

resolution of the procedural problems that have confronted us in respect to getting on with the Panamanian problem.

As chairman of the Subcommittee on Latin American Affairs, I wish to state that the President's final position on the matter was not only his original position, but obviously was the position of President Kennedy. As I think and have always said when I discussed it in the Senate, it was made crystal clear in that great release of June 13, 1962, when the communiqué was released from the White House signed by President Kennedy and President Chiari of Panama. The communiqué stated in effect that when two friendly nations such as the United States and Panama find themselves in disagreement over issues, they have a clear obligation to resolve the disagreement. These two Presidents then pledged themselves to carry out that obligation to proceed without delay to enter into the necessary diplomatic conversations leading to a peaceful settlement of those differences. That is exactly the position President Johnson has taken. The President of Panama and his officials and his ambassadors are deserving of the same compliment, tribute, and congratulations that I am paying to President Johnson.

With the appointment of the Special Ambassador, as announced by President Johnson in that long-distance telephone conversation to the President of Panama—I refer to Mr. Robert Anderson—to be our Special Ambassador to carry on our negotiations in regard to the problems involved in these discussions, I am sure we shall be represented by an exceedingly able man who is very familiar with the problems of Panama. I also congratulate the President of the United States on that appointment.

Mr. President, I think it is good to see this ray of international sunshine among the rather heavy clouds of these days. I believe that ray of sunshine will brighten the skies, and the clouds will more and more disappear, as a result of the great statesmanship which President Johnson has displayed in connection with the Panama crisis.

In my opinion, two others deserve our compliments, too. One is Ambassador Bunker, the U.S. Ambassador to the Organization of American States. He has done a magnificent job for many, many weeks, as, to my knowledge, he has worked unbelievable long hours with Ambassador Moreno, the Special Ambassador of Panama, in connection with this matter.

In fact, I have been of the opinion that the position our Ambassador has taken for many weeks has been a sound one.

It is interesting, Mr. President, to find, when we come to study the language set forth in today's announcement—which we shall read in the newspapers published tomorrow, that, in my judgment, its meaning is identical with that of the language which Ambassador Bunker and Ambassador Moreno suggested some weeks ago; but it was necessary to clarify the language by the discussions which have ensued. President Johnson's calm, mild, but determined position—that we are going to proceed on the basis of

equality with the Panamanians, that we are going to proceed on the basis of first a restoration of diplomatic relationships, and that we are going to proceed without any commitments in advance—has prevailed. Thus, President Johnson has made a great record. I congratulate him, and I also congratulate Ambassador Bunker.

In my opinion, the third man who deserves great credit in connection with this specific item is the Assistant Secretary of State for Latin American Affairs, Thomas Mann. He, too, deserves our expression of gratitude for the careful and thorough work he has done in connection with the Panamanian issue.

The same also goes for the Secretary of State, Mr. Rusk. He and I disagree on many matters, but we do not disagree on this one. Whenever I agree with a man on one matter—no matter how much I may disagree with him on others—I am always glad to have the privilege and the opportunity to express my point of agreement with him. So I think Secretary Rusk deserves the thanks of all the people of the United States for his excellent service as Secretary of State, in connection with the Panamanian matter.

THE NEW PRESIDENT OF BRAZIL

Mr. MORSE. Mr. President, I wish to express my high compliments to the President of the United States, in connection with the statement which appears in today's newspapers in connection with the developments in Brazil. The article which I wish to have printed in the RECORD is an Associated Press dispatch by Lewis Gulick. The headline is: "L.B.J. Sends Warm Note to Mazzilli."

I ask unanimous consent that the entire article be printed at this point in the RECORD.

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

L.B.J. SENDS WARM NOTE TO MAZZILLI
(By Lewis Gulick)

President Johnson last night sent his warmest "good wishes" to Ranieri Mazzilli, newly installed as President of Brazil after a military coup ousted Joao Goulart.

Accepting without question the legitimacy of Mazzilli's ascent from the Presidency of the Brazilian Chamber of Deputies, Mr. Johnson told him:

"The American people have watched with anxiety the political and economic difficulties through which your great nation has been passing, and have admired the resolute will of the Brazilian community to resolve these difficulties within the framework of constitutional democracy and without civil strife."

The presidential message made no mention of Goulart, deposed by the military because of his leftist leanings. The message concluded:

"The relations of friendship and cooperation between our two governments and peoples are a great historical legacy for us both and a precious asset in the interest of peace and prosperity and liberty in this hemisphere and in the whole world. I look forward to the continued strengthening of those relations and to our intensified cooperation in the interests of economic progress and social justice for all and of hemispheric and world peace."

The White House release of Mr. Johnson's message was in line with earlier, unofficial word that the U.S. Government is pleased by the removal of Goulart, in whose government the Communists had been playing an increasingly important role. The State Department said normal United States-Brazilian relations were continuing.

Press Officer Robert J. McCloskey declined to answer most inquiries about the revolt that deposed Goulart. But he did say:

"I know of no change in our relations" with the country.

The \$30-million-a-year U.S. aid program to Brazil will be continued.

U.S. authorities had become increasingly displeased with what was regarded as growing Goulart involvement with the Reds. It also has been felt in Washington that Goulart failed to put through effective reforms needed to curb Brazil's runaway inflation, promote development and raise living standards for dissatisfied masses.

Mr. MORSE. Mr. President, here, again, President Johnson has acted with the same great care, calmness, and deliberation that have characterized his other actions; and he deserves our thanks for the note he sent to the new President of Brazil.

I wish to make very clear that I can testify, on the basis of such knowledge as I have—and I think the members of the Senate Foreign Relations Committee were kept thoroughly briefed on all details of the developments in Brazil—that the United States in no way intervened or was responsible in any way for the action which occurred in Brazil. I am convinced that the developments there were completely Brazilian; and they were long in the making.

