

HHH 15-MINUTE WASHINGTON TV REPORT
JANUARY 3, 1962

SENATOR HUBERT H. HUMPHREY REPORTS ON UPCOMING SESSION
OF CONGRESS AND ON HIS TRIPS TO EUROPE AND
LATIN AMERICA

ANNOUNCER: This is Washington, and this is Senator Hubert H. Humphrey of Minnesota. This week the Congress reconvenes after a three-month adjournment. The Senate majority whip will have a key role in Administration policy and Congressional action. Now here is Senator Humphrey reporting on his work of this fall and the coming Congressional session.

SENATOR HUMPHREY: Yes, ladies and gentlemen, this is going to be a very interesting session of the Congress, this second session of the Eighty-seventh, but first I want to express a word of appreciation and thanks to this station for carrying this public service session. I'm going to try to make these programs informative. I shall try to attempt--I shall try--excuse me, let's start--I'm sorry, I'm very sorry.

ANNOUNCER: This is Washington, and this is Senator Hubert H. Humphrey of Minnesota. This week the Congress reconvenes after a three-month adjournment. The Senate majority whip will have a key role in Administration policy and Congressional Action. Now here is Senator Humphrey reporting on his work of this fall

and the coming Congressional session.

SENATOR HUMPHREY: Well, thank you. First, I want to extend my very best wishes for 1962. This is going to be an eventful year, and we as your --- in the United States will have great responsibilities for what happens throughout 1962. In the Congress we have a heavy work load ahead of us, including action upon our foreign trade policies, revision of our tax laws to bring about greater expansion of our industrial and business activity and to remove some of the inequities and loopholes in the tax laws.

One of the hard-fought battles in this coming session of Congress will be over hospital and nursing home or medical care for our elderly. I hope that we will pass that because surely a society that is motivated by qualities of social justice will want to do justice by its elderly people, its senior citizens.

We'll be back again at the program of federal aid to education. I'm hopeful that we'll be able to at least adopt a program of aid for higher education. There will be a tremendous increase in the number of students in our universities and there will be need on the part of federal, state, and local government, as well as private individuals, to step up assistance to our colleges and our universities.

Then one of the big programs before the Congress will be a revised and entirely new agriculture program. Secretary Freeman has already discussed the outlines of this program with Congressional leaders and with the President, and I have a

feeling that we are about to enter into a new phase of agricultural legislative development, one that will be much more reasonable, sensible, and constructive in terms of utilizing our abundance and, at the same time, of protecting the great soil and human resources of America.

Well, now, these are just a few of the activities before Congress--of course, the foreign aid bill will be with us again; the whole matter of our budget, which is a big one because of the world situation that we face. Better things for our young people: as you know I've long sponsored the Youth Conservation Corps, a program to put our young people at work in constructive endeavors in our great out-of-doors, along the line of our old Civilian Conservation Corps. Let's get these young people of ours that are dropouts out of school, oftentime getting into trouble because of idleness or because of a lack of proper environment or training. Let's get them at work, utilizing their minds and their bodies for the public good and for their own private good. I I'm sure that any efforts we make in youth conservation will pay dividends in not only in a higher degree of morality and physical fitness, but also in terms of great constructive projects that can be undertaken in our forests, along our rivers, in clearing out our lakes, yes, in helping in some of the efforts in our cities, in the slum areas of our cities. What could be more wonderful than a Youth Conservation program, a program to help America's young people be better people. I'm going to push hard for that, just as I did for the Peace Corps, which is working, by the way, on the foreign front, and just as I have worked for many years for

our United States Disarmament and Arms Control Agency.

You know, it's kind of good when you face the new year to realize that some of the things that you've worked for mightly hard over the past years have come into being. That sense of achievement and accomplishment gives you new strength and new energy, and this past year I saw many things come into being that meant so much to me.

On the agriculture front, I saw our food stamp plan that I had worked for passed in the Congress and put into action. I saw our surplus foods better used for our needy people at home. I saw the Food for Peace program which you've heard me talk about for ten years become a reality, for food today is a vital part and instrument of our foreign policy, where it's being used for creating good, for freedom and for social justice, throughout the world.

Yes, the Peace Corps, mobilizing thousands of our young men and women, the best that we have in this land, for work overseas to help other people help themselves; and every day, every day there are new requests for the Peace Corps. I noticed the other day where Ethiopia had requested Peace Corps volunteers, where Nigeria has just made another request for Peace Corps volunteers, and I've seen these Peace Corpsmen at work in South America.

This brings me to something I wanted to renew with you for just a moment--the trips that I've taken overseas this past fall. Now, when Congress adjourned in September, I made up my mind that I was going to use the months of October and November in study, in travel, on-the-spot observation of what our programs are doing

file with film

SECOND HHH 15-MINUTE WASHINGTON TV REPORT
JANUARY 16, 1962

SENATOR HUBERT H. HUMPHREY AND MR. CARL ROWAN

SENATOR HUMPHREY: . . .So, Mr. Rowan, my good friend Carl, I welcome you and I am very pleased to introduce you to our Minnesota audience.

CARL ROWAN: Senator, let me say that I am delighted to be on this program. I am even more delighted to be here working with you, Senator McCarthy, other members of the Minnesota delegation. You know our discussion today is almost a continuation of the work we were doing together at the UN in 1956 except I was a correspondent then.

SENATOR HUMPHREY: Well, you were a correspondent and a diplomat, Carl, because I was a delegate then at the UN and you were a correspondent, but I remember the diplomatic finesse that you seemed to have in working with so many of the representatives there at the UN. Well, Carl, or should I say Secretary Rowan. I have to be very formal with you, because you see you are in the executive branch of the government and I am in the legislative. And we like to remember that there is what we call separation of powers, therefore this personal friendship at times has to give way to what we just call a honest, objective interrogation of a Senator or a Congressman to an executive representative.

CARL ROWAN: I have heard about that.

SENATOR HUMPHREY: You've heard about that. Well, I am going to ask you some questions on subjects that you are so familiar with, and I believe you can be helpful to our audience. These are public service programs, Mr. Rowan. We want to make them informative; we want to make them educational. Now, here is my first question to you, and it is one that's right in the news every day.

United Nations has a critical financial problem and is issuing \$200 million of UN Bonds. The President has asked the Congress to authorize the purchase of up to \$100 million of these UN Bonds. Now, I have announced my personal support of this Presidential request, but I want to ask you as the Deputy Assistant Secretary of Public Affairs of the State Department, why you believe the purchase of these UN Bonds by our country is necessary, and might I add, do you think it is a good bargain for us; is it something that we can do in terms of our national interest?

CARL ROWAN: Senator, indeed I think it is in our national interest. You will recall that the President said recently that if this Bond issue is not supported the United Nations is going to drift into bankruptcy. We don't want to see that happen, because not only do we believe that the United Nations represents mankind's best hope for peace, but we think it, also,

is a valuable instrument in spreading and deepening human freedom. We saw in 1956, during those crises in Suez and Hungary, what the United Nations could do. We have seen what it could do in the Congo. Indeed, the fact that it's in financial trouble is largely a result of the Communist refusal to support the UN operation in the Congo. The Communists clearly believe that what the UN is doing in the Congo is in the interest of freedom which the Communists aren't interested in. They are not interested in paying for it, and we can't afford to have the United Nations die, because it wants to do the kind of job it has been doing.

SENATOR HUMPHREY: Isn't it true, Mr. Rowan, that the Soviets have refused to pay the special assessments that have been required for the Peace Force, that is for the UN Force in the Congo"

CARL ROWAN: Ever since the UN closed airports in the Congo to stop the Communists from flying in agents in August of 1960, the Soviet Union has declared war on the UN and they've decided they aren't going to pay those special assessments.

SENATOR HUMPHREY: Because the UN has, in a sense, thwarted the efforts of the Communists to make Africa their happy hunting ground.

CARL ROWAN: That's exactly right.

SENATOR HUMPHREY: You know, Secretary Rusk at the State Department was with us a few days ago in the Foreign Relations Committee, and he told us that under the present situation we are paying about 60¢ out of every dollar for the special operations of the UN -- that is the United States is. But with this Bond issue and our purchase of a certain amount of those Bonds -- if those Bonds would be redeemed -- that is, they would be paid off under the general assessments that fall on every nation in the UN, and that our portion would be about 30¢ --

CARL ROWAN: That's right.

SENATOR HUMPHREY: In other words, we would cut the cost of our contribution about half. And under the present situation the Russians are not paying a nickel for the peace operations of the UN. But if the Bond issue is out --

CARL ROWAN: They would have to pay.

SENATOR HUMPHREY: Then, what do they call it, the repayment of the Bonds with interest would come out of the general assessments and if the countries do not pay their general assessments, they lose their votes in the UN.

CARL ROWAN: That's right.

SENATOR HUMPHREY: So it looks like it's a fairly good deal.

CARL ROWAN: Any way you look at it, this is the thing

that the United States should support as being clearly in our national interest.

SENATOR HUMPHREY: Well, now you can't ask many questions about the Congo without just opening up a full hour's discussion, and we don't have that time, so I am going to ask you this: To explain the basic reasons for America's policy of support for the United Nations' action in the Congo, and why do we support the Congo Central Government and not the Secessionist Government of Kantanga?

CARL ROWAN: Let me say first of all that our fundamental policy has been to avoid a clash of the major powers in Central Africa. That's why, then President Eisenhower, made the/^{initial} decision that we would not intervene unilaterally in the Congo. He didn't want the Soviet Union to go in. Well, this left no alternative but to support UN intervention. Now, our second objective has been to preserve the territorial integrity of the Congo. If we allow Kantanga to secede -- or if we had allowed Kantanga to secede, Gizenga then would have wanted to take Oriental Province.

SENATOR HUMPHREY: And who is Gizenga?

CARL ROWAN: He was the Communist leaning leader in the Northern portion of the country. There would have been an effort to take Kasir. Now, we have felt that if the Congo was split up into a bunch of small warring so-called little

nations utter chaos would result and what better opportunity for the Communist to get a foothold in Central Africa. Beyond that, the Central Government made it clear that if the United Nations could not stop Kantanga's secession the Central Government's Army would have to do the job. This would have meant civil war. We didn't want to see civil war in the Congo because you know who is always lurking in the shadows to take advantage of chaos -- the Communists are.

Final reason was that we knew there was no legal, moral or other basis for supporting Kantanga's secession. There was no evidence that even the majority of the people of Kantanga wanted secession. Mr. Tshombe has the support of no more than half of the people of Kantanga.

SENATOR HUMPHREY: He is the leader of Kantanga?

CARL ROWAN: He is the Provincial leader in Kantanga, but in the Northern half of the State the Bulubus completely opposed secession, and they did not support Mr. Tshombe. So under the circumstances we had no choice but to work and support the UN efforts to get Kantanga back into the fold so that the Congo could have a chance of making a go of it as an independent State.

SENATOR HUMPHREY: Mr. Rowan, the policy seems to be paying off, isn't it -- the policy that we followed?

CARL ROWAN: I think it is paying off. There is evidence that we are going to have complete acceptance of the agreement

between Mr. Tshombe and Prime Minister Adoula. I notice that the Central Parliament has taken some very stiff action against Gizenga and the prospects are brighter today for a peaceful, progressive Congo than they have been in quite a long time.

SENATOR HUMPHREY: Well, I'll tell you Mr. Rowan, it's a pity that a man of your background and your knowledge of this subject can't have a full hour on this program. I think it's a pity that I took so much time in the beginning, but I want to thank you very much for the response that you have given to these two very important questions on the UN Bonds and upon the UN operations in the Congo.

Now, we're going to have another guest with us next week, and until then, I want to thank you for listening and looking. I'll see you next week.

Win *Side* *\$250,000.000*

SUGGESTED OUTLINE FOR HHH TV REPORT TO MINNESOTA---FEB. 14, 1962

GUEST: R. SARGENT SHRIVER, DIRECTOR OF THE PEACE CORPS

1 -- Introduction of program by Bob Coar.

2 -- Opening comments---brief---by Humphrey:

- Get Main names in Peace Corps*
- Refer to Peace Corps as an "idea" a little more than a year ago, an idea greeted with scepticism by many.
 - Refer to establishment of Peace Corps by Executive Order, then your legislation putting it on permanent basis.
 - Refer to your look at the reality of the Peace Corps today---on trip to Columbia, etc.
- 2 years ago*
nuberg
Kennedy
Humphrey
Reno

3 -- Humphrey introduction of Shriver as Director of the Peace Corps, with reference to the role he has played in the crucial first year of the Peace Corp's development and his leadership for its success.

4 -- Suggested questions from Humphrey to Shriver:

- How Many Countries*
- Generally, how does the Peace Corps stand today---a year after its establishment? How many Peace Corpsmen do we have, and what kind of projects are they in?
 - Overall, do you think the Peace Corps has succeeded, and do you think it has won the approval and support of citizens here and overseas in its first year? And why?
 - How many requests---from how many nations---have you received for Peace Corps units?
 - Do you think the Peace Corps should be expanded now? How big can or should it be?
 - Thousands of young Americans have volunteered for the Peace Corps. Is there any pressing need for a particular type of skill or background in the Peace Corps now? And how does a young person apply?

NOTE: This program will be telecast on Minnesota stations next Sunday or after. Avoid any dated comments of "today" or "yesterday."

COPY

INTRODUCTION OF HUMPHREY TV REPORT BY BOB COAR

THIS IS WASHINGTON....AND THIS IS SENATOR HUBERT H.

HUMPHREY, OF MINNESOTA. THE SENATE MAJORITY WHIP WAS

THE AUTHOR OF LEGISLATION TO ESTABLISH THE PEACE CORPS

A YEAR AGO. TODAY, HIS DISTINGUISHED GUEST IS MR.

R. SARGENT SHRIVER, DIRECTOR OF THE PEACE CORPS. HERE

IS SENATOR HUMPHREY.....

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2/20/62

SUGGESTED OUTLINE AND QUESTIONS FOR HUMPHREY TV REPORT TO MINNESOTA

GUEST: MINNESOTA LT. GOVERNOR ROLVAAG

- 1 -- Introduction of program by Bob Coar.
- 2 -- Opening statement by Humphrey on the relationship between the Federal government and Minnesota's state and local governments. Mention that many programs and advancements in Minnesota would not have been possible without close contact between local officials and Minnesota's representatives in Congress. Remark that close and respectful contact between Minnesota officials and Congress is necessary on a continuing basis, and then....
- 3 -- Introduce "a man who is in close contact with us and with top Administration leaders"----Lt. Gov. Karl Rolvaag.
- 4 -- Question by Humphrey to Rolvaag: "One of the purposes of your current visit to Washington was to meet with President Kennedy. What did you discuss with him?" — Ague - N.E. Minn
- 5 -- Mention the Humphrey-McCarthy-Blatnik trip to Northeastern Minnesota and that Rolvaag is fulfilling his responsibilities to the people of the Iron Range by coming to Washington to confer on Area Redevelopment needs. Question to Rolvaag: "How is the ARA program doing in N.E. Minnesota now, and what is the big need there for economic recovery?"
- 6 -- Touch on the needs of Minnesota's farmers, with a reference to the President's new farm program. | Ague!
- 7 -- Touch on growing metropolitan problems and the continuing need for Federal-State cooperation on urban renewal, housing, health, education.

Tourism
Airports
Ports - Harbors
Area Redevelopment
Health

Disinfectant
Touching
Gards

NOTE: THIS 11 MINUTE PROGRAM WILL BE USED TWO WEEKS FROM NOW. MAKE NO DATED COMMENTS. ALSO, AVOID ANY DIRECT, STRONG REFERENCES TO THE MINNESOTA ELECTION. THIS PROGRAM GOES PUBLIC SERVICE TIME.

HHH 15-MINUTE WASHINGTON TV REPORT
MARCH 12, 1962

SENATOR HUBERT H. HUMPHREY'S REPORT ON NAVY FACILITIES IN
THE CARRIBEAN AND OTHER RECENT DEVELOPMENTS IN WASHINGTON

SENATOR HUMPHREY: . . . And let me say this, I think Mr. Castro may be in a little trouble too. He disappears from the political scene for days and weeks, and then he is brought back. There is a new collective leadership they call it in Cuba. This is one of the first steps of the way the hard core Communists take over. They always start moving ⁱⁿ on what they call a Committee, a collective leadership, and then they take over. And I think they are using Mr. Castro now as a front man. And one of these days I wouldn't be a bit surprised but what Mr. Castro will be cast aside because he will be not the kind of a dictator that the hard core Communist would like to have for Cuba. Now Cuba is never going to become a military threat to the United States because we couldn't tolerate that. And in the meantime our job is to build strong societies in Latin America, to help build strong societies in Latin America. To help Latin American countries lift themselves; to point the way for a better life right within the sight of the Cubans. Let them see what's going on in Puerto Rico, for

example. Let's help make the Dominican Republic a real democracy. Let's try to help all of our friends in Latin America through the Alliance for Progress to give progress to themselves; to expand their industry; to improve their agriculture; to lift the standard of living; to improve health and education. This is the real answer to Castro and Communism in Cuba.

