. PASSMAN. Thank you, gentlemen.

(The following statement was submitted later for the record:)

POLISH AMERICAN CONGRESS, INC.,
Chicago, Ill.

STATEMENT IN RE ALLOCATION OF FUNDS FOR GENERAL SIKORSKI TRADE SCHOOL IN HYZNE, POLAND

On behalf of the Polish National Alliance, a fraternal order of 335,000 members, and of the Polish American Congress, a representative body of over 7 million Americans of Polish lineage I renew my appeal of the last year to the House Appropriation Committee to allocate $100,000 from mutual security funds for the building and equipment of General Sikorski Trade School in Hyzne, Poland.

We strongly feel that building of this school in the memory of one of the great military and political leaders of the Western Alliance in World War II, General Wladyslaw Sikorski, would most eloquently symbolize American friendship toward the Polish people and would further cement historic and traditional ties between these two nations.

The youth of Poland is in a great need of technical education, and this trade school, built with official U.S. aid and generosity would lastingly impress younger Polish generations with the ideals for which America stands and is revered throughout the world.

With this view in mind, the 33d Polish National Alliance Convention donated $10,000 toward the school building fund.

I am sincerely hopeful that the House Appropriation Committee, empowered to do so under section 400(c) of the Mutual Security Act, will allocate an equivalent of $100,000 in Polish currency from the U.S. counterpart funds in Warsaw for the General Sikorski Trade School in Hyzne, Poland.

Respectfully yours,

CHARLES ROZMAREK,
President, Polish National Alliance and Polish American Congress.

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