In the Senate's Foreign Relations Committee we have discussed this matter many, many times, and have expressed our concern over the developing thunderheads in the foreign-policy skies over Brazil. We have known for some time that Communists or, certainly, those who were advocating Communist policies were infiltrating themselves into the administration of Goulart. That was of great concern to constitutionalists in Brazil.

Mr. President, the developments in Brazil did not result from action by a military junta or from a coup by a military junta. Instead, the overthrow of the presidency of Brazil resulted from development in which the Congress of Brazil, acting under the Constitution of Brazil, was the guiding force, and was reinforced by a military group which backed up the preservation of the Brazilian constitutional system. Under that constitutional system, Goulart could have remained in Brazil and could have stood trial, so to speak, in connection with charges which would have been placed against him, as provided for under the Brazilian constitutional system. But certainly the Congress of Brazil and the governors and the people of Brazil could not be expected to stand idly by and see their government and its forces gradually, step by step, turned over to a Communist apparatus.

The important point for us to note is that the new President of Brazil—and, under the Brazilian system, he will occupy only temporarily the office of President—is the one next in line under

the Brazilian Constitution to occupy the office of the Chief Executive of Brazil. Furthermore, it is also interesting to note that this is not the first time he has occupied that office under somewhat similar circumstances. It is both interesting and, I believe, also somewhat ironic that the new President of Brazil was the temporary President of that country when Quadros resigned and found it convenient to leave Brazil, and Goulart then was next in line, under the constitution. However, there was some opposition to allowing Goulart to assume that office; and at that time Mr. Mazzilli, the new President of Brazil, insisted that the Brazilian constitutional procedures be followed. In my opinion, that is about all we need to know in regard to Mr. Mazzilli's faith and conviction in regard to the importance of the maintenance of a system of government by law, in keeping with the framework of the constitutional system that is binding upon his country.

In my opinion, President Johnson very appropriately waited until the legal and constitutional system of Brazil had worked its course. When we were notified that the new President of Brazil had taken office, then the warm message of the President of the United States was sent to the new President of Brazil.

It is a beautiful statement, as Senators will see, if they have not already read it. I commend and congratulate my President for that act of statesmanship.

THE WAR IN SOUTH VIETNAM

Mr. MORSE. Mr. President, I turn now to the next of three additional items on which I intend to comment briefly before I finish. I owe it to myself, and I certainly owe it to many Americans who share my point of view and the point of view of the Senator from Alaska [Mr. GRUENING] and others who have expressed themselves in opposition to McNamara's war in South Vietnam in recent weeks, to come to the floor of the Senate immediately after being in the White House and announce again that I stand on every word that I have said on the South Vietnam issue in recent weeks.

I repeat that, in my judgment, there is not the slightest justification for American unilateral action in South Vietnam.

I do not intend to reveal any matter of privilege that occurred at the briefing that we received at the White House in respect to South Vietnam. I learned nothing new from that briefing in regard to McNamara's position in defense of the McNamara war in South Vietnam. I found him as unconvincing today as I have found him from the beginning in regard to the American program in South Vietnam.

I heard not the slightest justification for American unilateral action in South Vietnam, in light of our clear treaty commitments that bear down upon us in connection with the SEATO treaty and in connection with the United Nations. I am not at all impressed with any argument that SEATO is a paper tiger. The signature of the United States is on the

SEATO treaty, and the United States has not sought to get the SEATO signatories to join in trying to reach some accommodation in regard to South Vietnam that could bring to an end what I consider to be an unnecessary killing of American boys—yes, the unnecessary killing of human beings, both South Vietnamese and Vietcong.

As a nation pledged to try to settle situations that threaten the peace by peaceful procedures, we at least first ought to have made our record of trying to resort to the procedures of international law that are made available to us.

With De Gaulle taking the position that he thinks some kind of neutralization—I do not know what he means by it, and we ought to put him on the spot and find out—ought to be substituted in Vietnam for war, we at least ought to be taking the leadership through SEATO, because the signature of France is on that treaty, to find out how he would try to settle it by peaceful procedures.

I repeat, as I shall do from day to day, that the signatories to SEATO are Australia, New Zealand, Pakistan, Thailand, Philippines, Great Britain, France, and the United States.

Is it not interesting and significant that the only country taking action in South Vietnam is the United States? By what right do we set ourselves up and say that we have the right to use unilateral action in South Vietnam?

"Oh," say the apologists for this unjustifiable U.S. action in South Vietnam, "the South Vietnam Government asked us to come in."

East Germany asked Russia to come in. There is as much logic for our being in South Vietnam as there is for the Russians to be in East Germany. There is no logic in either case. Neither country can justify its course of action.

What a glorious opportunity we are miffing to demonstrate to the world that we mean it when we say that we seek to use peaceful means for settling international disputes. How can we possibly justify the unilateral action in South Vietnam with the action we took in regard to Cyprus?

I admit that we had to be pushed into it. I am sorry that we had to be pushed into it. But at least we finally came to realize that since Cyprus was not a member of NATO, we ought to join in a proposal to take the Cyprus issue to the United Nations. And there it is. That is where it ought to have been in the first place.

Mr. President, I wish to make clear again, as I did earlier today, that Senators will never find me standing on the floor of the Senate criticizing American foreign policy without offering what I consider to be constructive affirmative proposals to take the place of a policy that I believe is wrong. We ought to try SEATO first. If we cannot arrive at an accommodation in SEATO that will bring an end to the blood letting in South Vietnam—if our allies to the SEATO treaty do not wish to work out some proposal along lines similar to what De Gaulle has been talking about in general terms—we have the clear duty to take the leadership in urging that the

United Nations take up the question of South Vietnam quickly.

What is wrong with that procedure? My ears are open. I have been listening. I have had my hand cupped to my ears for weeks waiting for someone to whisper in my ear. What is wrong with it? We shall never know whether it will work or not until we try.