The answer is a working, active, aggressive system of liberal progressive democracy working for the people. And I think it can be done.

Well, we heard some news from Russia, didn't we, this past week. So Khrushchev's agriculture is in trouble. You know we hear a lot of problems about our agriculture. Well, all I can say is I would rather have the problem of producing too much than to have Khrushchev's problem of not having enough to eat. And as long as Khrushchev's agriculture is in trouble, Khrushchev cannot wage war. Make no mistake about that. Napoleon was right. An army travels on its stomach, and I don't think the Soviets have a stomach for war or anything to put in the stomach right now to make war.

Thank you.

DRAFT OUTLINE FOR HHH 15 MINUTE TV REPORT TO MINNESOTA---MARCH 29, 1962

1 -- Introduction of Program by Bob Coar.

2 -- Opening remarks to this effect:

"As a United States Senator, my responsibilities are varied.

Trade

I have a duty to work for the welfare and progress of the State of Minnesota. And I have a duty to work for the strength of the Nation as a whole and the free world. Today, I want to report on two developments---each unrelated but both commanding my efforts. The first is the Area Redevelopment Program in Minnesota. The second is the proposal for U.S. purchase of United Nations Bonds."

3 -- Report on A.R.A. for Minnesota. (Use radio script as guide)

4 -- Report on the U.S. Bond Purchase proposal.

- a. Mention that Senate is debating Bond Issue "this coming week."
- b. Emphasize comparison of UN Bonds with short term loan (use attached sheet from our kit as guide.)

5 -- Thanks and reference to program "two weeks from now."

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U.N.

U.S. Record

104 Members

U.N.

Colonialism

From the Office of:
SENATOR HUBERT H. HUMPHREY
1313 New Senate Office Building
Washington 25, D. C.
Capitol 4-3121, Ext. 2424

MEMORANDUM TO EDITORS AND NEWSMEN:

Congress is now considering the President's request for authorization to purchase up to \$100 million of United Nations Bonds.

I consider this one of the most important issues of the current Congressional session, and hope for increased understanding of it by the public.

Enclosed are several information pieces on the U.N. Bond Issue and related background material on the United Nations generally.

Your attention is called, particularly, to the first statement: "Comparison of UN Bonds As Against A Short-Term Loan."

I hope the enclosed materials will be useful.

Hubert H. Humphrey

3/21/62

COMPARISON OF UN BONDS AS AGAINST A SHORT-TERM LOAN

1. LEGAL STATUS IN UN GENERAL ASSEMBLY - A. UN Bonds have approval.
B. A short-term loan has no approval.

In the long and difficult negotiations that preceded the UN resolution providing for the UN bond issue, short-term loans were considered and rejected. The last General Assembly substituted the bond issue for the Secretary-General's authority to accept loans. The Secretary-General now has no authority even to accept a loan from any government. He would have to take the matter of a loan back to the General Assembly and be authorized to accept it before the UN could make use of such funds. This would mean convening the UN General Assembly and asking it to reverse its judgment in approving the UN bond issue last December. It is by no means certain that the Assembly would agree to do so.

2. REPAYMENT - A. UN Bonds can be repaid by all members.
B. A short-term loan could not.

The UN bond issue provides 25 years for repayment. This will allow those member nations with small resources a 25 year period in which to contribute their share to the current heavy costs of UN peace-keeping operations. It is judged that all UN members will be able to pay the low installments on the bond issue. The repayments on a short-term loan would be approximately ten times larger than those on the bond issue. It is therefore unrealistic to expect that these nations could repay their shares on top of other obligations.

3. LEGAL STATUS ON REPAYMENT - A. The bond issue removes all legal doubts.
B. A short-term loan does not.

The UN bond issue resolution stipulates that repayment will be made from the regular budget. No UN members have ever questioned the legality of their obligation to pay their share of the regular budget. If the UN were persuaded to accept a short-term loan, it is open to serious doubt whether the General Assembly would approve charging repayment against the regular budget. Wilful delinquents, such as the Soviet Union, could be expected to refuse to help repay a short-term loan, just as they have refused to pay their Middle East and Congo peace-keeping assessments. The forthcoming advisory opinion by the International Court of Justice on the legal obligation of members to pay their assessments for the Middle East and Congo would not apply to assessments for repayment of a short-term loan. It is also a fact that the forthcoming advisory opinion, whether favorable or unfavorable, will in no way affect the legal obligation of all members for repayment of the UN bond issue out of the regular budget.

4. WORLD STANDING OF U.S. - A. The bond issue will show respect for the UN.
B. A short-term loan will not.

If the U.S. purchases \$100 million of UN bonds and the bond issue succeeds, the U.S. will receive a major share of the credit for saving the UN from bankruptcy. A short-term loan would be viewed by many UN members as a rejection by the U.S. of a major UN action and a rebuff to the judgment of the organization. A short-term loan would force reconsideration of the financial issue by the General Assembly in the face of the careful consideration already given this matter and the vote to authorize the UN bond issue as the best procedure.

5. SUPPORT OF OUR ALLIES - A. The bond issue has the support of our allies.
B. A short-term loan does not.

The majority of NATO members supported the UN bond issue with the exception of Belgium and France. They voted to substitute the UN bond issue for the Secretary-General's temporary authority to accept short-term loans. Finland and Norway have already paid their money and received their bonds. Finland acted despite the recriminations to which she will be subjected by the Soviet Union. Canada, Denmark, the Netherlands, West Germany, and the United Kingdom have announced the amounts they will purchase.

6. EVIDENCE OF PUBLIC SUPPORT - A. The bond issue has received specific support.
B. A short-term loan has not.

Public support of the UN is at an all time high. Nine out of ten Americans, according to the recent Gallup Poll, favor U.S. membership in the UN and 83 out of 100 believe it is "very important" that the UN succeed. The bond issue has the endorsement of Eugene R. Black, head of one of the world's most respected financial institutions, the International Bank for Reconstruction and Development. It has been endorsed by Amory Houghton, Chairman of the U.S. Council of the International Chamber of Commerce and by the Board of Governors of the U.S. Chamber of Commerce. Former U.S. Ambassadors to the UN Henry Cabot Lodge and James J. Wadsworth have voiced their support for the UN bond issue. The AFL-CIO has come out in support. Of the twelve organizations which appeared before the Committee on Foreign Relations, all supported strongly the UN bond issue and the President's recommendations. No organization appeared in opposition to UN bonds.

7. COMPARATIVE COSTS TO U.S. - A. The bond issue will cost the U.S. less.
B. A short-term loan will cost more.

The U.S. has been paying 47.5 percent of the cost of the UN peace-keeping operations. The bond issue will reduce this share to 32.02 percent. If all UN bonds are sold and the issue is retired in 25 years, the U.S. cash outlay for the whole transaction would be \$54.1 million.

If the UN tried to raise the same \$200 million under the present pay-as-you-go formula, the U.S. cash outlay would be at least \$95 million and more if the U.S. cannot hold the line at 47.5 percent.

If U.S. participation in the bond issue was scrapped in favor of a three-year short-term loan while the rest of the world bought \$100 million of bonds, the U.S. cash outlay would be \$83.7 million.

The cash outlay for the bond issue will be less than for any other method of meeting the UN's need. (See chart attached.)

COST COMPARISONS FOR DIFFERENT METHODS
OF FINANCING UN PEACE-KEEPING OPERATIONS

UN BOND PLAN

25 year, 2%, UN Bonds

IN MILLIONS

Outlay:

Initial U.S. purchase price	\$100.0	
Repayments to UN:		
Of \$200 million principal @32.02 assessment	64.0	
Of \$55 million interest @32.02 assessment	<u>17.6</u>	
Total U.S. cash outlay		\$181.6

Receipts:

Repayment of principal	100.0	
Payment of interest @ 2%	<u>27.5</u>	
Total U.S. receipts		<u>127.5</u>

Net U.S. outlay for UN Bonds.....		<u>\$ 54.1</u>
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SHORT-TERM LOAN PLAN

3 year, 2.9% loan

Outlay:

Initial U.S. loan to UN	\$100.0	
Repayments to UN:		
On \$100 million loan @ $47\frac{1}{2}\%$	47.5	
On interest on loan of \$8.7 million @ $47\frac{1}{2}\%$	4.1	
On \$100 million bonds purchased by other nations @ 32.02%	32.0	
On \$27.5 million interest on bonds purchased by other nations @ 32.02%	<u>8.8</u>	
Total U.S. cash outlay		\$192.4

Receipts:

Repayment of principal on U.S. 3-year loan	100.0	
Repayment on interest on U.S. loan	<u>8.7</u>	
Total U.S. receipts		<u>108.7</u>

Net U.S. outlay for UN financing		<u>\$ 83.7</u>
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PAY-AS-YOU-GO PLAN

Assessed Contributions:

Outlay:

U.S. assessed contribution at 32.02% on \$200 million ...	\$ 64.0
Voluntary contribution needed based on past experience	<u>31.0</u>

Total U.S. outlay for pay-as-you-go contributions	<u>\$ 95.0</u>
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UNITED NATIONS BOND ISSUE

List of Governments Which Have Announced Purchase Amounts as of March 16, 1962

Australia	\$ 4,000,000
Burma	100,000
Canada	6,240,000
Ceylon	25,000
Denmark	2,500,000
Finland	1,480,000 *
Germany (West)	10,000,000
India	2,000,000
Ireland	300,000
Malaya	340,000
Norway	1,800,000 *
Pakistan	500,000
Sudan	50,000
Sweden	5,800,000
United Kingdom	<u>12,000,000</u>
Total to date	\$47,135,000

Number of nations to date - 15

* - UN bonds paid for and received

Indications to Date of Pending Action by Other Governments:

9 governments, not yet announced, plan to purchase a total of \$5,800,000

24 governments have indicated that they will respond favorably

23 governments have UN bond purchase under consideration

DO U.S. CITIZENS SUPPORT THE UNITED NATIONS?

In February, 1962, the American Institute of Public Opinion of Princeton, New Jersey, revealed the results of its poll on the popularity of the United Nations.

Three separate questions were asked by Gallup Poll representatives. In all three cases, an overwhelming majority of Americans polled indicated strong support and confidence in the UN as this country's major hope for peace.

The vote of confidence cut across partisan, regional and urban-rural differences.

Here are the facts:

The first question asked:

"How important do you think it is that we try to make the United Nations a success -- very important, fairly important, or not so important?"

Very important	83%
Fairly important	9%
Not so important	4%
No opinion	4%

The second question:

"In general, do you think the United Nations is doing a good job or a poor job in trying to solve the problems it has had to face?"

Good or fair job	78%
Poor job	12%
No opinion	10%

The third question:

"Do you think the United States should give up its membership in the United Nations, or not?"

Should not	90%
Should	5%
No opinion	5%

UNITED STATES FOREIGN POLICY AND THE UNITED NATIONS

The following is a statement by Secretary of State Rusk before the Senate Foreign Relations Committee on February 6th which states the role the UN plays in our foreign policy:

At the very outset I should like to recall that support for the United Nations has never been a partisan political question. The Charter itself is the product of American leadership and bipartisan endeavor. The proposals made at Dumbarton Oaks were the subject of full consultation with members of the Congress from both sides of the aisle. The Charter won overwhelming approval of the Congress. It seems clear to us that the people of this country do not think in partisan terms when they think of the United Nations. It is precisely because of such very broad public support and bipartisan Congressional attitudes that the United States has been able to maintain a position of leadership in UN affairs.

We cannot too often recall the purposes of the United Nations, as set forth in the preamble to the Charter:

"to save succeeding generations from the scourge of war...";

"to reaffirm faith in fundamental human rights...";

"...to establish conditions under which justice and respect for the obligations arising from treaties and other sources of international law can be maintained..."; and

"...to promote social progress and better standards of life in larger freedom."

Peace. Human dignity. The rights of the individual. The rule of law. Social well-being in larger freedom. These are the purposes of the United Nations.

They are not, of course, specifications for institutional machinery. They do not add up to a blueprint or a Master Plan for resolving all the inherited quarrels and sins of the centuries. Much less do these words provide any way to predict future problems or solve them when they arise.

The preamble to the Charter of the United Nations is simply a statement of goals derived from the idea that man is born free, capable of exerting conscious thought and free will toward the mastery of his physical and social environment.

That being said, it is true that we live in a world in which nobility of purpose is not yet the determinant factor in world affairs. It therefore is in the context of an imperfect real world that we must assess the relevance and utility of the United Nations to United States foreign policy.

In that world there are two views about the future of human society. One is the view still professed, though with decreasing certainty I think, by the doctrinal heirs of Karl Marx. It is a view of a drab one-world of gray uniformity, held together by coercion in the name of an ideology based on an analysis of human history which left out of account the human mind and will.

The other is a view of a pluralistic world--a world of color, variety, and movement, held together by consent in the name of an ideology which interprets human history as the story of man's effort to master his environment, to improve his society, and to perfect his behavior.

The first view -- however repugnant -- is easy to grasp, for it is a monotone product of a single mould. The other view is much more difficult, for its essence is diversity. It is not so tidy as a uniform world and its behavior is unpredictable precisely because it will be influenced by flesh-and-blood men.

The United Nations -- in its Charter, its membership, and its operations -- denies the first view of the future world and conforms with the second.

The Charter is a creation of the human mind, an act of will. It is not the result of any "iron laws" of history.

The General Assembly is living proof that the world is still made up of stimulating differences in cultural, racial, religious, political and personal elements. It makes a mockery of the concept of a uniform one-world.

The operations of the UN are based on consent, illumined by debate, and confirmed by majority decision expressed by men, most of whom demonstrate daily their independence of mind and spirit. If it does not always perform exactly the way we want it to, that is the price of a world in which independence is valued as highly by others as it is by us.

So the United Nations, theoretically and practically, fits with the view of a diverse world struggling to master its own problems by conscious thought, by deliberate act, and by majority consent which is always difficult and sometimes elusive. The basic objective of U. S. policy manifestly is to help steer the world toward a validation of that view.

In our dealings with the world about us we must, of course, use all the instruments available to us.

The first instrument is national diplomacy to protect and extend the national security. But to think of national security entirely in terms of military power is too limited a conception. National power is compounded of military, political, economic and moral strength.

We cannot, and do not, turn over to others the protection of our vital national interests. But it is in the interest of our national security to increase our national power and influence by associating with others in common purpose and enterprise. Thus we make common cause with our NATO allies in defense of the West. Thus we make common cause with the other members of the Atlantic Community to promote our own prosperity and to further self-sustaining growth in the less developed world.

In similar vein, we make common cause with the other republics of the Western Hemisphere -- not only in defensive alliance against Communist penetration, but in mutual assault on poverty and traditionalism. Both purposes call for common institutions which we help to build and help to strengthen.

So we seek to build regional organizations which add to the national power and expand the world of consent, both absolutely and in relation to the world of coercion.

At the universal, or near-universal level, the United Nations and its associated agencies are the instruments with which we work toward an ultimate world community at peace, under law, in freedom, and with expanding human welfare.

Inevitably, the United Nations must reflect in large measure the deep divisions of the contemporary world. But it also reflects the even deeper trends toward international community and the still deeper aspirations of peoples for peace, justice and a more decent condition for man.

Indubitably, the United Nations shares the risks and the weaknesses of the world environment in which it operates. But that simply means that it is relevant to the real world of the 1960s.

Indeed, I cannot imagine the 1960s without something very much like the United Nations. Nor can I see any hope for a future world in harmony with our views without a central place for the United Nations.

We shall continue, of course, to serve our vital national interests through bilateral as well as multilateral diplomacy. We shall continue to work with and seek to strengthen the concerts of nations joined in more limited communities based on consent and dedicated to common enterprise. But our ultimate hopes would lack all substance without the United Nations, for the United Nations foreseen in the Charter is the vision we hold of the future.

It is in this perspective that the United Nations plays such an important role in United States foreign policy, and why U.S. foreign policy lays such store by the United Nations.

NINE KEY FACTS ON THE UNITED NATIONS BOND ISSUE

I. WHY IS THE BOND ISSUE NECESSARY?

The paramount reason for the United Nations Bond Issue is to save the UN's capacity to act for peace and equal justice in the world. If the Bond Issue is repudiated or undersubscribed, a blow will be struck against the late Dag Hammarskjöld's concept of the UN as a dynamic agent of peace. The Bond Issue is meant to erase UN indebtedness arising out of its major peacekeeping operations to date, in the Middle East and in the Congo. If these operations go into bankruptcy, as a result of the unwillingness of certain UN members to pay their share, then there will be no more peace and security undertakings. The UN will become the "static conference machinery" so deplored by Hammarskjöld. If this happens the fault will lie, ironically enough, with the traditional friends of the United Nations, with the powers which have supported it through innumerable crises and threats to its existence.

The Bond Issue will provide the UN enough money to solve its critical cash problem for this year and next. This will provide a much needed breathing space without financial crises to complicate the carrying out of the functions entrusted to the UN.

Payments for the heavy immediate costs of the peace-keeping activities in the Middle East and the Congo will be spread out over a period of 25 years. Annual repayments to cover these costs will only amount to \$10 million. Shares of this amount are considered within the ability of even smaller, less advanced nations to pay. Through this means the principle of collective responsibility for collective action can be reaffirmed.

In the Gaza Strip (UNEF) and in the Congo (UNOC), the UN budget for the peace-and-security operations is running about \$140 million per year. In 1961, UNEF cost about \$19 million of which we paid \$7.9 million. UNOC's budget was \$100 million for the first 10 months of 1961 of which the U.S. paid \$47.5 million.

The cost of UNEF and UNOC is assessed against every member of the United Nations by action of the General Assembly. In addition, the U.S. and other nations have made voluntary contributions, in cash and services, to reduce the burden on the smaller, less developed countries. However, the Soviets and their satellites take the position that they will pay only when they agree with the operation; they therefore have refused to pay their assessments to either UNEF or UNOC. The Arabs also do not pay for UNEF, and the French and the Belgians have declined to pay their share of UNOC. Although most of the smaller, less advanced nations believe the UNOC operation is important and necessary, many of them have been unable to keep up their payments on these special assessments on top of paying their regular assessments. All these non-payments have produced the cash shortage with which the UN is now faced.

II. HOW MUCH ARE WE BEING ASKED TO PAY?

The President is asking that we buy \$100 million of the Bond Issue. The reason we are being asked to make 50% of the loan is because of our financial ability to make such a loan and because the UN serves so well the national interest of the U.S. through its peace-keeping operations. Many smaller nations are not able to raise cash for a loan quickly. We can. The President says the loan amounts to 1/10 of 1% of our Federal budget, nearly one-half of which will go for national defense.

III. IS IT UNUSUAL TO HAVE THIS KIND OF BOND ISSUE?

During times of emergency our own government has asked for citizen loans, as in the case of war bonds. In 1948, the United States made a loan to the UN of \$65 million at NO interest for the construction of the UN building in New York. Twenty million of this loan has already been repaid. It has been repaid through regular annual assessments out of the UN's Regular Budget, just as the new Bond Issue will be repaid.

IV. WILL THE RUSSIANS BUY UN BONDS?

Since the USSR voted against the UN Bond Issue, it probably will not subscribe to any. Article 19 of the UN Charter, however, will encourage member nations to pay their share for retirement of the bonds. It states that any member "which is in arrears in the payment of its financial contributions to the Organization shall have no vote in the General Assembly if the amount of its arrears equals or exceeds the amount of the contributions due from it for the preceding two full years."

V. WHAT WILL HAPPEN IF THE BOND ISSUE FAILS?

A financially enfeebled UN would be in no shape to meet any important new world crisis. It would be what the Communists have always wanted it to be, a talking society incapable of any actions. They would have achieved a financial veto over UN peace-keeping operations.

VI. WHY DO THE RUSSIANS WANT TO WEAKEN THE UN?

The Communists have a minority position in the UN. They find they are unable to control it and this frightens them. No single nation today controls the UN -- not the Russians, not the United States. While the Russians can veto any actions in the Security Council, the matter can be sent to the General Assembly within 24 hours. In the General Assembly the Soviet can count on eleven sure votes out of 104 votes. On the other hand, the U.S. has proved to be quite successful in persuading the necessary 2/3 majority in the Assembly to vote in favor of Western resolutions. The Communists were unsuccessful in forcing their "troika" proposal on the UN, which would have

given them a veto in the Secretariat. Communists have been unable to vote Communist China into the UN. They have been unable to date to dominate the Congo situation.

VII. IS THE UN WORTH SAVING?

Many thoughtful Americans believe that the day the UN closes its doors is the day World War III will actually have begun. When the UN has acted weakly it has done so because the nations of the world have failed to give sufficient support to enable it to shoulder its responsibilities. Where it has been indecisive, it is because UN members have been unable to agree. Some critics of the UN fail to realize that the UN must work with the power realities of our world and can be no stronger than its members make it. The successes of the UN represent all that is good, positive and hopeful in the world today. Although the margins of victory have been perilously small in many instances, the UN has been successful so far in preventing another major war. The UN Food and Agriculture programs have prevented many millions from starving. Its health projects have kept major segments of the world free from epidemics and plague. Its technical assistance programs have raised standards of living in underdeveloped nations by helping people to help themselves.

VIII. IS THERE ANY ALTERNATIVE OTHER THAN THE BOND ISSUE?

Three alternatives exist: First, the UN can continue its present course and go bankrupt. Second, it can stop operations and admit failure in the Congo and Middle East, opening the way to the growing possibility of war. Third, it can seek loans from a few rich friends such as Sweden and the United States. The first two alternatives are self-defeating. The third would tend to ruin the usefulness of the UN as an impartial international instrument.

IX. IS THE U.S. THE ONLY COUNTRY SUPPORTING THE UN?

Many small nations pay a much larger per capita sum than the U.S. Each Swedish citizen was taxed 73¢ last year for the support of the UN as against 61¢ for each American citizen. The U.S. pays 32% of the UN's Regular Budget. Almost all members have paid their UN Regular Budget Assessments. The current crisis occurred because certain nations failed to pay their special assessment for the Congo and Gaza Strip activities.

WHO CONTROLS THE UNITED NATIONS?

For some time critics of the United Nations have warned that the United States was going "to lose control of the U.N." They argued that the Afro-Asian countries, and the so-called neutral nations, would band together in blocs and that they would always vote with the Soviet Union against the West. As a result, so these critics contended, the U.S. would constantly be outvoted, and its vital interests would be injured.

Are these assertions true or false? In fact, did any of these dire predictions come true in the 1961-62 session of the U.N. General Assembly?

U.N. Not Designed For One-Nation Control

First of all, it should be noted that the U.N. was not set up to be a tool of any one country. It was not designed as an instrument of either the U.S. or the U.S.S.R. As Adlai Stevenson, U.S. Representative to the United Nations, has pointed out: "We do not control the United Nations. We never have. We have never aspired to. The very idea of one-power control would defeat the purpose of the organization."

In fact, as the U.N. Charter points out, the U.N. was established by "We the peoples of the United Nations" who joined together to "unite our strength to maintain international peace and security." It was meant to include the strong and the weak, the big and the small, the developed and the underdeveloped. It was meant to be a meeting place for the "community of nations" in order to preserve the peace of the world. As a result, each member nation was given a single vote in the General Assembly. All were made equal partners in the common cause of peace.

The Afro-Asian Bloc -- What Is It?

The so-called "Afro-Asian bloc," according to most U.N. experts, consists of all of the countries of Africa (except for South Africa), the Middle East (except for Israel), and the Far East (except for China) -- a total of 49 countries. These would be:

Middle East -- a total of 9 -- Afghanistan, Cyprus, Iran, Iraq, Jordan, Lebanon, Saudi Arabia, Syria, Yemen

Far East -- a total of 12 -- Burma, Cambodia, Ceylon, India, Indonesia, Japan, Laos, Malaya, Nepal, Pakistan, Philippines, Thailand

Africa -- a total of 28 -- Cameroon, Central Africa Republic, Chad, Congo (Brazzaville), Congo (Leopoldville), Dahomey, Ethiopia, Gabon, Ghana, Guinea, Ivory Coast, Liberia, Libya, Madagascar, Mali, Mauritania, Morocco, Niger, Nigeria, Senegal, Sierra Leone, Somalia, Sudan, Tanganyika, Togo, Tunisia, United Arab Republic, Upper Volta.

The Hard-Core Neutralists

Of the 49 Afro-Asian countries mentioned, there is a small group of states which could be considered hard-core neutralists. They are Afghanistan, Burma, Cambodia, Ceylon, Ethiopia, Ghana, Guinea, India, Indonesia, Iraq, Mali, Morocco, Nepal, Saudi Arabia, Somalia, Sudan, the United Arab Republic and Yemen.

Scorecard on Afro-Asian and Neutralist Vote in Past U.N. Session

Just how did the Afro-Asians vote on important issues during this past U.N. session - the first part of the 16th Session running from September through December, 1961. How did the neutralist group vote? Is it true that they always voted with the Soviet Union against the West? Did the Soviet Union win on every vote?

Let's take a look at five important political questions. On all five, the U.S. and the U.S.S.R. opposed each other. The U.S. favored four and opposed two. As we will see, the U.S. position was the majority position in each case.

On the Russian-sponsored resolution calling for the seating of Red China in the UN -- The Soviet bloc was in favor of the resolution; the U.S. against. Fifteen of the Afro-Asians voted with the West against the resolution; fourteen abstained. Only twenty voted in favor of the resolution, and seventeen of these were the hard-core neutralists. Not getting the necessary two-thirds, the Soviet resolution was defeated by a vote of 48 against, 36 for, 20 abstentions. (Norway later changed its vote, having originally abstained, making the final count 47 against, 37 for, 19 abstentions.)

Earlier that same day, December 15, 1961, the Assembly endorsed the new U.S. position that the issue of Chinese representation was an "important question" requiring decision by a two-thirds majority.

On the Western-sponsored resolution calling for the U.N. Bond Issue -- the U.S. was for it; the Soviet Union against it. None of the Afro-Asians voted against the Bond Issue proposal. Twenty-Eight voted for it, Fourteen abstained. More than half of the hard-core neutralists - twelve - voted in favor of it. The resolution was passed by vote of fifty-eight to thirteen, with twenty-four abstentions, and nine absent.

On the eight-nation resolution appealing to the U.S.S.R. to refrain from exploding a 50-megaton nuclear bomb -- the U.S. favored the resolution; the Soviet Union opposed it. Eighty-seven countries voted in favor of the appeal; only the Soviet bloc (Albania, Bulgaria, Byelorussia, Czechoslovakia, Hungary, Mongolia, Poland, Romania, Ukraine, the U.S.S.R. -- and Cuba) voted against it. No Afro-Asians voted were opposed; only one -- Mali -- abstained.

On the Anglo-American resolution setting forth the "urgent need" for a treaty to ban nuclear weapons tests under effective international control -- the U.S. favored the resolution; the Soviet Union opposed it. The resolution specifically endorsed the U.S.-U.K. position in the Geneva nuclear test ban negotiations. It stated that only an "effective and impartial system of verification" could guarantee a permanent nuclear test ban, that the international control machinery should preclude self-inspection and a veto, that a single administrator should be in charge of the control mechanism (i.e., not the Soviet "troika"). The vote: 71 in favor, 11 against, 15 abstentions, 6 absent. Only the Soviet bloc (including Cuba) was opposed. Abstentions included twelve hard-core neutralists.

On Cuba's complaint of "new plans of aggression and acts of intervention" by the United States. The Cuban charges were disposed of in the First (Political and Security) Committee without coming to the floor of the General Assembly. The Committee vote was 11 in favor, 50 against, and 39 abstentions on a draft resolution submitted by Czechoslovakia and Romania. The Afro-Asian nations generally took the position that the Cuban complaint was a matter for the Western Hemisphere to decide without outside interference.

How Did the U.S. Fare on These Important Votes?

In every case the U.S. position was the majority position. The resolutions we favored were adopted; the resolutions we opposed were defeated. Many other important examples could be cited. For instance, the U.N. adopted the U.S. position in "deploring" Soviet actions in Hungary, in calling for the freedom and independence of Tibet, in urging the reunification of Korea.

The charge that the Afro-Asian bloc always voted with the Soviet Union against the West is obviously not true.

There is, in fact, no evidence that there is a solid Afro-Asian block in the United Nations. The voting of these countries is not mechanical, based solely on the geographic region from which they come. Rather, each votes the issues and in its own interest as it sees those interests.

There is only one solid, consistent voting bloc in the U.N. -- it is controlled by the Soviet Union.

The Soviet Bloc -- The Only Bloc

It is not generally realized that the Soviet Union and their bloc occupy an acute minority position in the United Nations. For instance, in the Security Council, the Soviet Union usually can count on no more than four positive votes when they are in direct opposition to the U.S. They have Rumania every time. The United Arab Republic and Ghana are apt to abstain or take a neutral position. Sometimes they will vote with the Soviet Union. There are eleven members of the Security Council. The other six usually vote with the United States.

In the Security Council, of course, the Soviet Union has the veto and has used it many, many times. But the veto is a vote to stop something, never to accomplish something the Soviets want. Within twenty-four hours, any important issue can be sent to the General Assembly if seven council members so request. In the General Assembly, the Soviet Union, if you count Cuba, has a maximum of eleven positive votes, whereas there are one hundred and four members of the Assembly. They have, therefore, eleven sure votes out of one hundred and four. The United States cannot control any specific number of votes but on almost every important issue the United States has been able to persuade a safe majority of the Assembly to support their position. Because of their acute minority position, the Soviet Union grows ever more fearful as the United Nations becomes more effective. This was seen when the Congo operation began.

The Soviet Union had three opportunities early in the Congo issue to veto the operation in the Security Council. Actually, they didn't dare to use it because it would have been very unpopular. However, they grew very fearful of the strength of the U.N. and they devised two means by which to weaken the U.N. First of all, they attacked the Secretary General and the Secretariat. They accused the Secretary General of partiality and said that in the future they would insist upon a three-man Secretary General, the famous troika. They were defeated on this, but they didn't give up. They have also tried to use the method of financial starvation to weaken the U.N. They have refused to pay the emergency cost of the U.N. Emergency Force or the Congo operation. They do not like having to pay the salaries of the Secretariat people. In fact, when the 1962 budget appropriations were up for discussion, the Soviet Union in effect approved only an empty building. They voted against or abstained on all appropriations for salaries of the Secretariat people and for all U.N. activities.

Conclusion

What is the meaning of the voting patterns in the U.N.? As Adlai Stevenson has pointed out: "There is no need to deny the difficulties; but neither is there any excuse for building them up into artificial monsters to frighten ourselves out of a true estimate of the United Nations." He has indicated: "In all the history of the United Nations, I know of not one case in which the U.N. has injured the vital interests of the United States."

In fact, the question then is not so much who controls the U.N., but how might it be made a more perfect instrument. Said President Kennedy in his State of the Union message on January 11, 1962: "Our instrument and our hope (for peace) is the United Nations, and I see little merit in the impatience of those who would abandon this imperfect world instrument because they dislike our imperfect world. For the troubles of the world organization merely reflect the troubles of the world itself. And if the organization is weakened, these troubles can only increase. We may not always agree with every detailed action taken by every officer of the United Nations, or with every voting majority. But, as an institution, it has in the future, as it has had in the past since its inception, no stronger or more faithful member than the United States of America."

ACCOMPLISHMENTS OF THE UNITED NATIONS

Too often, observers of the United Nations become pre-occupied with its weaknesses and failures and miss the important and hopeful successes that the U.N. accomplished in the past seventeen years.

Here are some of the United Nations' achievements in the fields of (1) international disputes (2) improving world health (3) helping the children of developing nations and (4) technical assistance.

INTERNATIONAL DISPUTES

Iran -- In January 1946, Iran informed the Security Council that the presence of Soviet troops on Iran territory interfered in its internal affairs.

Iran's charges were discussed in detail in the Security Council. By May of the same year, with U.N. help, Iran was able to report the withdrawal of Soviet troops from its territory.

Indonesia -- In July of 1947, Australia and India focused the Security Council's attention on fighting between the Netherlands and the Republic of Indonesia. A series of truces, negotiations, broken truces and new truces followed. Ultimately, persistent and sensitive U.N. negotiators met with success. From August to November 1949, a round-table conference met in the Hague and with the assistance of the U.N. Commission for Indonesia, agreement was reached between the Netherlands and Indonesia.