We owe it to American boys in South Vietnam to try it. We cannot possibly give those American boys in South Vietnam the protection to which they are entitled in conducting the McNamara war in South Vietnam the way it is being conducted.

I have talked with Army officers. I have talked with Marine officers. I have talked with Air Force officers. They tell me, "Senator, we are not giving those boys the protection that they ought to have if we are going to send them into an area of combat."

I say to the Senate that we must get the idea out of our heads if we think those boys are military advisers. They are soldiers. They are dying.

Already more than 200 of them have died. I am trying to find out if there are any more. That is why I asked the chairman of the Committee on Armed Services the other day to notify the Defense Department that we want a daily report on fatalities. We want a daily report on those who are wounded.

Mr. President, I do not care what angle of the South Vietnam war we examine; we cannot justify it.

The American people, by the rising of tens of thousands of opposing voices every day, are beginning to make their views known to the administration and to the Congress. As the months go by and the unjustifiable killings in South Vietnam continue, we shall hear a repercussion from the American people that will create a din in American public opinion.

I wish to see us take the lead in trying to see if we cannot reach an accommodation. If the result is a United Nations trusteeship, I ask, What is wrong with that?

What is wrong in the United States, with all of our pratings about how we stand for the settling of international disputes by the application of the rule of law? It sounds so good. We have made it sound so good in so many international councils of the world that they have caught up with us. Now they are telling us that they doubt our sincerity about wanting to settle disputes by the application of the rule of law.

Mr. President, we cannot square unilateral American action in South Vietnam with our claim that we want to settle disputes by the adoption of peaceful procedures.

Let us keep in mind that the war in South Vietnam is a civil war. I am still waiting for the Secretary of Defense to give us a scintilla of evidence that there are in South Vietnam any armed soldiers of Red China or North Vietnam or Russia. Equipment, yes. The Vietcong have been buying equipment in North Vietnam, and possibly from China. Equipment manufactured there has been found. But we are in no position to throw stones, for all of the equipment

the Alliance for Progress, is amended as follows:

"(a) Amend section 251, which relates to general authority, by adding at the end thereof, the following new subsection:

"(h) Not to exceed 10 per centum of the funds available for any fiscal year for making loans under this title may be used during any such fiscal year for loans for any purpose other than for specific developmental projects.

"(b) Amend section 252, which relates to authorization."

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

The yeas and nays were ordered.

EXPLANATION OF AMENDMENT RESTRICTING NON-PROJECT LOANS

Mr. MORSE. Mr. President, last year I offered an amendment that sought to curb the use of Alliance for Progress funds for balance-of-payment loans and budget support in Latin America. That amendment failed to pass, but it did receive 31 votes. Since this was the first time that a vote was taken in the Senate on the practice of making general-purpose loans as opposed to specific project loans, I would have thought that so large a number as 31 Senators voting for the restriction would have been a warning signal to the Agency for International Development.

But it seems to have made no impression whatsoever.

This year, the House Foreign Affairs Committee, in both the majority and minority reports on the foreign aid bill, again warned AID against the use of loan funds for unspecified purposes.

The majority report states:

In general, the committee recognizes that whenever the administrators of the aid program are convinced that the financing of commodity imports is essential, it is better to finance such imports with loans rather than grants.

Nevertheless, the committee believes that countries which progress to the point where they qualify for large development loans should be encouraged to assume increasing responsibility for financing their imports, except imports related to projects for which loans are made.

There is a danger that dependence on the United States for such financing could result in levels of consumption higher than the recipient could normally sustain and could encourage unsound financial and monetary practices.

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

Mr. MORSE. I yield.

Mr. AIKEN. Is this amendment what is popularly known as the antijuggling amendment?

Mr. MORSE. Some call it antijuggling. I call it anticorruption.

Mr. AIKEN. Antimonkey business, perhaps?

Mr. MORSE. That would be a good description. It is a little softer than mine.

Mr. AIKEN. It seems to be a reasonable amendment, unless someone can explain why it would not be so.

Mr. MORSE. Mr. President, That is the language of the majority of the House Foreign Affairs Committee. The minority had much more to say on the matter. It listed "program" loans as having been made to Tanganyika in the amount of \$1 million, Tunisia \$10 mil-

lion, India \$275 million, Pakistan \$100 million, Turkey \$70 million, Chile \$40 million, and Colombia \$15 million up to the date of the report. That is a total of \$511 million. Since the report was published, at least one more large "program" loan has been made to Brazil in the amount of \$50 million.

The minority views continue:

These loans do not require the same degree of study for feasibility—technical, financial, or economic—that are required for a project loan to get the necessary approval under section 611 of the act. This section requires cost estimates, engineering surveys, and financial and other plans before loan funds can be obligated.

Further, the United States does not receive credit or become identified with assistance under program loans because they are made to the government which, in turn, allocates the dollar exchange to importers for commodity import requirements.

In summary, every effort should be made to curtail program loans because (a) they require less detailed justification than project loans and, therefore, can be used to absorb loan funds when carefully worked out projects are not forthcoming; (b) there is no visible way to identify the United States with assistance provided through program loans; (c) a country receiving a program loan can divert similar amounts of its foreign exchange to luxury-type import items or for lower priority needs; and (d) although imports with these loans are required to be from the United States, the level of American imports do not increase comparatively, which indicates that some of the countries merely divert imports with equal amounts of foreign exchange of other sources.

At the time of this report, \$456 million had been lent out of the Development Loan Fund for program loans, and \$55 million out of Alliance for Progress loan funds, plus \$50 million out of the contingency fund, which went to Brazil.

Two-thirds of all money appropriated last year for development loans had been lent for unspecified, general commodity financing. About 15 percent of Alliance for Progress loan funds went for the same purpose. But in the case of Latin America, budget support and balance of payment help comes more from non-Alliance funds, primarily the contingency fund and supporting assistance.