The conference members drew up a charter for the transfer of sovereignty which stated that the Netherlands unconditionally and irrevocably transferred complete sovereignty over Indonesia to the Republic of the United States of Indonesia and recognized the Republic as an independent and sovereign state. In December, 1949, the formal transfer of sovereignty to the Republic took place.

Greece -- In December, 1946, Greece asked the Security Council to consider the situation in the northern part of the country resulting from aid to Greek communist guerillas being given by Albania, Bulgaria and Yugoslavia. The matter passed from the Council to the General Assembly. The Assembly established an eleven-member United Nations Special Committee on the Balkans to study the matter. The United Nations Special Committee ultimately presented a report to the Assembly showing that Albania, Bulgaria and Yugoslavia had indeed been encouraging and helping Greek guerillas in their attempts to overthrow the Greek government. The countries at fault were called upon to cease giving support to the guerillas. United Nations observer teams were sent to Greece and by 1951, persistent efforts by the U.N. had proved effective, and the situation in the north of Greece returned to normal.

Cyprus -- At the request of Greece in 1954, the General Assembly considered the right of the island of Cyprus to self-determination. Greece and the United Kingdom were at odds on the question of when and how Cyprus should be given its independence. Terrorism and bloodshed was rampant. A series of proposals and counter-proposals were presented in the General Assembly at the United Nations which acted to encourage direct negotiations among the parties. In February of

1959, a settlement of the Cyprus problem was agreed upon in London between the United Kingdom, the Greek, and Turkish governments and the representatives of the Greek and Turkish communities in Cyprus.

Other Disputes -- The United Nations can take credit for the 1948 truce between the Arab states and Israel for ending the Suez hostilities and maintaining peace in the region, for repelling Communist aggression against the Republic of Korea, and for the truce between India and Pakistan over the Kashmir. The United Nations was instrumental in causing Red China to release fifteen fliers held illegally after the Korean war.

An excellent example of the peaceful and lawful settlement of international disputes under U.N. auspices can be found in a case before the International Court of Justice involving an ancient temple on the border between Thailand and Cambodia. Both nations claim the land on which the temple stands but rather than settle the issue by force of arms, they have submitted it to the Court which is expected to rule on it this year. Meanwhile, Buddhists from both countries are free to worship there.

Improvements in World Health

One of the United Nations' specialized agencies is the World Health Organization, known more familiarly as WHO. This organization devotes much of its energy to eliminating devastating public health problems that shroud much of mankind in misery. The Agency operates both on the level of the scientific laboratory and the actual sickbed. During the recent operation in the Congo, WHO doctors and nurses fought an outbreak of smallpox and controlled an epidemic of the deadly tropical disease kwashiorkor.

The Organization has studied and effectively limited tuberculosis in India. It has made a substantial reduction in malaria in Southeast Asia that has affected 530 million of the 560 million people living there. It has helped substantially reduce cases of yaws in Indonesia and battled cholera in India.

Helping the Children in Developing Nations

Under the auspices of the United Nations Children's Fund, called UNICEF, the United Nations in one year has vaccinated more than 15 million children against tuberculosis, protected 32 million against malaria, treated 3½ million and their parents for yaws, treated another million for trachoma and given milk rations to more than 5 million children and mothers. All of this and more has been done with a budget of somewhat less than \$25 million, less than half of what New York City spends on its health and welfare.

Technical and Economic Assistance

As many of the newly-independent nations have learned, independence does not of itself bring with it the alleviation of centuries of poverty. Economic health of a nation often requires the aid of special technical and economic assistance. The United Nations provides this help through its Expanded Program of Technical Assistance, Special Fund, and the World Bank, among other agencies.

In Jordan, the United Nations has cooperated in the construction of that country's only access to the sea, the small modern port of Aquba, increasing that port's tonnage from 70,000 tons in 1953 to 680,000 tons in 1960. In Mexico, the United Nations has established a fellowship for training hand-picked people from that country in various industrial skills. This program will supply chemists, biologists and engineers to staff growing Mexican industrial operations. In Peru, the UN has established a civil aviation school for the training of air technicians and air crews which will help that country maintain the all important communications between the coast and the interior. In Nigeria, the UN is helping to locate and ultimately build a dam that will generate power, facilitate flood control, aid navigation and provide water for irrigation.

Africa represents the largest current concentration of United Nations assistance. Approximately 40 countries are benefitting from UN technical aid on this continent. This aid is targeted at helping the developing nations become strong, free, and stable nations which ultimately can make a growing contribution to the larger community of nations.

HHH 15-MINUTE WASHINGTON TV REPORT
APRIL 11, 1962

SENATOR HUBERT H. HUMPHREY AND MR. LAWRENCE F. O'BRIEN

This is Washington, and this is Senator Hubert H. Humphrey of Minnesota with a special guest. To introduce the guest, here is Senator Humphrey.

Well, Ladies and Gentlemen: Today, we do have for you a very special guest; a gentleman that is the Special Assistant to the President of the United States. And I am going to present him to you in just a moment.

But first of all, let me say that under our form of government we have what we call a federal system -- the relationships between the central government in Washington and the state governments. And then we have what we call separation of powers: The Executive branch, the Legislative branch, and the Judicial branch. But if we kept these separate branches of government completely separate, you wouldn't have much government -- particularly would that be true between the Executive and the Legislative. Therefore, we must have a close working relationship. We here in the Congress with the President and his advisors and ^{his} cabinet officers and departments. We improvise, we create ways and means of communication between these

departments of government.

Each Tuesday morning, for example, we have what we call the Legislative Leaders' Breakfast. Our honored guest today is one of the participants in that breakfast. That breakfast takes place at 8:45 A.M. at the White House. The President is there, of course, and the Vice President, the Majority Leader of the Senate, the Speaker of the House of Representatives, and the Majority Leader of the House, and the Majority Whip; and then on the Senate side, as I said, the Majority Leader and myself as the Majority Whip, and then the Conference Secretary, Mr. Smathers. Now, we have the President's Legal Counsel, the President's Appointment Secretary and his Legislative Officers. Now, with me today is Mr. Lawrence O'Brien. We call him, affectionately, Larry O'Brien. He is the President's Special Assistant in the field of legislation. He works intimately with the leadership here in the United States Senate and with the House of Representatives. Whenever you hear that the Legislative Leaders have been discussing a problem with the President, or that the officers of the Executive branch have been over here on Capitol Hill and discussing legislation with leaders in the Congress, you can rest assured

that in that discussion, around that Conference table, sits Larry O'Brien. We look to him for real guidance, and I think he looks to us for some help in carrying out the President's program. So I take great pride today in presenting to our viewers and listeners this very good friend -- and more importantly, this very able officer of our government and close, personal friend of the President, as well as his Legislative Assistant.

Now, Mr. O'Brien, Larry, I am going to put some questions to you. This is going to be your program. Let me be quite formal about it in the beginning. Now, just what is your job as you see it? I have explained it a little bit from my point of view; and what is your relationship to the President and the administration?

MR. O'BRIEN: Well, you've explained it very well, Senator. I think that, as you pointed out, the separation provided by the Constitution between the branches of government, applicable in this instance to the Executive and the Legislative branches, is something that is there, historically, and should be, but beyond that, as you pointed out, it is necessary for rapport to exist between the Executive and Legislative branches of the government --

not violating in any sense the constitutional provisions.

As assistant to the President for Congressional Relations, I believe that with my small staff at the White House, working closely with the President and with you and the leaders in the Congress, and with the members generally in the Congress, that a bridge is established, as it were, between the Executive and Legislative branches, so that there can be a steady and mutually advantageous flow of views and information between the Executive and Legislative branches of the government. Also, in my position, it is necessary for me to maintain a close relationship with the departments and agencies. Each one of the departments has a key role to play in the President's legislative program here in the Congress. Our work is to promote the President's program, to assist in every way in presenting his views, to garner from you and the leaders your views relative to his activities and in every sense, on a day to day basis, to be the bridge, as I said, between the Executive and Legislative branches.

SENATOR HUMPHREY: After you have been over here, for example, to the Senate, and you're here often when Senator Mansfield, for example, the Majority Leader, has a particularly difficult problem here with the bill in

the Committee and wants to get the Executive officers' point of view on it, you are called in. Senator Mansfield will call the White House and ask for you and you come over. And you sit down and discuss these items with us. We try to give you an honest appraisal of the situation. Now what do you do? Do you go back to the President and inform him of what we've talked about? Do you go to the department heads? Just how does this work?

MR. O'BRIEN: Well, very often, I would go directly back to the President, and contact with the President is a continuing one. Several times during the day or personally, I will be in contact with the President. And in turn, as you know, I am at your doorstep very often up here. And this is a continuing situation. It's daily, actually hourly. And the emphasis is that this avenue be maintained and be open at all times for this exchange of views and this mutual activity on the part of the Democratic leadership and the President promoting a program without any violation of the constitutional concept of the operation of government. So that I am available at all times. The President is available to me.

SENATOR HUMPHREY: I think that's the point we ought to emphasize here. I know it was surely revealing to me

to see, well should I say, the ease with which you and your other associates, Mr. O'Donnell, for example, and some of those that work closely with you in the White House, the ease that you have of contacting the President -- his willingness to talk to you and to see those of us that have some responsibility for legislation. There is really no wall. While we talk about the separation of powers, the truth is that the President through you and through his other aides seeks cooperation with the Congress.

MR. O'BRIEN: That's exactly right.

SENATOR HUMPHREY: And we with him -- it's been remarkable.

MR. O'BRIEN: Of course his 14 years of service in the House and Senate has brought to him a great realization of the processes of the Congress and also he knows so many of you intimately that it makes for a very easy relationship.

SENATOR HUMPHREY: How do you address him? After all, you have worked with the President for years. I remember you well -- even in the campaigns. Once I know of your intimate, personal relationship with him. How do you address him?

MR. O'BRIEN: Mr. President, Sir.

SENATOR HUMPHREY: You do that, too. I know I always do. But I just wondered whether that held forth over in the White House.

Now, a favorite question of the newsmen these days is whether or not the President's personal popularity which I am sure is unmistakable, I mean there can't be any doubt about that, whether this can be translated into congressional action? What do you think about that? Now you know how popular the President is. Do you think that this carries over into congressional action, and will it even carry over into elections?

MR. O'BRIEN: I think, Senator, there is no question about the President's popularity. And I think it will work out fine to popularity in another sort. Perhaps the carryover would not exist, but it goes beyond that. We are confident that the President enjoys the respect of the vast majority of the American people, the support of the vast majority of the American people. They have confidence in him as President. It goes beyond popularity of a sort. Therefore, I think this does work well -- program-wise. Now, I know that recently -- and it's impressed me; frankly, I'm not awfully impressed

with polls, and you and I both have discussed polls over the years and we've paid some attention to them, but I don't think its overriding -- but I was most impressed with the poll recently showing that 61% of the American voters favor a Democratic Congress. Yes, now the President's popularity is up close to 80%. Sixty-one percent of the people have confidence in a Democratic Congress and want to maintain a Democratic Congress. So I think it's the combination of the confidence in the President and in the Democratic Congress that will bring about the acceptance of a good portion of our legislative program.

SENATOR HUMPHREY: Yes.

MR. O'BRIEN: You will recall in the last session 80% of the President's program was adopted.

SENATOR HUMPHREY: Exactly, and you can recall, I am sure, instances here where members of the Congress have said to you, as some of them I know have said to me, "Well, I've had some doubts about this program or this particular piece of legislation, but if the President wants it, I think we ought to give the President the benefit of the doubt." Now, that's really what you

mean, isn't it . . .

MR. O'BRIEN: That's right.

SENATOR HUMPHREY: (continuing) by translating personal and political popularity into congressional action.

MR. O'BRIEN: Now, that's exactly right. I think of the Congressman and Senator in coming to that determination reflects the views of his constituents who again has confidence, I think is the key word -- his constituency has confidence in the President and it's translated into legislative action.

SENATOR HUMPHREY: Now, that moves me to this question. How does the President determine what is the mood of the country, for example? How does he get the general point of view of the Populace of the people on some particular issue or policy?

MR. O'BRIEN: Well, I would say, first and foremost, he is to a great extent depending upon you and the other leaders that he has close contact with day in and day out to express the mood of the country, because he knows you people have your finger on the mood of the country. Beyond that, as you know, he is a great reader of the news.

SENATOR HUMPHREY: Yes, he surely is.

MR. O'BRIEN: And he is _____. We all

always carry papers

realize that.

SENATOR HUMPHREY: A bundle of papers at all times.

MR. O'BRIEN: And I find that he reads them early in the morning, I might add. Because he refers to them as early as 7:15 in the morning when I might be a little bit sleepy. But he pays great attention to that. He also attends himself to the results of polls and this type of thing around the But beyond that, I think, it's his personal feel for the mood of the country. Now, you will recall his discussion of his recent trip to the West Coast, and he had a great deal of exposure. And he was awfully pleased to find that there was great acceptance for his program -- great reaction to it -- in public meetings, with meetings of individual citizens. And he comes back, and he absorbs this, and he understands it. He is a realist concerning it. But I do think that every means available to an American President to determine the mood of the people is fully utilized by our President. And he is in touch with the people at all times.

SENATOR HUMPHREY: And he told us after that trip to the West Coast that he came back strengthened, encouraged.

MR. O'BRIEN: That's right.

SENATOR HUMPHREY: In fact, I think that all of us have a tendency down here in Washington to become ^{a little} emotionally frustrated and fatigued because of the tremendous pressure and tension that centers upon this city. And President

Kennedy is one of these highly receptive individuals that when he goes out to the people with his message, and he goes out as an educator and as a teacher, and as a policy-maker, he absorbs part of their strength. He comes bouncing back. I notice that every time he goes on a trip, instead of coming back ^{anywhere near} tired, he comes back filled with new vitality, and there is one message after another coming out of the White House.

MR. O'BRIEN: That's right. Well the restrictions imposed upon him by the office and his movements, I think ___fortunate there is nothing that can be done about it, because he would like to get out to the people more than he has opportunity to; and he just enjoys it thoroughly.

SENATOR HUMPHREY: What would you say is the top priority legislation for this year. We've got about half a minute.

MR. O'BRIEN: I would say that the Trade Bill. And I would like to emphasize Medical Care, a Social Security concept. This is of great importance to the American people. The Farm Program which is current and is active here on the Hill, is essential, and I would tie those together as top priorities.

SENATOR HUMPHREY: So we would say the Foreign Trade Bill to equip us to compete internationally in the world markets; the Medical Care of the Health and Hospital Care

Program for the Elderly and the Farm Bill.

MR. O'BRIEN: That's exact . . .

SENATOR HUMPHREY: And Larry O'Brien, I want to thank you a million -- we love to have you over here -- and I want the people of Minnesota to see a great man.

MR. O'BRIEN: Thank you for having me Senator. I appreciate it.

(END)

COPY

HUMPHREY TV REPORT FROM WASHINGTON MARCH 28, 1962 ROOM T-47, CAPITOL

Larry O'Brien, Guest

April 11, 1962

- 1 -- Introduction of program by Bob Coar.
- 2 -- Opening comments on Humphrey, touching on the role of the President in legislation. Mention the basic separation of powers between Executive and Legislative branches, but the continuing need for contact. Thus: The Tuesday morning legislative leaders meetings at the White House, the special messages from the President to Congress, and....
- 3 -- Introduction of Larry O'Brien as Special Assistant to the President and his role as legislative liaison man for the President.
- 4 -- Questions from Humphrey to O'Brien:
 - a. First, a personal question. Just what is your job and what is your relation to the President and the Administration?
 - b. A favorite question of newsmen these days is whether or not the President's personal popularity---which is considerable---can be translated into Congressional action. What is your answer? (Might mention here the good record of the First Session)
 - c. What are some of the President's "priority" items of legislation this year, and how do you think they will do in Congress?
 - d. Minnesotans are particularly interested in the President's new and comprehensive farm program. How does it look for that program in Congress?
 - e. Here is a question which does not directly involve legislation: How does the President determine the mood of the country and the collective opinions of the people on general issues and on his programs? Does he consider Congress a mirror of public opinion, or does he rely also on other sources?
- 5 -- Final thanks to O'Brien and reference to program "two weeks" from now.

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COPY

INTRODUCTION OF HUMPHREY PROGRAM BY BOB COAR

THIS IS WASHINGTON....AND THIS IS SENATOR
HUBERT H. HUMPHREY, OF MINNESOTA. AS ASSISTANT
MAJORITY LEADER, SENATOR HUMPHREY WORKS CLOSELY
WITH THE PRESIDENT ON THE ADMINISTRATION'S
LEGISLATIVE PROGRAMS. RIGHT NOW HE DISCUSSES
THE PROSPECTS FOR THOSE PROGRAMS WITH AN
IMPORTANT GUEST. HERE IS SENATOR HUMPHREY....

SUGGESTED OUTLINE FOR 14 MINUTE HUMPHREY TV REPORT---MAY 23, 1962

1 -- Introduction by Bob Coar.

2 -- Report on recent White House meetings:

- Laas*
- a. The special meeting of Demo and GOP leaders with the President on Southeast Asia. Tell a bit about the President's report, the way he responded to questions, his grasp of detail.
 - b. Yesterday's regular legislative leaders breakfast with the President.
 - c. And you might mention as an example of Congress-White House contact the developments on tax withholding issue---meeting of Demo Senators with Mansfield and you, how you took ~~their~~ their comments and concern about their mail to the President, and how he responded with the statement at his press conference the next day.
- Ague*
Tal
for Trade

3 -- Health and hospital car legislation:

- a. Review the basic provisions of the Anderson-King bill.
- b. Comment on the President's address in N.Y., and the A.M.A. answer.
- c. Offer your own prediction for the legislation.

4 -- Thank you and feference to "special guest" two weeks from now.

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4 -- Thank you and reference to "special guest" two weeks from now.

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14 Min TU - 5/23/62

Breakfast leg meeting

Rec consult. Mr. Rhee &

Enquest.

Can force in set.

We must basic policy
mistake. Try to make
it a military ally, but
it is not a military
nation.

We try to get a
neutral L. area. Working
day & night to neg.
a settlement.

Learn

Things work and very
trouble in China
better commit for

our allies for us.

Withhold tax on dividends
& interest. No new tax
\$1 bill - but each up in dividend
failure of people to report dividend

file

May 25, 1962

MEMO TO ASSOCIATED PRESS

From Win Griffith,
News Secretary to Senator Humphrey

Attached is a direct transcript of remarks by Senator Hubert H. Humphrey (D., Minn.) on a television program for Minnesota stations.

It is for release Monday A.M., May 28.

The Senator discusses:

- * The Southeast Asia situation (Page 2 to 4)
- * Dividend and interest withholding provision of the tax bill (Page 4 to 8)
- * Agriculture Legislation (Page 7 to 9)
- * Medical care for the elderly legislation (Page 9 to 11)

Your attention is called in particular to Humphrey's remarks on Page 4 about Laos and Thailand.

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HHH 15-MINUTE WASHINGTON TV REPORT
JUNE 7, 1962

SENATOR HUBERT H. HUMPHREY AND SENATOR EUGENE J. MCCARTHY
ON THE ECONOMY AND THE STOCK MARKET

This is Washington, and this is Senator Hubert H. Humphrey of Minnesota. One of the big issues under recent discussion in the Congress and throughout the nation has been the economy and the stock market. Today, the Assistant Majority Leader has a special guest to report on that subject. Now, here is Senator Humphrey.

SENATOR HUMPHREY: Well, thank you. And my special guest makes this program an all Minnesota program. I am very pleased and honored to have as our guest on this bi-weekly, shall I say, show. The -- eh -- scene -- Let's start over. What is it bi-weekly. . .

This is Washington, and this is Senator Hubert H. Humphrey of Minnesota. One of the big issues under recent discussion in the Congress and throughout the nation has been the economy and the stock market. Today, the Assistant Majority Leader has a special guest to report on that subject. Now, here is Senator Humphrey.

SENATOR HUMPHREY: Well, thank you. And my special guest today is my colleague in the United States Senate,

SENATORS HUMPHREY AND MCCARTHY

Senator Eugene J. McCarthy. I guess we could call this TV presentation the all Minnesota show. I am very happy that we can have as our guest Senator McCarthy because he serves on the very important Committee on Finance in the United States Senate. The committee that in this session of Congress seems to be handling some of the most difficult assignments. Right now the tax bill is before the Senate Finance Committee along with amendments to the Social Security Act; and then there will soon be the President's program for the expansion of our foreign trade. So the Senate Finance Committee is in the forefront of our congressional activity.

Senator McCarthy also serves in the Senate Committee on Agriculture. That gave him a good workout on the so-called farm bill; but he came out with laurels on this one and honors because while the committee itself reported a rather weak farm bill we were able in the Senate, with the support of men like Senator McCarthy, to strengthen that bill and give American agriculture a new start -- at least on the legislative front.

Today, we are going to talk about the economic situation in our country. We all know that America has suffered through at least three recessions these past ten years. And each has taken its toll. The most serious of these recessions was in

SENATORS HUMPHREY AND MCCARTHY

1960, and it was this one that this new administration, the Kennedy administration, inherited when it came into office in January in 1961. Since that time there have been improvements, and those improvements are rather important. For example, the gross national product running at about \$500 billion in January '61 a year later was up to about \$550 billion. Industrial production was up 15 per cent. Corporate profits went up from \$39 and one-half billion to a little over \$52 billion before taxes. This is all in one year's time.

The labor income rose approximately 10 per cent -- from \$280 billion up to \$309 billion.

And national unemployment, the rate of national unemployment which was at a high of almost 7 per cent -- 6.9 in 1961, January, is down now to $5\frac{1}{2}$ per cent. This indicates at least some improvement in our economy. But despite this, Senator McCarthy, as you know, we have our problems. We have still unemployment. We still have too low a rate of economic growth, and I believe at least that we still have too little investment, and we still have unused plant capacity. Now, we're going to just put the questions to you directly here. In what ways do you feel

SENATORS HUMPHREY AND MCCARTHY

that the economy recovered from the recession of 1960? What do you think were some of the factors that brought about this recovery that I've just discussed?

SENATOR MCCARTHY: Well, I think all the general indicators show that there has been a recovery from the 1960 recession. Of course, the recovery in itself is not quite enough because there were unmet needs in this country before that recession occurred; and of course, we have growing needs, a growing population whose needs we hope to meet adequately through the operation of the economy of the United States. It was anticipated, at least hopefully, that the gross national product might be something like \$570 billion in 1962. There are some indications that we will not quite reach that figure. And so having set what was the desired goal, and what we hoped was a goal that might be achieved -- to have it drop off somewhat shorter than, of course, is a cause for concern. In addition to that as you have indicated, the unemployment is still too high. It's not just a question of technological unemployment or a kind of reservoir workers, but we are concerned about what seems to be a kind of prevent area of unemployment in the State. The economy isn't opening up opportunity for these people to, who may be displaced for a time, to be reabsorbed. And as long as these problems plus some of the international problems -- problems with regard

SENATORS HUMPHREY AND MCCARTHY

to the balance of payments and the balance of trade, adjustments to the common market -- we are not short on economic problems.

SENATOR HUMPHREY: You are long on problems. Senator, you know when a man goes to his doctor and has a physical examination and he comes out with a report that shows his pulse rate is good, his respiration is good, his metabolism is good, and his general body tone is good, his blood count is normal, and his blood pressure is normal, and yet, he doesn't feel quite right. It indicates that there must be something that maybe hasn't been fully ascertained or discovered. He has the semblance of health; he has the appearance of health, but he may very well have some sort of a low grade fever that seems to be -- or infection -- that pulls him down. Don't you think that our great amount of unemployment, for example, with still $5\frac{1}{2}$ per cent of our work force, that it acts as a drag and it's had its impact?

SENATOR MCCARTHY: Well, it certainly has, and it means at the same time that we are not making full use of capital investment and of the industrial potential of the country. And even those who are most enthusiastic about automation, will have to work the equation back saying that this is

SENATORS HUMPHREY AND MCCARTHY

really eventually simply a projection of the individual workers who are available, who say that no matter what automation occurs as long as we are not using people who can project themselves and multiply their productive capacity through machinery and equipment and through automation that to that extent we are losing a potential production, a potential of providing not just material needs, because automation in its achievements are not limited purely to the material but ^{really} reaching out and meeting intellectual needs as well as material needs. It's easy to sit back and say, well, relatively speaking, we are making progress. We sometimes have to defend ourselves on that basis, but we are concerned at the same time with a kind of genuine and absolute progress in which we really meet the needs of the people -- not just as consumers, but the need of every man to play an active part, to play a creative part in the whole effort, in the whole operation of American society, not only the economy but the whole of our culture.

SENATOR HUMPHREY: Well, Senator, you have made some comments here recently on what you thought were the factors that disturbed the Stock Market. I'd like to have you just relate those once again, because every person in the nation is well

SENATORS HUMPHREY AND MCCARTHY

aware that the Market has been unstable, that it has had wild fluctuations, and this, of course, brings back memories of some dark days back in the early '30's and late 1920's. I don't think that's going to happen again. But what are these factors that you called to our attention?

SENATOR MCCARTHY: Well, I suppose I should hesitate to comment, you know, in the Senate during the days when the great drop occurred, member after member would get up and say, well, I don't understand the Stock Market, but this is the explanation of what happened -- will we go through that?

SENATOR HUMPHREY: That's allright.

SENATOR MCCARTHY: I could make that same preliminary statement, but there are some things about some forces operating in the economy which I think that those of us who have been close to this problem through the years can assess with some measure of certainty. I think we ought to understand, though, that the fluctuations in the Stock Market are to be expected if they are within reason; because the Stock Market in addition to providing the sources of capital for investment it also operates as a kind of governor or moderator. If things are moving ahead too fast, you expect people to move in and attempt to buy a share of these profits

SENATORS HUMPHREY AND MCCARTHY

OF THIS progress. When they begin to slack off there ought to be some dropping off. As one of these members observed, those who live by the board, that perish by it sometimes. We wouldn't like to have everybody perish by it, but they should expect to suffer a little hardship somewhere.

I think that -- I agree, I should say, with people whom I think are experts -- people like Sylvia Porter and others who said that there was an inflationary force in the Market; that it was somewhat watered; it was carrying more sail than the ship really deserved....

SENATOR HUMPHREY: Uh, Humph.

SENATOR MCCARTHY: And so that to back off from that, of course, was to be expected. In addition to that, oh, I suppose there are five or six things, each of which have some bearing on it. The problems of the Common Market, I think have had some psychological as well as improper economic judgment as to what might happen to American business. In addition to that some of the disagreement between the administration and Congress, too, and industry and business and finance have, I think, had a very limited effect upon the Stock Market. The fact that inflation seems to be under control, I think, is a _____ factor of great significance, because when you buy stocks, you buy a share of anticipated profits or you buy a share of retained earnings, I believe this is . . .

SENATORS HUMPHREY AND MCCARTHY

SENATOR HUMPHREY: Uh, Huh.

SENATOR MCCARTHY: . . . an anticipation of future profits. And you buy, also, a share of anticipated inflation, if you anticipate inflation. And so when it became evident that inflation was pretty well under control, this kind of equity buying or investing in anticipation of _____ the value of the dollar was discouraged. And I think, too, probably the general picture with regard to war and peace except as we are not likely to have any kind of militarily involvement. I think that this spirit has arisen. I don't have any good evidence of it excepting that the fact that fallout shelters and bomb shelter promoters _____ bad way.

SENATOR HUMPHREY: Yes.

SENATOR MCCARTHY: The people of this country seem to have to accept that either a community shelter program will take care of the problem or the tensions have been relaxed. And so you add all of these up somehow together and acknowledge that they all bear very, very strongly upon the Stock Market, much more upon that than they do any other aspect of our economy, then you must have expected some kind of backing down.

SENATOR HUMPHREY: In other words, it's fair to say that

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that the Market, the Stock Market, is a barometer not only of economic factors such as we've indicated here. There may be too little investment and problems relating to Market squeeze, but also a psychological barometere of the general attitude of the business community.

Now, Senator, you have advocated along with others, and I was one of those with you, that there ought to be certain tax reforms or tax adjustments. First of all, you're on that ^{Finance} Committee in the Senate; how is that tax bill coming? Secondly, what are your proposals on tax reform and why do you think that they would have a good effect or impact on the economy?

SENATOR MCCARTHY: Well, of course, the tax bill that we are dealing with is a kind of hybrid really. There are two things in it. One, a kind of -- its not really a loop-hole closing. A loophole is something that is discovered in the code -- most of these things were put into the code knowingly or else they are conditions that developed after a code has been in effect. The proposals to increase taxes on savings and loan associations to increase taxes on some of the mutual insurance companies, or to try to prevent the so-called tax-haven operations from escaping -- corporations or businesses -- from escaping taxation and individuals, too, through the devices

SENATORS HUMPHREY AND MCCARTHY

OF TAX-HAVENS in foreign countries. And then, of course, the withholding proposal which was designed to collect taxes not through taxes but taxes which are due under existing law. In addition to that, there was a major section of the bill censored by the administration, that was supposed to stimulate economic activities of so-called investment credit. So you really had two things in the bill -- the loophole in this section of it is subject to much controversy and under fire from many areas. I think that the problem with which we are dealing here -- that of economic growth -- is really related primarily to the investment credit and the proposals made in that area.

SENATOR HUMPHREY: What do you think about the proposal of a basic tax cut? We've only got a few seconds here.

SENATOR MCCARTHY: I think, Senator, that I would like to give the President authority to make some adjustments himself, but since this authority has not been given him, and will not be given him, I think that the condition of the economy and the anticipation of a balanced budget in fiscal 1963 justifies action to reduce business taxes -- I would say from two to three billion dollars and at the same time to reduce individual income taxes by approximately the same amount.

SENATOR HUMPHREY: On that happy note, Senator, we're going to close this program. I wanted the public to know how you felt about it, and I fully concur with that observation.

- 12 -

SENATORS HUMPHREY AND MCCARTHY

This is Senator McCarthy on this broadcast. We'll see you
in two weeks.

- 30 -

SUGGESTED OUTLINE FOR 14 MINUTE HUMPHREY TV REPORT FOR MINNESOTA -- 6/7/62

- 7:00 AM*
6/7/62
- 1 -- Introduction of program by Bob Coar.
 - 2 -- Humphrey opening remarks, introducing Senator McCarthy and mentioning the Senate Committees on which Humphrey and McCarthy serve.
 - 3 -- Humphrey opening remarks about the relative strength of economy, recovery from recession of 1960---but the need for the need for new policies and programs to spur additional economic growth.
 - 4 -- Emphasis by Humphrey on McCarthy's membership on the powerful Senate Finance Committee, leading to questions from Humphrey to McCarthy on the economy and taxes.
 - 5 -- Question: In what ways has the economy recovered from the recession of 1960?
 - 6 -- Question: Why the instability of the stock market? Is the market a reflection of the economy generally?
 - 7 -- Question: Are there basic areas of weakness in the economy now---unemployment, economic growth rate, business investment, consumer spending?
 - 8 -- Question: What action can or should the government take to boost our economic strength and spur full economic development? Emphasis on the suggestion of a tax reduction---now or next year?
 - 9 -- Signoff, thanks to Senator McCarthy and reference to program "two weeks from now."

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NOTE: THIS PROGRAM WILL BE USED ON OR AFTER NEXT SUNDAY IN MINNESOTA.

HHH 15-MINUTE WASHINGTON TV REPORT
JUNE 21, 1962

SENATOR HUBERT H. HUMPHREY REPORTS ON HIS DUTIES AS
MAJORITY WHIP AND AS A REPRESENTATIVE OF
THE PEOPLE OF MINNESOTA

This is Washington, and this is Senator Hubert H. Humphrey of Minnesota. Today Senator Humphrey will report on his many duties as Majority Whip and as a Representative of the people of Minnesota. Now, here is Senator Humphrey.

SENATOR HUMPHREY: Well, hello. Yes, today I thought we might talk just a little bit informally about the major roles or activities of a United States Senator or Congressman and what they mean to the State of Minnesota.

Now, the first role of a Senator is his duty as a law-maker or a legislator. I am going to talk to you a little bit about that.

The second role of a Senator is that as a Representative, a spokesman for his State and the area that he serves.

And then there is a third role which is seldom talked about but which takes on some meaning here, at least in the nation's capital, and that is to be a District of Columbia City Councilman. Now, that last role brings me back to fond memories to the days when I served as Mayor of Minneapolis.