As I stated, in the past several years, all supporting assistance is, after all is said and done, really indirect military aid.

As the House committee minority makes so clear, this assistance in no way is identified with the United States; this assistance cannot be related to any project or program by the people of the receiving country. How much good have we done the United States among the people of Brazil with our \$50 million loan to its Government? None. The money will never show up in the way of life of the ordinary Brazilian.

What we did with that \$50 million was to buy a little political favor from its current political leaders. That is what these program loans are for. It bails them out a while longer. It postpones the day when critical and sometimes painful decisions have to be taken on their home front. It delays the time when they must go before their own voters and lay down the facts of life. No politician likes to do that. So they come

to the U.S. Treasury instead. That way we hope to create a little obligation on their part to favor the United States in international matters.

That is why in my individual views I said that program loans do no more than patch over and perpetuate the lack of economic development.

Brazil and Turkey have already defaulted, in effect, on loans by obtaining moratoriums even as we extend them new soft loans. There is every prospect that debt renegotiation with Argentina will begin soon, if it has not already begun.

Yet we go on and on making new easy credit available to them.

The prevalence of this kind of loan makes a mockery of the advertisements AID and the State Department make about foreign aid helping farmers to grow better crops and laborers to build better homes.

At the time the recent Brazilian loan was announced, it was also announced that the \$50 million was in addition to; "understandings now being reached for the financing of various specific projects designed to promote the economic development and social progress of the Brazilian people."

This \$50 million loan is at 2 percent interest for 40 years. We have been encouraging Brazil for years and years. We have been urging upon Brazil to do something about its inflation. We have been urging Brazil to come forward with a plan, which she is obliged to do under the action at Punta del Este, as to what she will do with respect to internal reforms and internal programs. Alliance for Progress funds are supposed to contribute to the fulfillment of the country plan.

Mr. President, Brazil still has not submitted a satisfactory plan. She has made gestures, but she has submitted no all-encompassing plan. We ought to stop this type of loan. We ought to say, "Come forward now with an economic project that is sound, one that will be of help to your people, and we shall help you with that and release your own money for use in connection with your own fiscal problems at a governmental level."

So I say that this loan was made not as a result of the steps Brazil had taken to curb inflation and to live within her means, but to encourage Brazil to take those steps. A month later, on July 26, the New York Times reported that the Brazilian Central Government's statistics showed the cost of living rose more than 40 percent in the first 6 months of this year, and that the Branco regime had an operating deficit in its national budget of nearly \$600 million. I ask unanimous consent to have these two articles from the New York Times dated June 25, 1964, and July 26, 1964, printed at this point in the Record.

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

[From the New York Times, June 25, 1964]

U.S. GRANTS \$50 MILLION LOAN

WASHINGTON, June 24.—The United States granted Brazil a \$50 million loan today to support the reform programs of the new government.

This was the first major loan given to the regime of President Castelo Branco. It demonstrates the faith of President Johnson's administration in Brazil's determination and capacity to combat inflation, rebuild her shattered finances, and institute rational economic policies.

In announcing the loan, concluded under the Alliance for Progress program, the administration noted that "the Brazilian Government is formulating a comprehensive program of development, stabilization, and reform which can serve as a basis for later discussions with international institutions and the Government of the United States and other friendly countries of Brazilian needs for external assistance."

The announcement emphasized that the loan, for a 40-year period at the unusually low interest of 2 percent, is in addition to "understandings now being reached for the financing of various specific projects designed to promote the economic development and social progress of the Brazilian people."

The loan marked the resumption of general U.S. lending to Brazil after a pause of almost a year. Around the middle of 1963 the United States became convinced that the regime of President Goulart could not properly utilize financial assistance because of its refusal to take adequate anti-inflationary and other stabilization measures.

Today's loan was announced as Carlos Lacerda, Governor of Guanabara State and one of the principal leaders of the April revolution, appealed for U.S. understanding of the revolutionary situation in his country.

Speaking at the National Press Club here, he said the new government had been trying to find competent, honest people to administer its affairs after the chaos of the Goulart regime.

[From the New York Times, July 26, 1964]

REGIME IN BRAZIL SCORED ON PRICES—LACERDA SAYS CONFIDENCE IS UNDERMINED BY INFLATION

(By Juan de Onis)

RIO DE JANEIRO, July 25.—President Humberto Castelo Branco embarked today on his newly extended term of office under heavy political fire because of rising prices.

The main criticism of the Government came from Gov. Carlos Lacerda of Guanabara State, one of the leaders of the April 1 revolution that overthrew President João Goulart and brought Gen. Castelo Branco, then the army chief of staff, to the Presidency.

Mr. Lacerda said a survey of prices in his state showed that they had shot upward since the revolt. "As a consequence, confidence in the revolution has been profoundly eroded in 3 months," he said.

Rising unemployment in Belo Horizonte, capital of Minas Gerais State, and in São Paulo was also reported. The iron and steel industry was showing signs of a recession, with cutbacks in production. Automobile output also was down and household appliance manufacturers reported large unsold stocks.

The Central Government's statistics show that the cost of living rose more than 40 percent in the first 6 months of this year on the momentum of an inflation that raised prices more than 80 percent last year.

Halting inflation is the principal preoccupation of the Castelo Branco regime and efforts are being made to reduce the Government's operating deficit, regarded as the main cause of the inflation. This year's deficit is estimated at nearly \$600 million.

Partly to give the Government more time to cope with the problem, the congress this week added 14 months to Mr. Castelo Branco's original period in office. Originally it was to have completed Mr. Goulart's term ending January 31, 1966.

Mr. Castelo Branco will now remain in power until March 15, 1967, and the election

originally scheduled for October 1965 will be postponed to December 1966. This decision was taken by the congress over Mr. Castelo Branco's opposition, but with the support of Brazil's military leaders.

Mr. Lacerda, noted for his opposition to Mr. Goulart's leftist government, was bitterly disappointed by Congress' decision. He had hoped to run for President in the election scheduled for next year, and he lashed out at the Congress.

It is widely accepted that Mr. Lacerda is trying to bring down the present cabinet and install a government aligned with his views. Prices constitute the most vulnerable area for this cabinet, whose economic and financial policies are largely determined by the Planning Minister, Roberto Campos.

Steel executives advised the Labor Ministry this week that they would not fulfill a contract signed with 50,000 workers in Minas Gerais and São Paulo during the Goulart regime. This provided for quarterly adjustments that would now require the industries to pay a minimum wage of 70,000 cruzeiros (\$55) a month. The regional minimum wage is 40,000 cruzeiros (\$32).

The executives said the contract could be met only through increases in iron and steel prices.

Roman Catholic priests active in union organization in Pernambuco, the sugar region of Brazil's northeast, warned sugar-mill operators that there would be a strike unless a minimum wage set by the former government was respected.

On another front, representatives of Brazilian university students elected new officers today for the National Union of Students, which the Education Minister had threatened to dissolve.

The delegates also resolved to reconstruct the union, which had been controlled by militant leftists. This indicated limited support of the uprising that ousted Mr. Goulart.

The students met in defiance of the Education Minister, Suplicy de Lacerda, who had proposed that the autonomous student organization be replaced by a student council under control of the ministry.

Virtually all the delegates, who came from 12 States, were opposed to the former leadership of the national union, which they contend was antidemocratic and alienated from the mass of students.

Mr. MORSE. Mr. President, at the present time we are using two-thirds of the development loan money for intergovernmental loans to finance commodity imports of a general nature. I wish to repeat that sentence, because I want to show Senators that in my judgment this is one of the most serious problems in the whole AID program calling for policy reform. I ask Senators to listen to the sentence again:

At the present time we are using two-thirds of the development loan money for intergovernmental loans to finance commodity imports of a general nature.

They do not provide people-to-people aid.

They do not coincide with what Senators have heard me plead for for several years—a project-to-project approach to foreign aid instead of a government-to-government approach.

I wish to see the American taxpayers' dollars invested in dams, refineries, plants, and other economic projects that will help to create jobs in parts of the world that are characterized by unemployment, or employment at wages that cannot maintain a family in health and decency. I wish to do something for people.

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

Mr. MORSE. I yield.

Mr. DOUGLAS. The Senator from Oregon has made a startling statement. As I understand, he said that last year approximately \$560 million was loaned by us to foreign governments for unspecified purposes.

Mr. MORSE. That is correct.

Mr. DOUGLAS. About \$50 million of that was to meet the deficit of the Brazilian Government. Can the Senator from Oregon throw any light on the question of the purposes for which the other \$510 million was loaned?

Mr. MORSE. No.

Mr. DOUGLAS. The Senator from Oregon is a member of the Committee on Foreign Relations, is he not?

Mr. MORSE. Yes.

Mr. DOUGLAS. Did the administrator of AID, or any of his assistants, itemize how the \$510 million was distributed and for what purposes?

Mr. MORSE. There may be some itemization in the three thick books that were presented to us for study. But I gave the Senator an honest answer. I do not know what the itemization might be. If it is available, perhaps the chairman of the committee might respond.

Mr. DOUGLAS. I wonder if the chairman of the Committee on Foreign Relations could answer the question. For what purposes were the \$510 million loaned to the governments of foreign countries? Is my impression correct that this is primarily related to Latin America?

Mr. MORSE. No; most of it was lent elsewhere. India received \$275 million, Pakistan \$100 million, and Turkey \$70 million in fiscal year 1964. Tunisia and Tanganyika also received smaller program loans. In Latin America, Chile received \$40 million, Colombia \$15 million, and Brazil \$50 million this last fiscal year. The presentation for fiscal year 1965 tells very little about the purposes of these loans that will be made in fiscal 1965.

Mr. FULBRIGHT. The major purpose of the Alliance for Progress program was to support overall plans for the economic development of the countries of Latin America. It was intended that those countries should bring about certain reforms within their economies. It was called a self-help program. We make the program loans available only when there is a commitment by the respective countries to engage in certain kinds of reforms within their countries.

As the Senator has heard, in some cases those reforms are in the nature of tax reforms, in some cases they are in the nature of land reforms, and so on. Program loans were the major tool that we had for encouraging the respective countries to bring about reforms. The agency does not make the program loans without any conditions as to how the money shall be used. When a loan is negotiated, the purpose for which it is to be used is well understood.

Mr. DOUGLAS. Has that purpose been stated to the Committee on Foreign Relations?

Mr. FULBRIGHT. Certainly.

Mr. DIRKSEN. Mr. President, if it offers no offense to Senators, I wonder if we can obtain some indication of how many amendments still remain to be offered on both sides of the aisle.

Mr. MANSFIELD. Mr. President, if the Senator from Oregon will yield for me to make a point on that, I have a rough figure. As I check around, it appears that there will be approximately 20 amendments to be offered—including the one now pending—on the part of all Senators.

I should say that the Senator is making very good progress today, and I am highly pleased.

Mr. MORSE. Mr. President, while so many Senators are present, I ask unanimous consent—and I am sure it will be drafted for insertion before the Senate takes a recess tonight—to have printed in the RECORD a blanket amendment that would cut the authorization to not more than \$3 billion. That calls for a good many technical changes in the bill. I have legislative counsel working this afternoon on this amendment.

I ask unanimous consent that I may send that amendment to the desk, that it be printed so as to be available to Senators tomorrow, and that it lie on the desk.

The PRESIDING OFFICER. Without objection, the amendment will be received and printed, and will lie on the desk as requested.