I want to talk to you now about the third role as a first assignment -- that of being a Councilman for the

District of Columbia. I am sure you realize that Washington, D.C., a city of almost a million people, has no local self-government. Now, I happen to believe in home rule. I believe in local government. And yet this Federal city, since the beginning of our constitutional system, has had a government appointed by the President -- that is Commissioners appointed by the President, confirmed by the Senate, but not a single elected official. School Board, Councilmen, Mayor, none of those -- we have a Board of Commissioners with the President or Chairman of the Board, and that's it. Now, you know and I know that when you have no self-government or local government, ^{there are} many things that go unattended to. And as a matter of fact, the citizen participation is reduced to a minimum. I think this is an unhealthy situation. I believe that the nation's capital ought to set the example of representative government. We have thousands of visitors here from all over the world and surely hundreds of thousands, yes, millions, from other parts of the United States. Now, Washington has many beautiful buildings, beautiful boulevards, lovely, beautiful parks -- our cherry blossom area at the Potomac Basin -- it's a lovely, and a magnificent and an exciting city on its surface. But I submit to you that it isn't really a truly representative city or a democratic city in terms of

democratic processes until it received home rule and local self-government. Now, we have been able to pass home rule bills here in the Senate from time to time to give the citizens of this city responsibility for their local affairs, but we have never been able to get it through the House of Representatives -- strange as it may seem.

Well now, no home rule, it makes the Senate of the United States and House of Representatives that have big problems with their respective States and on the world scene, it makes us Councilmen. And I'm a Councilman for the District of Columbia. So I take an interest in these problems. Not long ago, for example, I visited a hospital in this city. This was a little over a year ago -- called Freedmen's Hospital. I found that this hospital was old, antiquated, obsolete, a firetrap, a health hazzard. I found that for over twenty years there had been attempts made to renovate this hospital, in fact, construct a new one. I stopped in one morning unannounced, went through the entire hospital, saw conditions that were incredibly bad. I made it my business for one year to fight for a new hospital for the District of Columbia. I am happy to say that in that year a new hospital was authorized and today there is construction underway for a new, modern hospital for this city that is long overdue. You wouldn't

tolerate the kind of conditions that old hospital had in any town or village or city in our State.

This year I had another experience that really was something. I had a group of young people call on me -- fine young students from the District of Columbia high schools. They came to their Councilman. And they came to me and showed me their books. These books were old, obsolete, wornout, torn, tattered, dirty -- some of them printed in 1919, 1925, physics books that had no reference to the nuclear science or physics or the science of atomic energy, no reference to outer space and hardly a reference to an airplane. In fact, some of these books were calling the Soviet Union our faithful ally from the days of World War II, of course, you see. Some of these books were talking about modern refrigeration, including a hunk of ice in an icebox. And yet we are in need of scientists and technicians in America, and we have books in the District of Columbia schools that you wouldn't tolerate in the most backward community in any other part of America. Why? Because there's no local self-government. And the Congress hasn't paid attention to these matters. Well, I've resolved to see that the District of Columbia schools have good textbooks. It seems to me that when the Russians or people from the Iron Curtain come to visit this nation's capital -- and that's where they come --

they ought to school here that are the best that we can find in America. They at least ought to find libraries. And our elementary schools in the District of Columbia have no libraries. There isn't a single librarian in any of the schools of the District of Columbia save one. There are no libraries of any significance in any of what we call the junior high schools or the senior high schools. And this city spends approximately 55¢ a year on library books per student as compared to \$3.00 in the national average. Now, as a Councilman, I am going to do something about it. I want to tell you that I'm a stubborn and persistent man. I have told my colleagues in the Senate that I am going to do something to eradicate from this city the ugly face of torn, tattered, old, antiquated, obsolete textbooks that are a disgrace to modern education. And we are going to win. I say that if we can afford to tell people all over the world that they ought to be literate and educated, that we can help build schools in far off places and send textbooks to every corner and nook of this world, we can help here in the Federal city. Of course, the best answer to this would be local government where they could do their own job, but since we can't get local government in the District of Columbia due to the Congress --then I think the Congress ought to be called up short, and called upon to do its job. Well now that's number one.

Now, let's take number two. My assignment as a Representative of the State of Minnesota -- not just as a legislator which is a task unto itself, the design of law -- this is a big job. But now just a Representative -- you know that we have in my office approximately a thousand letters every day -- every day -- and these letters are answered, and they come from people from all over Minnesota and, of course, about ^{I'd say} 40 per cent of the mail or 50 per cent may come from other parts of the nation, because I am an United States Senator, have traveled a good deal in this country. We receive hundreds of telephone calls every day. The work load of the Senate office has increased 5, 6, 7 times from when I came here. I remember when I first came to Washington, we had two telephone lines coming into our office and one private line. I think now we have twelve lines -- ten coming in and two alone going out plus a private telephone so I can call my own office and not get a busy signal. Now, we had, of course, to increase staff. But our staff works long six days a week and many hours overtime. But this is the job of a Representative -- a person representing his people. We have hundreds of people every week come from Minnesota to come to us with their problems and its a joy and a privilege to serve. Let me give you an example. I jotted something here for this broadcast. I had one example, and

I've been given permission to use this, of how you can really help your people back home. In February, 1961, the Sunset Equipment Company in St. Paul, Minnesota wrote to me saying that they had a great untapped market for their bulk milk coolers in Australia if they could only get financing. The President of that company, Mr. C.B. Larson, told me that he had heard that the Department of Commerce and the Secretary of Commerce, Mr. Hodges, say that the new Administration would be willing to help small firms get financing to develop their export business. Now, this firm would have difficulty getting the proper amount of private financing. So, I got in touch with the Secretary of Commerce, Mr. Hodges, and he in turn talked to the Export, Import Bank, and the Export, Import Bank ^{Equipment} found the Sunset/Company to be a good, reliable firm and made available credit. You know what the result has been. This small, St. Paul firm has sold more othan a million dollars worth of its milk coolers in Australia. Now, what does that mean? It means business for the firm, yes, but it means jobs for workers in St. Paul. It means new income. And I can show you hundreds of these cases that have taken place year after year in a Senator's office.

I asked the Senate Small Business Committee of which I am a member and have been for twelve years, one of the

ranking members, to give me a little report on activities in Minnesota with reference to small business. Because, after all, let's not forget the independent business is the backbone of the American economy. There are 5 million independent business firms in America and 5 million family farmers. These 10 million people make up a great deal of our economic life. This isn't just a country of big business. This is a country that has thousands and thousands of independent entrepreneurs, and that's the way I like it. Well, in 1960 Minnesota received 171 Small Business loans from the Small Business Administration totaling about \$6,800,000.

In 1961, the first year of this new Administration, the Kennedy Administration, Minnesota received 300 Small Business loans totaling \$14,220,000.

Now, in 1961 or 1960 Minnesota received only 235 Federal contracts as a setaside for Small Business totaling a little over \$8 million.

A year later, 1961, we received 408 as compared to 235 such contracts and totaling \$20 million as compared to a little over \$8 million.

In 1962, the first six months Minnesota has ranked sixth in the nation in terms of Small Business loans for our independent business enterprises, and you will be interested to know we are second best in the nation in terms of repayment.

I think this is remarkable. And what does this mean? It means capital being put to work a Minnesota economy grow and expand. And speaking of that, in Northeastern Minnesota where we have had our troubles of unemployment, I am happy to report that 4 major technical assistance projects are now underway for the development of our iron ores. And we have some twelve or fifteen more projects that are now, what we say, just coming out of the end of the pipeline. It will provide new jobs and new economic expansion in Northeastern Minnesota.

And now a word about being a legislator. And you know that my duties as that are on the Foreign Relations Committee, the Appropriations Committee, the Small Business Committee, and the Committee on Government Operations. And I have served over eight years on the Committee on Agriculture and Forestry. This is a big interest of mine and right today I spend a great deal of my time on both the Small Business aspects of our economy and the Agricultural part. ^PBut I am also the Majority Whip of the ^{United} States Senate and this permits me to work with my colleagues very intimately and closely on all matters of legislation. And we are putting through our legislative program. We hope to come out of this Congress with a good, solid, constructive legislative record -- the expansion of our foreign trade, the improvement of our tax structure, the modernization

of our welfare laws. Yes, many particular programs -- housing legislation, aid to higher education -- these will be some of the efforts of this Congress. Now, a legislator introduces bills; that's the easiest thing that you can do. The real task is how many you can pass. What do you do after you introduce a bill? And there are thirteen separate steps. From the moment that you introduce a bill in the Congress until it goes to the President's desk, and like everything else it's the follow through that counts. And I say to you that it's a privilege, and it's a lot of hard work, too, to see a bill followed through and come to the President for his signature.

Well, now in two weeks, I hope to come back with you with a guest to talk more about the development of our great North Star State of Minnesota.

Thank you.

HHH 15-MINUTE WASHINGTON TV REPORT
JULY 2, 1962

SENATOR HUBERT H. HUMPHREY AND SENATOR CLINTON P. ANDERSON
ON MEDICARE

This is Washington, and this is Senator Hubert H. Humphrey. Today he has a special guest to report on one of the most important issues for the Congress. Now, here is Senator Humphrey.

SENATOR HUMPHREY: Yes, ladies and gentlemen, I do have a very special guest with me today, and one who has captured the news headlines about his proposal for the adoption of a health and hospital insurance program under the terms of our social security. The news media says that the most controversial issue before the Congress is the health and hospital legislation sponsored by Senator Clinton Anderson of New Mexico. And it is also said that this is the most important piece of legislation offered by this Administration and by any Senator in the 87th Congress. With all of this I thoroughly agree, and I feel it a rare privilege to have as our guest on this special television news program the chief sponsor and the main proponent of the so-called MEDICARE bill or the Health and Hospital Insurance program under the terms of Social Security.

Senator Clinton of New Mexico may be sponsoring controversial legislation, but he is one of the most pleasant and agreeable men that we have in the Senate and one of the most

effective. He is a member of the Senate Finance Committee, he's a former Secretary of Agriculture, a former Member of the House of Representatives. And we were just saying here a moment ago that both of us were born in South Dakota. He now represents the State of New Mexico, and represents it brilliantly here in the Senate. And I am privileged along with my colleague, Senator McCarthy, to represent the State of Minnesota, and we hope we do it at least fairly well.

SENATOR ANDERSON: Well now . . . brilliantly as Senator Humphrey says. I feel a little silly being here as your guest on this type of program, because as you know you sponsored originally this type of legislation, and you're the individual who mainly got me into it. So, any good that may be accomplished I gladly allow to rest on your shoulders.

SENATOR HUMPHREY: You are very generous, and if I got you into it, I did it for a very good purpose. I know that when you want something done around the United States Senate, you'll go get the first team. And the captain of the first team, when it comes to the Senate Finance Committee and these proposals relating to a better system of health and hospital care, that captain is Captain Clinton Anderson of New Mexico. Now, how do you like that?

SENATOR ANDERSON: You better get on with the program.

SENATOR HUMPHREY: Allright. . . . Now, the first question

that I want to put to you, Senator, since the Senate is now taking up this proposal of yours which you advanced last week in a revised form -- What are the basic provisions of the legislation before us, and how do you like to describe it, what is the phraseology that you like to use to describe this proposal under Social Security?

SENATOR ANDERSON: Well, it's a revised version of the King-Anderson Bill, S 909. It will be an amendment to the Welfare Act because we found no other way properly to bring it before the Senate for a vote. And as a result of the vote, we hope it will go on to the House and maybe have something favorable happen to it there.

I think it's time we did something on this question of health care. More and more people are passing 65. We have larger and larger numbers of them. I think it's important that we decide once and for all whether we are going to treat these people with the dignity/^{to}which they are entitled, or do we just say to them we like the old poorhouse system pretty well, we _____ as far as Social Security is concerned, but we want the same type of medical care that we had back in the good old days. I don't believe we do. I think we ought to move forward. I think we would want to have a system of medical care to which all of our people can say "This is accomplishing something for the welfare of our Nation." And

that's exactly what we try to do. I don't care what it's called. Some of us are calling it now the Amendment, and people call it the Anderson Amendment -- you can call it anything you wish -- as long as some attention is paid to it and the Senate acts on it favorably.

SENATOR HUMPHREY: Maybe we should point out that the Senate has under consideration certain amendments to the Social Security Act known as the Welfare Bill. It's a modernization of some of our welfare procedures here in Congress and in the government and to that particular bill.

The Senator from New Mexico, Mr. Anderson, is offering the motion to add an amendment which carries the provisions known as the Health and Hospital Insurance program under Social Security. Now, we referred to this a moment ago as the King-Anderson Bill or the King-Anderson Amendment. I had somebody write to me and wanted to know who this royalty was -- this King Anderson -- Well, I think we ought to make it clear. You are a regal fellow, ah, Senator Anderson.

SENATOR ANDERSON: You can phrase it Congressman King of California.

SENATOR HUMPHREY: Congressman King. He is the House sponsor.

SENATOR ANDERSON: And a ranking member on the House Ways and Means Committee.

SENATOR HUMPHREY: Yes.

SENATOR ANDERSON: And, therefore, we were very happy to associate him with it. But now when it comes to the proposal in the Senate we have 26 Senators in there -- 21 Democrats and 5 Republicans -- who are sponsoring this bill. And mainly, we have done this. We have retained the things that we regarded as vital in the old bill. Namely, there shall be no Means Test, and we shall finance it through Social Security.

SENATOR HUMPHREY: Now, can we just stop there. When you say that we shall finance it under Social Security, by that you mean there will be a Social Security tax that puts money into a fund, is that right?

SENATOR ANDERSON: Yes. You see, if you would take it on the basis of appropriations each year from the Federal and Treasury, those appropriations would start to grow, you do not know when you are going to have a President of the Calvin Coolidge type who will do the same thing to Social Security payments or Health and Care Health Care payments as happened once to a Veterans' program under Mr. Coolidge. But, if you once put it under Social Security, then all of the financing comes from the people who pay while they earn so that they may enjoy when they reach the age of retirement. And this is a sound insurance principal. And I am in the insurance business.

SENATOR HUMPHREY: I was just going to say, you are quite an insurance man yourself.

SENATOR ANDERSON: Why I think that you have to put aside reserves for these things. And just as you put aside reserves in your life insurance, so I want to be able for people to put away reserves for their health and welfare when they reach the age of 65. More and more people are reaching the age of 65. I found that out when I reached it. And I know they will continue to reach the age of 65 in increasing numbers. We think there will be 18 million of them by the year of 1975. That's ^{awful} ~~a~~/large segment of our population. And, therefore, if we allow them to accumulate while they ^{work} there will be money available for them to use in paying their health bills once they have reached the age of 65. Now we don't pay them all. We don't attempt to pay the physicians bills, but we do say a man is entitled to hospitalization. The hospital is a real center of all medical work. Therefore, we want to make sure that a person who is ill should go there early and receive the benefit of that fine training and have it paid for. Not hesitate to go there because it might take away from him the savings of a lifetime.

SENATOR HUMPHREY: I think, Senator Anderson, that you have made a point here that we ought to maybe re-emphasize, and I'll attempt just to summarize it. First of all, the choice that you have ^{made} in your bill, and I'm going to repeat, I am

with you
happy to be a co-sponsor/of it -- that choice is to have the cost of health and hospital insurance paid under the terms of the Social Security tax about -- what is it, about three-eighths of one per cent?

SENATOR ANDERSON: No, it will be a quarter of one per cent on the employer and a quarter and one per cent one the employee, but there will be a raise in the base from forty eight hundred to fifty two hundred.

SENATOR HUMPHREY: And so its a quarter of one per cent on fifty two hundred dollars income by each the employer and the employee and it goes into a trust fund which is set aside for the payment of hospital bills. Is that correct?

SENATOR ANDERSON: Yes, here, just to show you how easy some of these things are. There was a great deal of discussion about how we attempted by conferences and discussions to reach some sort of what they call a compromise bill. Now, I don't regard it as a compromise, I regard it as an improvement. One of the improvements was suggested by the Governor of New York, Rockefeller. He said, "Why don't you have a separate trust fund?" We provided for a separate account. I don't think there is much difference between them, but I saw no point in arguing with Mr. Rockefeller as to which might be superior. So, we just put his program in and went on our way.

SENATOR HUMPHREY: So you think that that money is earmarked. It's there. It's paid in by the people who are to receive the benefits under the program. Is that correct?

SENATOR ANDERSON: Yes, and it doesn't get mixed up with anything else.

SENATOR HUMPHREY: Yes, and that doesn't get mixed up with anything else. And as you pointed out, some of the proposals which have been offered -- in fact, one which we presently have -- relies upon dipping into the general revenues of the government. And you know, and I know that if things get really rugged around here and one of the first things to be cut are health items. This is ^{practically} true of nearly every budget.

SENATOR ANDERSON: When I was in the old relief administration, I was one of Harry Hopkins regent administrators, and I remember where one time we almost had to stop the relief administration because there were almost enough votes on the Senate Floor to defeat it. . .

SENATOR HUMPHREY: Yes.

SENATOR ANDERSON: Here we were with people, very anxiously looking forward to programs -- children interested in our education program -- a whole economy based upon one thing, and some vote might stop it. You can't

put yourself in that position. An insurance program has to be carefully funded and we must know the money is going to be there when you want it -- when I want it --
? when we want it.