Mr. MORSE. Mr. President, I shall read from the pending amendment and comment on it as I proceed. The amendment provides:

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

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

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

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

"(b) The provisions of this section shall not require the withholding of assistance to any country if, following a determination by the President that the withholding of such assistance would be contrary to the national interest, the two Houses of Congress adopt a concurrent resolution approving the continuance of such assistance."

I tried to place every possible safeguard in the amendment to protect our national security. This is a position that the senior Senator from Oregon, as chairman of the Subcommittee on Latin American Affairs, has taken for the past several years—not alone, either. Although we have a little difficulty getting the votes on the floor of the Senate for assistance, I will say that on the basis of my conferences in the past several years with my associates on the Committee on Foreign Relations, a considerable number of them say, "You are right." And I think I am right.

Take a hypothetical country. The amendment provides that if a country has a government that has been democratically elected—or, as we speak of it, a constitutional form of government—

and that government is overthrown by force, be it a Communist force, a military force, or a military junta—we stop the aid.

The amendment does not read "until it restores the government it overthrew." It does not require this, although one would hope that the facts in a given situation would justify that. It does provide that we will not give them aid if they overthrow a democratic form of government. It means that they must return to constitutionalism. We ought to square our practices with our representations about trying to support freedom around the world. We ought to stop encouraging outlaws and military juntas around the world from destroying constitutional government, believing that if they do it, they have nothing to lose. They believe that after a little while the United States will come along, pour millions of dollars into their country, and help them entrench themselves in a position of domination over their people and thus keep down freedom.

I am perfectly willing to talk about specific cases. If my amendment had been the law of the land at the time of the junta in the Dominican Republic, under the Bosch regime, we would not only have stopped aid—and we stopped it for awhile—but we would have stopped it until constitutionalism was returned to the Dominican Republic.

My amendment would not require the reinstatement of Mr. Bosch. After the junta, he left the country. It is true that he was taken out of the country. He went to Puerto Rico. But, Mr. President, the country had a constitution. The constitution called for succession. The constitution called for the exercise of rights and prerogative on the part of the parliament. The constitution called for self-government on the part of the people. That was what was destroyed. The junta not only overthrew a president by force, but destroyed constitutionalism in the Dominican Republic. Do not be fooled by the facade they set up. They set up a so-called civilian council or commission under the complete domination and control of the military.

I hold no brief for Bosch. I am not qualified to pass judgment on whether he was a good President or a bad President. That is an internal governmental problem for the people of the Dominican Republic who live under an alleged system of self-government. I do hold a brief for our supporting the application of the constitutional system, and opposing the overthrow of a constitutional system.

Their constitutional system was like ours. It provides for various checks, various rights in the people to determine what their own form of government should be. That was destroyed. People became victimized by a junta.

The facade that was set up, the so-called civilian council not having U.S. recognition, continued to cause embarrassment. It produced an interesting set of facts prior to final recognition by the United States of the military junta.

We were told in the Cabinet Room by the then Acting Secretary of State, Mr. Ball—and there are men that are within

the sound of my voice who heard it—that the State Department had decided that we ought to recognize the tyrannical military junta of the Dominican Republic, because that junta was about to stage a second coup and was going to stage the second coup out of resentment over the fact that the civilian council had not been able to deliver U.S. recognition, and that the second coup would be bloodier than the first.

I was shocked. In my judgment, we should have continued to refuse to recognize the military junta of the Dominican Republic until it established constitutionalism in the Dominican Republic. By recognizing it we have given encouragement to outlaw forces in Latin America that will not forget that precedent.

At the time I received some criticism when I made the statement to the effect that recognition of the Dominican Republic means that when the chips are down the United States cannot be counted upon to support freedom in Latin America. So we cannot. Our record shows time and time again that we cannot be counted upon.

Mr. President, in my judgment the record of the United States in Latin America on this point is deplorable, and to our shame. We ought to take the position, and stand by it, that if a military junta overthrows a freely elected constitutional government, we will not support that military junta.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. MORSE. I am delighted.

Mr. LAUSCHE. If the amendment of the Senator from Oregon were adopted, would it deny us the right to give aid to Brazil, which threw out Goulart because of the suspicion and the supporting evidence, that he was tolerating the suggestion and was likely to convert the Brazilian Government into a Communist form of government?

Mr. MORSE. The answer is "No"; and I shall cover Brazil before I finish my remarks.

Mr. LAUSCHE. However, the amendment would cover the Dominican Republic, where Bosch was eliminated?

Mr. MORSE. If the Senator will permit me to finish my statement, I shall cover both the Dominican Republic and Honduras.

Mr. LAUSCHE. And Ecuador?

Mr. MORSE. The amendment would have covered Ecuador at the time, but the amendment would not be retroactive. I wish we could make it such, but I do not think it would be fair and proper to make it retroactive. The amendment would establish the policy from now on.

Mr. LAUSCHE. That policy would be such that although the incumbent government might have all of the attributes of wanting to align itself with Red Russia and against the United States, if a military coup were achieved which would change the course of that government, we would not give aid to the substituted government.

Mr. MORSE. I still believe in the rights of the people. I believe in the rights of the people. That is for the people to determine under constitutional

government. There is nothing in my amendment that requires us to give aid to a constitutional government just because it is constitutional. The best way to deal with the type of problem which the Senator from Ohio has in mind is to stop supporting military dictatorships. Communism makes more progress under those regimes than it does under constitutional regimes, as we should have learned from Cuba.

I believe that we made a great mistake in the Dominican Republic. But I wish to stress the fact that my amendment would not be retroactive.

We have recognized the Dominican Republic. I hope that democratic forces in the Dominican Republic will be able to persuade that junta that in the long pull, it is in the interest of the Dominican Republic to have elections and to return to a constitutional form of government.

Some may be surprised to hear me make this statement. There are a few leaders in the Dominican Republic who have been caught up in this mess, leaders who would that they were out of it, but feel that their best service to the Dominican Republic is to continue to do what they can to bring about a day when constitutionalism can be reestablished. These men are democrats at heart, men who believe in self-government, men who are willing to make great sacrifices and did make great sacrifices economically, and were willing to sacrifice their lives, if necessary, to overthrow Trujillo. I have great admiration for them. They are working within the junta government now. I have great hopes that in the not too distant future—2 or 3 years from now, and I hope sooner—through their influence and that of many others in the Dominican Republic there would be a return to constitutionalism in the Dominican Republic. But I could not say tonight that there is any reason to have assurance of it or any reason to finance the junta in the meantime.

The hands of those men would have been greatly strengthened if my amendment had been the law of the land at the time of the revolt, for I know what they say privately. Bosch never would have been returned. The Senate did not find the Senator from Oregon taking the position that he should be returned. The Senate found the Senator from Oregon taking the position that the next in line under that Constitution should be vested with the powers of the President to move on from them. I took the position that it was up to the people of the Dominican Republic to determine whether or not he should be returned.

An attempt was made at the time to get me to take the position that Bosch must be returned. I said constitutionalism should be returned. And so it should. I do not believe we should have been a party to giving support to the junta.

In the Dominican Republic the issue was that the military in that country should be brought under the control of the civilian government. What is so bad about that? We like to say that that is one of the safeguards of Ameri-

can freedom. We like to tell the world that in the United States the civilian government is in control of the military, and the military takes its orders from the civilian government. Bosch was proposing a policy of the Dominican Government whereby the military government would be brought under control of the executive and the congress. The military saw the handwriting on the wall. I am not saying on the floor of the Senate tonight that that was the only issue, but I would say that it was one of the most dominant issues that led to the overthrow of constitutionalism in the Dominican Republic.

The military would have none of it. Rather than have any of it, they tore down the citadel of constitutionalism and desecrated self-government in the Dominican Republic. And we supported it with subsequent recognition, and now with a resumption of aid. That is it. All we can do now is wait for the people of the Dominican Republic ultimately to make the final decision. I hope it can be done peacefully. I hope it can be done by recognition on the part of all, including the type of leaders I have referred to, who were caught up in this situation, who found themselves very much in opposition to some of the executive policies of Bosch, of the need to reestablish constitutionalism and self-government there.

Now a word about Honduras. The amendment would apply to countries in the future that made the same type of mistake in overthrowing constitutionalism as in Honduras. Of course, it would not be retroactive. The Honduras situation, I think, is to our national shame, so far as recognition is concerned. It was only a short time before a presidential election in Honduras. The campaign was on.

The briefing before my committee—and I know of no one who challenges this statement—was to the effect that there was a rather close race for the Presidency. The candidate for the Presidency, who, it was taken for granted, was going to win, also took the position that the military should be subject to the control of the civilian government, and favored a constitutional amendment to that effect. That was unacceptable to the military, and it overthrew the Government, and we recognized it. We recognized it the same day we recognized the Dominican Republic. It shocked many of our friends in Latin America. We ought to stop this.

The same would have applied years ago to Ecuador. It would have applied to Peru, although, in fact, we did not resume aid to Peru until the junta restored the country to constitutionalism. It would have applied to every area where constitutional government was overthrown by military force.

Now let us take the situation of Brazil, to which the Senator from Ohio [Mr. LAUSCHE] referred. The constitutional processes were followed in Brazil. Many people miss this point. There was agitation against Goulart. The Governor at São Paulo and the Governors in some other States were calling for great changes in their form of government. They became convinced, as I was con-

vinced, that Goulart was really an ally of the Communists. A revolt took place, but constitutional processes were never abandoned in Brazil. Do not forget that when Goulart fled the country, he abdicated the Presidency, as provided by Brazilian law, for he had no consent to flee the country. In Brazil, like other Latin American countries—Mexico being another, I recall offhand—if a President leaves the country without the approval of the country's Parliament, he has abdicated his office, and he is no longer President.

What happened after Goulart abdicated? The Vice President was the next in line, under the Constitution, to take office. The Constitution provides, in a situation such as that, for the successor.

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

Mr. MORSE. I yield.

Mr. LAUSCHE. How close to the tail of Goulart was the army when he fled?

Mr. MORSE. There is no question that a revolution was in process, but that revolution did not mean that the constitutional processes were going to come to an end. The Senator is jumping to the conclusion that the Brazilian situation would have been the same as the Dominican Republic situation. Not at all. The head of the army was not for overthrowing the Constitution. The head of the army was pointing out, supported by the Governors of the several states, and the Parliament, that it had a constitutional government, and that the processes under the Constitution were used to take care of the situation.

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

Mr. MORSE. Certainly.

Mr. LAUSCHE. The Senator from Oregon astonishes me with the depth of his knowledge in these different situations. He has discussed the Dominican Republic, Honduras, Brazil, Ecuador, and Peru. I compliment him for his knowledge.

Mr. MORSE. I thank the Senator, but I have no depth of knowledge at all.

Mr. LAUSCHE. But I do not agree with the principle he enunciates.

Mr. MORSE. I thank the Senator for the compliment, but I am saddened by his last statement, because of the brilliant mind the Senator from Ohio has. Being the thinker he is, he ought to know that we cannot justify, before the eyes of the world, supporting tyranny by overthrowing constitutional government. I do not believe that is really the true thought of the Senator from Ohio, and I believe that if he took the time to sit down and contemplate the premise on which he has based his conclusion, he would agree. He is one of the soundest constitutionalists in this body. I do not know why he is walking out on his own philosophy.

Mr. LAUSCHE. Nor do I subscribe to the proposition that we should reject governments that overthrow Communist governments that are oriented to Moscow and that are favorable to us.

Mr. MORSE. The Senator does not have any faith in the people of those countries. He assumes that all the people are for those governments. Give

them an opportunity to work their will under their constitutions.