SENATOR HUMPHREY: You know, Senator Anderson, one of the charges made against your proposal is that it's socialized medicine and all that sort of, and I recall that you said just a moment ago that you are involved in the insurance business as a private endeavor. Isn't that correct?

SENATOR ANDERSON: I am president of a small insurance company. Yes, it does pretty well.

SENATOR HUMPHREY: Do you find any conflict in terms of what this program is and what you are doing? I mean, do you feel that you are leading the Nation down the road with some kind of socialism here?

SENATOR ANDERSON: Oh, no. ...British medicine here, that's what they are talking about. You know that this proposal is completely different from socialized medicine. The essential earmarks of socialized medicine, the things by which you distinguish it from our ... system is the fact that the government over there owns the hospitals; it contracts with the doctors; it hires them for so much a

year -- running about \$7,000 a year -- and it has all those things set up. It really is socialized medicine. But the doctors of England had a chance to have the same sort of thing we had here, but they elected to fight it and fought it until they got nationalization in medicine. We don't want that here. I don't want it, at least.

SENATOR HUMPHREY: I don't.

SENATOR ANDERSON: And, therefore, I have tried my very best to see to it that we could have a type of health care which does not involve us in any way in socialized medicine.

SENATOR HUMPHREY: In other words, the patient has his free choice of hospital under your proposal? The patient has his free choice of doctor under your proposal?

SENATOR ANDERSON: Completely.

SENATOR HUMPHREY: And what is more this proposal does not take care of the doctor's fees, that's a matter between the doctor and his patient. It takes care of the hospital costs. Is that correct?

SENATOR ANDERSON: Well, I think it greatly helps the doctors, because once you take care of the hospital costs, then there is some money left in the family . . .

SENATOR HUMPHREY: Exactly.

SENATOR ANDERSON: . . . to pay the doctor. And I want the doctor paid. And I am very happy that, therefore, these provisions are in it. We try to add a little option

to let you go through ordinary funds in order to handle this, so that you never come in contact with the government. They deal only with their labor union funds, or with their Blue Cross or something of that nature and never know they are dealing with the government program. And I think it removes entirely the _____ that we are trying to socialize medicine in any way.

SENATOR HUMPHREY: This is one of the modifications, one of the improvements you think was made in. . .

SENATOR ANDERSON: Oh, yes.

SENATOR HUMPHREY: . . . the bill as you re-introduced it.

SENATOR ANDERSON: And then we blanketed in two and a half million people who have not been able to get on Social Security, and who had no other way of getting under the terms of any of these bills. Now, the reason for that is this: Gradually Social Security is embracing more and more people. Ninety-five per cent of all of our people will be under Social Security by the year 1970 or at least by the year 1975. And, therefore, by that time you won't have to worry who's under it and who isn't.

SENATOR HUMPHREY: Yes.

SENATOR ANDERSON: So not to create a present hardship, we have blanketed in these people that was originally a Republican suggestion.

SENATOR HUMPHREY: Yes.

SENATOR ANDERSON: We found it a good suggestion. We only took it because we thought it was a good suggestion. We have tried all the way through not to make a compromise bill at sacrifices but an improved bill that includes. I think it is going to work very well.

SENATOR HUMPHREY: Well, Senator Anderson, we are all very grateful to you for your leadership in this matter. I believe it would be appropriate for me to state something about the number of hours that you had to put in in the conferences with some of the top experts of our country in this whole field of health and hospital insurance. How you've sat down with Administration officials; how you've talked with our colleagues on the Republican side of the aisle. And how you were able to bring along as a result of these conferences, which indicates the highest type of legislative ability, how you were able to bring along I believe -- what is it -- five or six Republican co-sponsors.

SENATOR ANDERSON: Well, five who are co-sponsors.

SENATOR HUMPHREY: Five who are co-sponsors.

SENATOR ANDERSON: Yes, some other people who said I can't be a co-sponsor because I have committed myself to work for this amendment or that amendment in advance, but I will be with you when the final gong is rung.

SENATOR HUMPHREY: Now, in five seconds, how's it going to come out?

SENATOR ANDERSON: We are going to win this battle.

SENATOR HUMPHREY: Good.

SENATOR ANDERSON: I don 't know what's going to happen or how. So I won't try to predict that. But we are going to win this first round.

SENATOR HUMPHREY: Well, I'll tell you this Senator Anderson, if anybody can do it you can. And I want to say to our people that we have had a unique feature here today to have the leader and the author of the so-called MEDICARE Health and Hospital Insurance program with us to explain its provisions. Thank you very much.

(END)

14 MINUTE HUMPHREY TV REPORT TO MINNESOTA---JULY 2, 1962

*Clinton Anderson - New Mexico
Sen Finance*

- 1 -- Opening remark by Humphrey that Health and Hospital Insurance under Social Security is one of the most important legislative issues of this Congressional session.
- 2 -- Introduction of Senator Clinton Anderson, of New Mexico, as the author in the Senate of the Anderson-King bill establishing a health care under Social Security program.
- 3 -- Question to Sen. Anderson: This week, the Senate is taking up the health care issue. What are the basic provisions of the legislation now?
- 4 -- Recently, some revisions were made to the Anderson-King bill submitted to Congress earlier. What are those revisions, and why were they made?
- 5 -- Do you think the recent changes made in the program will bring in additional support for the bill?
- 6 -- Can you make any prediction about the ~~prospective~~ approval of the bill by Congress?
- 7 -- Let's settle some of the questions which have been raised about the program: Socialized Medicine? Compulsory? Too expensive? *Courage*
- 8 -- And, finally, why do we really need a program of health insurance for the elderly.
- 9 -- Thank you and reference to program "two weeks from now."

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SUGGESTED OUTLINE FOR 5 MINUTE HUMPHREY TV ON NEW HOFFMAN ELECTRONICS PLANT:

- 1 -- Opening comment by Humphrey: Idea that there are many types of steps to be taken to stimulate economy recovery of Northeastern Minnesota. But the most important step is the location of new industry in the area. Today, we have good news. One of the biggest electronics firms in the United States will soon establish a new plant in Northeastern Minnesota---bring new jobs, new work and possibly leading to the development of an entirely new industry in this area of the State.
- 2 -- Introduction of John O'Brien, Vice President of Hoffman Electronics, Inc. First question: What are the details of the plan for a new plant in Northeastern Minnesota and a new contract which will provide work and jobs there?
- 3 -- How many jobs will this bring?
- 4 -- Has the specific location been decided?
- 5 -- What is the timetable? When will the plant begin operations?
- 6 -- Could this lead to development of an electronics industry in the northeastern part of the State?

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INTRODUCTION OF HUMPHREY PROGRAM BY BOB COAR:

THIS IS WASHINGTON...AND THIS IS SENATOR HUBERT H.

HUMPHREY, OF MINNESOTA. SENATOR HUMPHREY, AS CHAIRMAN

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IN THE EFFORT TO PROVIDE FULLER PROTECTION FOR THE PUBLIC

AGAINST POSSIBLE HARM FROM DRUGS. TODAY, HE HAS A

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SUGGESTED OUTLINE AND QUESTIONS FOR HUMPHREY 14 MINUTE TV REPORT, 8/15/62

(GUEST: DR. FRANCES KELSEY)

- 1 -- Introduction of program by Bob Coar.
- 2 -- Opening remark by Humphrey: Idea that the tragic case of the drug thalidomide did awaken government, private industry and the public to the need for additional steps to protect people from harmful drugs.
- 3 -- Introduction by Humphrey of Dr. Frances Kelsey, of the Food and Drug Administration. Mention: 1 - Her role in blocking sale and use of thalidomide in the United States; 2 - Fact that she has testified before your Government Operations subcommittee; 3 - Her award, presented by President Kennedy.
- 4 -- Question to Dr. Kelsey: "You are one of the thousands of conscientious, talented but usually unsung government employees who are working for the public. Your dramatic work suddenly thrust you into the spotlight of the press and television. How has all this sudden attention affected the family life of you, your husband and your teen-age children?"
- 5 -- Question to Dr. Kelsey: "Congress is now considering a stronger drug safety law and the Food and Drug Administration has proposed a series of new regulations on drugs. Do you feel these steps will help meet the needs?"
- 6 -- Question to Dr. Kelsey: "You developed doubts about the drug thalidomide by reading an article in the British Medical Journal. This was by chance. How can we improve our system of communication of drug information internationally?"
- 7 -- Question to Dr. Kelsey: "How can the individual citizen help in the effort to increase protection against harmful drugs? What should the general attitude of an individual citizen be toward drugs? And how might a patient cooperate with his doctor in reporting side-effects of drugs?"
- 8 -- Question to Dr. Kelsey: "Most drugs ~~we know~~ and in use today are safe?"
- 9 -- Thank you and reference to program two weeks from now.

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- 7 -- Question to Dr. Kelsey: "How can the individual citizen help in the effort to increase protection against harmful drugs? What should the general attitude of an individual citizen be toward drugs? And how might a patient cooperate with his doctor in reporting side-effects of drugs?"
- 8 -- Question to Dr. Kelsey: "Most drugs we ~~knew~~ and in use today are safe?"
- 9 -- Thank you and reference to program two weeks from now.

HHH 15-MINUTE WASHINGTON TV REPORT
JULY 26, 1962

SENATOR HUBERT H. HUMPHREY AND BRITISH GUEST, MR. STEPHEN HOLT

This is Washington, and this is Senator Hubert H. Humphrey of Minnesota. Today, the Assistant Majority Leader of the Senate has a special guest from overseas. Now here is Senator Humphrey.

SENATOR HUMPHREY: Ladies and Gentlemen, it is a very rare privilege to have with us today a friend from Great Britain, a young man who is a candidate for the House of Commons, the British Parliament, and one who has spent about one month of his time here with us in the United States. He is a very perceptive, intelligent man, and has learned a great deal about the United States and the people here. I am sure that as a Britisher he will be very candid, very frank and at the same time very polite. But I have had the opportunity of knowing him and visiting with him, and I wanted to share this opportunity with you. I introduce to you Mr. Stephen Holt of Bolton, England, a community about 200 miles north of the great city of London. And Mr. Stephen Holt is a candidate for Parliament on the Liberal Party ticket. Of course, in Great Britain or in England, there are three major parties; The Conservative Party, The Liberal Party and the Labor Party. The Liberal Party has had some research and some strength in recent years and apparently one of the

reasons for it is the quality and character of men like Mr. Stephen Holt. Mr. Holt, we welcome you to this telecast, and we bring you as a visitor to the people of Minnesota. I wish that you had had time to go to Minnesota because . . .

MR. HOLT: So do I.

SENATOR HUMPHREY: . . . would have been a truly great privilege for you to meet our people. But this way they can meet you.

Now, I said how long you have been in the United States. Maybe I ought to start right out by asking you what have you learned? How do you like us? You know every American wants to know how you like us. And then we are going to ask you a few questions about British attitudes towards the United States and some of the international developments. What have you learned here?

MR. HOLT: Well, I like the United States a lot better than I thought I would. This is mainly because the impression of the United States in England is not as good as it could be. And I think that you don't put your best foot forward in this respect. We rely mainly for our impression on television and on your films and we just seem to get those westerns that you can't use. . . and your private eyes.

SENATOR HUMPHREY: We use them too, you know.

MR. HOLT: Yes. But I have been very impressed here with the caliber and intelligence and the way in which your

officials and political leaders are very well informed and seem thoroughly on top of the situation. And I am ashamed to say that this came as something of a surprise.

SENATOR HUMPHREY: Now, I want to probe you just a little bit more about that, because you know, I suppose it's rather disturbing and shocking to most Americans when they hear ^{from} one like yourself that our so-called image -- that's that new word we have around here -- that our image in a country such as England is not too good. And as I recall you just said it was partially due to our media. Is that right? -- I mean the film, the television, the newspaper. Well, what do you really hear about us that makes you feel this way?

MR. HOLT: We don't get enough of your very good documentaries and films that you have on your own television. I was very interested to watch you the other night on the "Open End" debate with Mr. Sligh -- a debate that lasted two hours. We would never have a debate of that length on British television. You would never get British people to watch for so long.

SENATOR HUMPHREY: I wonder if anybody watched you?

MR. HOLT: Well, I'm not sure about that. But certainly this was very worthwhile and you have a time and opportunity to get to grips with the issues. And I wish that we did have more of those on British television. And I think that

David Suskind is aware of this. And let's hope we might do something about it.

SENATOR HUMPHREY: Now, you said that on your visit here that you have been pleasantly surprised to find men and women that sort of put away this image that you had of the United States. You are speaking of your visit to Washington, D.C. Where else have you been?

MR. HOLT: I have not been much outside Washington. And this is a pity. And I must be careful when I go back not to feel that I know the United States. I shall try.

SENATOR HUMPHREY: Well, I want you to be aware of that. But it's been good to have you in Washington.

Let me just ask a question or two now about your -- one of the great developments in Great Britain, the Common Market. We hear so much here in our press and in our discussions about this miraculous achievement in Western Europe of the six Nations that have put together what is known as the Common Market -- a -- really a beginning of a United States of Europe -- the breaking down of tariffs and trade barriers so that goods and commerce can move freely across the national boundaries where before there were always a German Market or a French Market or a Belgian Market with their tariff laws built up to prevent the flow of goods between the respective nations. The most important

development in the offing, as we see it, is the possibility of England joining the Common Market. Now how does your Party stand on that question?

MR. HOLT: Well, my Party has been in favor of Britain joining the Common Market for longer than any other Party ...

SENATOR HUMPHREY: Thanks.

MR. HOLT: . . . Since the signing of the Treaty of Rome we have been urging the government to apply for membership herein, because I think that this is the most important movement in Europe this century. And, of course, it's quite unique, and I don't know of another case in history when a group of nations have freely chosen to come together and merge their sovereignty -- economic and eventually political mostly. And they have chosen to do this freely. I don't know of another case. It almost defies the laws of political gravity. And it's essential that this should be helped in every way from this side of the Atlantic and from my side, to see that it goes through successfully.

SENATOR HUMPHREY: You know, of course, ^{that} the position of our government, the position of President Kennedy and Secretary Rusk and others is to encourage the British Government to join with their neighbors in Western Europe in the Common Market.

MR. HOLT: Yes. And I'm very pleased that this has

happened.

SENATOR HUMPHREY: Do you think that your government will do this?

MR. HOLT: I think, as a matter of fact, we will go in. But, there's a great deal of shouting to be done.

SENATOR HUMPHREY: There'll be a little agonizing pain for awhile.

MR. HOLT: Yes, Party strife and possibly Party splits in Britain over this.

SENATOR HUMPHREY: How does the Labor Party stand on the Common Market and British entry?

MR. HOLT: The Labor Party has not declared its stand and has insisted that its waiting for the terms. But this really conceals a fundamental split in the Labor Party on their attitude to Europe. And a large proportion of the Parliamentary Labor Party is against going into Europe on any terms at all, and to them the terms are irrelevant. They are against ^{on} it/ political grounds.

SENATOR HUMPHREY: If Great Britain or England should join the Common Market, would this not bring with it countries such as Norway, Denmark, Austria, Switzerland?

MR. HOLT: I would hope so. I don't think that Austria and Switzerland will come or Sweden because they have special

requirements for neutrality. But I would hope that everybody else will come in -- as many as possible. I hope that Spain eventually can be drawn in. . . .

SENATOR HUMPHREY: Yes.

MR. HOLT: . . . and Portugal.

SENATOR HUMPHREY: Yes, it would be very good for these rather old-fashioned economies to come into this orbit of modern industry and modern economics.

MR. HOLT: And it might bring about a political change in Spain and Portugal. However, it would be essential before they could sign the Treaty of Rome that they establish pre-institutions.

SENATOR HUMPHREY: Yes, Well now, we could spend a good deal more time on this very important subject of the Common Market, Mr. Holt, because we are right now in the throes of a great debate here in the Congress, particularly in the Senate, on the subject of the President's expanded foreign trade bill. And this foreign trade bill is designed to equip the United States, that is, American industry and American agriculture, to compete successfully in the Common Market area and to compete with the Common Market countries in other parts of the world. Foreign trade to us is big business -- over \$20 billion last year. And through my part of the country, up in Minnesota, foreign trade is very important, because

one of the largest segments of our foreign trade today is agriculture. And in Minnesota we have hundreds of millions of dollars of exports, not just domestic business. But we export vast sums or vast amounts of agricultural commodities as well as certain manufactured goods. So, we are concerned about the development of the Common Market and particularly about the entrance of Great Britain into it. And I only hope that your prophecy that you will join will come true and is a reality.