Mr. LAUSCHE. If we reject their acts in overthrowing governments that are oriented toward Moscow, we in effect tell those people that we are not in agreement with what they have done. That is the aspect that causes me to disagree most vigorously with the Senator from Oregon.

Mr. MORSE. The Senator may disagree, but he should stop rejecting the will of the people and should give the people of the country involved an opportunity to work their will under their constitution, and should not let the military supplant the will of the people or not give the people an opportunity to work their will. That is what the Senator is proposing.

The Brazil situation is interesting because in Brazil there was the application of the popular will within the framework of the constitution.

Mr. LAUSCHE. Except that Goulart fled because, as we know, the military were following him so closely that he did not dare stay in Brazil. Otherwise, what would have happened to him?

Mr. MORSE. He would clearly have been put under impeachment and been put away by the Congress of that country. Read the power of the Parliament of Brazil with regard to what we would call in this country impeachment. He would have been put out of office. He should have been put out of office. When he left the country and abdicated, the next man in line to succeed in the Presidency was put in office, until the next constitutional step could be worked out. What happened in Brazil is no precedent for the very unsound doctrine the Senator has expressed on the floor in support of militarism against the exercise of the will of the people because there was one bad actor who was a Communist.

Mr. LAUSCHE. That is not what I said.

Mr. MORSE. That is what it adds up to.

Mr. LAUSCHE. The fact is that when the Communists take control, the rights of the people the Senator from Oregon has described never are given execution or application. Goulart and his followers in Brazil would never have given those who argued with them the ability to state their views.

Mr. MORSE. That is an unsupportable conclusion on the part of the Senator from Ohio, because the Congress never had a chance to work. Goulart himself, after the revolution started, did it. He would have been subject to what under our constitutional procedure is called impeachment. I do not think there is any question about it.

Mr. LAUSCHE. Will the Senator point out to me one instance in the history of the past 20 years in which what the Senator optimistically describes would have happened has happened?

Mr. MORSE. Mexico.

Mr. LAUSCHE. That is one. What about the other nations? What about Cuba? What about the other nations in which revolutions have taken place?

Mr. MORSE. Let me say about Cuba that if we had not supported a Fascist

dictatorship for years in Cuba I do not believe Castro would have come to power.

Mr. LAUSCHE. Our weakness was that when Castro came to power we recognized him, knowing that he was a Communist.

Mr. MORSE. I did not do so. I raised a lone voice against Castro, when many Senators were trying to tell the country what a great democrat he was. Let Senators read the RECORD. It was perfectly obvious to me from the beginning that we were dealing with another type of dictator, who should not have had any support from us. Castro received a great deal of support in the United States that he never should have had.

Mr. LAUSCHE. I knew that we were dealing with a dictator when he decided to hold a circus trial in a hippodrome and put to death 500 people. I recall that the Senator from Oregon voiced those thoughts at that time.

Mr. MORSE. I have been completely consistent in my position on this issue. I shall be consistent now.

We should not follow a course of action that gives support to the overthrow of the will of the people. We should make perfectly clear that our foreign aid will go to countries which support lawful governments, and that if a self-governing country has been overthrown, irrespective of the fact that a bad actor got into the Presidency, if the Constitution covers that situation, we should make clear that he must be gotten rid of by constitutional processes, and that we will not support a military dictatorship which is the result of the overthrow of self-government.

That is the burden of my argument.

I wish to finish what I started to say about Brazil. In Brazil, the constitutional processes were followed. If I were a Brazilian, I would hold no brief for the mistakes that were made internally in carrying out their policies since they elected their new President. However, that is their right. Tonight no Senator can cite Brazil as an example of a military dictatorship, because it is not. Self-government on the part of the Brazilian people continues to proceed. If anyone thinks not, let him look at what is happening in Brazil with respect to an exchange of points of view in Parliament, in the press, and in many sources and forces of public opinion.

My amendment is one of the great protectors that can be offered to our democratic friends in Latin America.

If Senators will talk with the leaders of that Government, they will find that they are enthusiastic for the position that I have taken. I am somewhat embarrassed to make this personal reference, but when the recent conference of Latin American foreign ministers was held in the Pan American Building, the foreign ministers of six countries talked with me about the proposal which I am making tonight. They told me this was the most important thing I could do to strengthen and support the objective of the Alliance for Progress.

Their interest and encouragement is the reason I am offering this amendment. They know that too much of the American interest in Latin American aid stems

from fear of communism and not from support of freedom. That knowledge throughout Latin America is one of the great weaknesses of the program.

The amendment would teach a great lesson throughout the Western Hemisphere, and would give great strength to the cause of freedom and constitutional government in Latin America. It would certainly be a discouragement to potential military juntas, if it were made a part of the foreign aid law.

Mr. FULBRIGHT. Mr. President, I hope the Senate will not accept the pending amendment. It was voted on last year and rejected by the Senate.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon.

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

The Chief Clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. BIBLE], the Senator from Virginia [Mr. BYRD], the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. GORE], the Senator from Arizona [Mr. HAYDEN], the Senator from Alabama [Mr. HILL], the Senator from Washington [Mr. JACKSON], the Senator from Louisiana [Mr. LONG], the Senator from Utah [Mr. MOSS], the Senator from Maine [Mr. MUSKIE], the Senator from Wisconsin [Mr. NELSON], the Senator from Oregon [Mr. NEUBERGER], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Mississippi [Mr. STENNIS] are absent on official business.

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

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

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

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

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

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

I further announce that, if present and voting, the Senator from Pennsylvania [Mr. CLARK] and the Senator from New Jersey [Mr. WILLIAMS] would each vote "nay."

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

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

The Senator from Arizona [Mr. GOLDWATER], the Senator from Iowa [Mr. HICKENLOOPER], and the Senator from