Now, Mr. Holt, I want to ask you one other matter. I noticed that sometime ago, one of our colleagues in the Senate in the debate on so-called MEDICARE BILL, that's our proposal for health care and hospital care financed under the terms of Social Security -- that was the one we lost by a couple of votes here in the Senate -- but during that debate one of the Senators said that British medical system is a failure. Doctors, hundreds of doctors are leaving Great Britain every year. Now, we are hearing a great deal about your health plan. Do you think that^{any of the} -- how do the political parties line up on this health plan? To put it bluntly, how are you doing with this program?

MR. HOLT: Well, the National Health Service in England has been largely a success. _____ says it's perfect. There is something wrong with it. All three political

Parties new support.

SENATOR HUMPHREY: The Conservatives too"

MR. HOLT: The Conservatives now support it, although, they would not introduce it. But, having been introduced by a Labor Government with Liberal support after the war, they have now accepted it. And there is general feeling that it is working well. And the fact that a large number of doctors leave Britain each year need not have anything to do with the success or failure of the National Health Service, because, for instance, we are losing a large proportion of ^{our} Ph.D. students, also. And these are all things to do with Britain, not specifically the National Health Service. I mean there are 52 million of us cramped in that tiny Island.

SENATOR HUMPHREY: Fifty-two million of you cramped in an area no larger than the State of Minnesota.

MR. HOLT: Certainly.

SENATOR HUMPHREY: You have about 90,000 square miles as I recall.

MR. HOLT: Yes.

SENATOR HUMPHREY: We have 87 or 80 some thousand in Minnesota.

MR. HOLT: And a lot of ours is mountainous, and therefore cannot be lived in.

SENATOR HUMPHREY: So many of your college graduates

that get higher degrees must leave in order to go out to find, you might say, even greater opportunities.

MR. HOLT: Well, they choose to. . . .

SENATOR HUMPHREY: Yes.

MR. HOLT: . . . They have more places to go, because we have a Commonwealth and so on. And there are many things about Britain which would make them want to leave. We have very bad weather, and we have a lot of smoke. We have an overcrowding. Our cities are not nicely planned like yours are.

SENATOR HUMPHREY: Oh, please, ours are not too well planned either. But, Mr. Holt, how would you judge just quickly now -- has your health program been a success or failure? Do the people like it, or do they want to get rid of it?

MR. HOLT: The people like it, and they want to keep it. And that, I think, is the test of the success of a good health program or not whether all doctors like it.

SENATOR HUMPHREY: Are you a Socialist?

MR. HOLT: No, I'm not.

SENATOR HUMPHREY: Well, I just wanted to make sure, because people around here ^{that} ~~who~~ make statements like that are apt to be accused of being a Socialist. What would you call yourself?

MR. HOLT: I would call myself a Liberal.

SENATOR HUMPHREY: A Liberal. A sort of ^a/free enterpriser?

MR. HOLT: A free enterpriser, yes.

SENATOR HUMPHREY: And you are a teacher, also?

MR. HOLT: Yes.

SENATOR HUMPHREY: All-right. Now, one final question. In my discussions with you, you were a little bit disturbed about some of the attitudes here in the United States that seemed to be, as we would call them politically, to the far right. Am I correct in that? Would you mind expounding for just a moment on that?

MR. HOLT: Well, I came over with the impression, and this is another thing which has been corrected while I have been here, that you have smaller political differences in the United States, and this is certainly not true. Your differences are just as wide, but they are several degrees to the right. And, we have leftwing groups in Britain that don't appear here. And, similarly, you have extreme right factions in the United States that we don't have. And, what I find a little disturbing about this is the suggestion that you cannot be anti-communist without being conservative. And this has been brought out at some of the addresses that I have given in and around Washington where I have spoken out against communism quite strongly on some occasions. ^{And} /this has

been interpreted as a conservative attitude, and yet as a Liberal, I'm clearly not a Conservative.

SENATOR HUMPHREY: Well, so you find that Liberalism and anti-communism are not necessarily at the opposites -- as a matter of fact, a true Liberal is an effective anti-communist.

Well, I have got to draw this program to a close. I have had as our guest a gentleman from England, Mr. Stephen Holt, a candidate for Parliament, and we want to wish you well.

MR. HOLT: Thank you.

HHH 15-MINUTE WASHINGTON TV REPORT
AUGUST 15, 1962 (FILMED FOR MINNESOTA
T.V. STATIONS)

SENATOR HUBERT H. HUMPHREY AND DR. FRANCES KELSEY

This is Washington, and this is Senator Hubert H. Humphrey of Minnesota. . . . to provide fuller protection for the public against possible harm from drugs. Today he has a distinguished guest to report on the more recent developments. Now, here is Senator Humphrey.

SENATOR HUMPHREY: Well, thank you. Indeed, I have a very distinguished guest, a notable guest, and a very prominent public servant. Our guest today on this program is Dr. Frances Kelsey. I am sure all of you've heard of Dr. Kelsey because of her splendid work in the Food and Drug Administration as a medical officer in the new Drugs Division of the Food and Drug Administration. It was Dr. Kelsey who intercepted the drug thalidomide, the drug that has caused so much discussion and, indeed, so much tragedy and heartache. And fortunately, because of the alertness of this fine and able professional, this doctor, Dr. Frances Kelsey, thousands of people in our United States have been spared some of the pain and heartache that came to thousands of people in Western Europe by the use of thalidomide.

Now, it takes a case such as we've been discussing here to awaken the American people. I regret to say that but it's true. Apparently, we require crisis or crises to bring us

to a realization that improvements are needed or that changes are needed. And this instance of the tragic case of the drug thalidomide that caused deformities in babies, a drug that was supposed to be a harmless and effective sleeping tablet with very good effects as far as the sleeping tablet was concerned. That tragic case has caused the government of the United States, private industry, the medical profession, the pharmaceutical manufacturers to look anew, to take a brand new look at the laws that are designed to protect us from the harmful effect of drugs. In other words, to improve our inspection system, our testing system, our investigational processes in the use of drugs. Now, I mentioned having Dr. Kelsey with us, and before I go any further, I want you to know that Dr. Kelsey has been receiving so much publicity, and so much fame and acclaim that she told me just before this telecast that it was getting rather difficult for her to get her work done. But, one of the areas of fame that has come to her or one of the great citations of her competence and her ability that has come to her is this which I have in my hand and which I want to show you in a moment entitled "The Award of the President of the United States for Distinguished Federal Civilian Service." Now, I hope that our viewers can get a look at that medal. It really is a very

wonderful medal. It is presented by the President of the United States to those persons in the Federal Government who have performed their duties beyond the call of duty, who have really exemplified excellence. I was present at the ceremony, Dr. Kelsey, when you received this citation. And there were others, of course, there that received citations for their outstanding work. It was out on the White House grounds in the Rose Garden. It was a beautiful day, and the President of the United States was a very happy man that day as he bestowed this honor upon you. Do you remember what the President said to you?

DR. KELSEY: Well, I certainly was very excited during the event and I didn't really hear everything that he said.

SENATOR HUMPHREY: Well, I know that not only were you excited, but everyone in the audience was excited and felt this moment of thrill and excitement that you experienced. I remember it so well, and I have seen the pictures in the paper. By the way, I want to thank you very much because I happened to be there and because everybody wanted your picture I was able to get in on the picture myself. So, it was a happy day for me.

Now, Dr. Kelsey, we are going to ask you just a few questions. I think I recall correctly. You worked and lived for several years in Vermillion, South Dakota.

DR. KELSEY: That's right. We spent eight years there, just before coming to Washington.

SENATOR HUMPHREY: Is your husband a doctor?

DR. KELSEY: He's a pharmacologist.

SENATOR HUMPHREY: He's a pharmacologist. And you're an M.D.? Is that right?

DR. KELSEY: Yes, and a pharmacologist.

SENATOR HUMPHREY: And a pharmacologist. Now, what is a pharmacologist? You know, I'm a pharmacist. And now you tell me about a pharmacologist, because I know that's much more important.

DR. KELSEY: Well, the purpose is to study and explain the action of drugs in the body, . . .

SENATOR HUMPHREY: Yes.

DR. KELSEY: . . . their absorption, distribution, how they behave and the classes they fall into and the good they do and so on.

SENATOR HUMPHREY: So that with your background and training as a pharmacologist and your training as a physician or an M.D. you really are in a position to not only know the chemical effect or the organic effect of the drug but also to really follow it in terms of its action upon the body and upon the reflexes of the human organism?

DR. KELSEY: Yes, that's right. Yes.

SENATOR HUMPHREY: Now, the Food and Drug Administration isn't a very big agency in our government, is it?

DR. KELSEY: No, not very big for the work it has to do.

SENATOR HUMPHREY: I hope that the public has come to the conclusion that in light of the large number of new drugs that come on the market each year that the Food and Drug Administration ought to be equipped by personnel and funds, appropriations, to do its job.

Now, I mentioned earlier that you intercepted this drug right away. We have some of them here. Isn't that right? Isn't that what you . . . what do you call this?

DR. KELSEY: This is contergan. These are German samples that were brought to this country from travellers who either got them under prescription or over the counter in Germany.

SENATOR HUMPHREY: Contergan.

DR. KELSEY: Contergan was the trade name in Germany.

SENATOR HUMPHREY: And thalidomide is the . . .

DR. KELSEY: Generic name.

SENATOR HUMPHREY: Is the generic name or the . . .

DR. KELSEY: Yes.

SENATOR HUMPHREY: . . . one that's common between or amongst chemists. Is that right?

DR. KELSEY: Well, it's not a chemical name. It's a . . . the chemical name is more complicated. But it's a sort of

abbreviated . . .

SENATOR HUMPHREY: Generic?

DR. KELSEY: . . . generic name.

SENATOR HUMPHREY: Generic name. And this would be the trade name -- contergan.

DR. KELSEY: Contergan, and as you know, there were about twenty or thirty different trade names that it was sold under in Europe and . . .

SENATOR HUMPHREY: Now, where was this drug first used?

DR. KELSEY: In Germany, I believe. In Germany.

SENATOR HUMPHREY: In Germany. And how did you happen to find out about the drug thalidomide or contergan and put the stop order on it being used in the United States?

DR. KELSEY: Well, an American firm under license from the German firm wished to introduce it and submit it (for) a new drug application. This application has to be submitted before drugs are allowed to be sold on the market here. And this application submits proof of the safety of this drug and must consist of animal experiments, chemical analyses and the effects on this drug of standards and so on as well as clinical reports on its use in this country. And the preliminary report that we got was not adequate, so you could judge its safety. Actually, there was really

not enough known about the basic pharmacology of the drug, and later we learnt through the English literature that it had been causing a rather severe and unpleasant side effect . . . Peripheral neuritis.

SENATOR HUMPHREY: Peripheral neuritis.

DR. KELSEY: Peripheral neuritis.

SENATOR HUMPHREY: Peripheral neuritis was the first side effect that you . . .

DR. KELSEY: That was reported. That's right.

SENATOR HUMPHREY: And then later on you discovered by examination into the German economy the deformities in babies?

DR. KELSEY: Well, when we learnt of the peripheral neuritis, we began to wonder if the unborn child mightn't be particularly susceptible to this sort of an effect. The baby or the unborn child handles drugs less well than the adult . . .

SENATOR HUMPHREY: Yes.

DR. KELSEY: And later the company drew to our attention that such reports, indeed, had come from Germany, and caused the drug to be withdrawn from the market there.

SENATOR HUMPHREY: I think the public needs to know that you first detected that there might be something wrong with this drug by, as I recall now, reading an item in a British medical journal. Is that right?

DR. KELSEY: That's right. Yes. A letter to the editor

in one of the British medical journals.

SENATOR HUMPHREY: Now, that editor of the journal is getting a good deal of notoriety these days along with you, isn't that right.

DR. KELSEY: Well, I think he certainly drew our attention to this. This was the first publication and this journal has many of these little references that we find very useful.

SENATOR HUMPHREY: But, the point is that I think we need to remember is that a person like yourself has to be on constant alert. There is a vast volume of this information that comes across your desk and that's available if you can get time to find it.

DR. KELSEY: Yes.

SENATOR HUMPHREY: How many people are in this new Drug Division of the Food and Drug Administration. That is, how many doctors that really would be competent to examine into a new drug.

DR. KELSEY: Well, we have twelve fulltime doctors and two parttime doctors. And then in addition we have a staff of chemists who look particularly after the chemical end and pharmacologists who look particularly after the pharmacology side.

SENATOR HUMPHREY: But it's the twelve doctors who really have the final say, isn't it?

DR. KELSEY: That's right. They take the responsibility in following the advice of the other members of the team.

SENATOR HUMPHREY: How many applications for new drugs a year, Dr. Kelsey?

DR. KELSEY: They're in the neighborhood of 600. A good many of these are for veterinary preparation which our Veterinary Division handles, and we handle the rest. Now, of course, not all of those are really new drugs . . . making application . . . just the existing ones.

SENATOR HUMPHREY: But they have to be examined into?

DR. KELSEY: Oh, they do. You cannot just accept. You have to look at each one separately.

SENATOR HUMPHREY: Well, one of the developments out of the hearings to which Dr. Kelsey has been so generous in giving her time and attention is the feeling on the part of certain Members of Congress now that the Drug Laws, that is the laws relating to the inspection and the control of new drugs must be strengthened. This doesn't mean that our pharmaceutical profession or manufacturing group is negligent. It simply means that with many new items coming on the market, each one needs to be inspected very carefully as to its safety, its efficacy. And you use this term side effects. Now, what do you mean by that?

DR. KELSEY: Well, this is really just an undesirable effect observed when you use just ordinary therapeutic bases of the drug . . . and is a disadvantage, but it is true

that all drugs have side effects to some degree.

SENATOR HUMPHREY: And it's the seriousness of those side effects. And it takes time to record all that information.

DR. KELSEY: That's right. Yes.

SENATOR HUMPHREY: And then the recommendations that we are making as a result of this tragic series of events relating to thalidomide is that there be a barred scale inter-agency within the Federal government and intra-agency cooperative effort in drug research. For example, one of the things that we believe is necessary is closer coordination between the national institutes of health and the United States Public Health Service, the Veterans Hospital program where you have these teaching research hospitals, and then the hospitals that are under the jurisdiction of the Department of Defense. Do you believe this would be helpful, Doctor?

DR. KELSEY: Well, I think any system where we can get more information directed to us is going to be very helpful. The more people we have to help us the better it will be.

SENATOR HUMPHREY: What do you think we can do internationally? You see this drug had its inception in Western Germany, and it was only by chance that you intercepted information that told about its bad side effects. What can

we do internationally to tighten up on the information part of it? That is, so that the information is exchanged so that it's made available to persons of your competence?

DR. KELSEY: Well, I believe^{that}/something like the World Health Organization might be able to collect and synchronize and distribute information from the various countries rather and make them available to us, because sometime it's quite a long time before we dig it out in the conventional routes now open to us.

SENATOR HUMPHREY: And so much paper comes across the desk to everyone of us these days.

And now, here at home, let me ask this, do you believe that the investigational process as to the use of new drugs when they are first being tried out, do you think that process is adequate today?

DR. KELSEY: I think there should be some way in which we are aware of the amount of basic work, and the physician who tests the drug should also be aware of the amount of basic work that has gone into the drug before it's introduced into a human being. For the moment, we have no idea of what drugs are being tried clinically. We have no control over the amount of pre-clinical testing of these drugs.

SENATOR HUMPHREY: When you say we - you mean the Pure Food and Drug Administration?

DR. KELSEY: That's right. Yes.

SENATOR HUMPHREY: In other words, you believe we ought to tighten up on this investigational aspect as to the use of a new drug, or the effects of a new drug?

DR. KELSEY: Well, I believe it would increase the safety. For example, we have no way of knowing if other companies, for example, have been testing this drug and so on.

SENATOR HUMPHREY: One other point, you mentioned, Dr. Kelsey, in just the brief few seconds we have left. Is the matter of these new drugs or indrugged upon the child particularly the unborn child or just the newborn baby, pregnant women -- don't you believe that there could be a good deal more research done in terms of the effect of drugs when women in the condition of pregnancy or upon the unborn child or the newborn child?

DR. KELSEY: Yes. This actually is already in progress even before this episode there was a realization of the difference between the two.

SENATOR HUMPHREY: And can we step this up in a meaningful manner?

DR. KELSEY: I am sure it is being stepped up. There is a great interest in this, and we'll get some very fundamental information.

SENATOR HUMPHREY: Well, you know, we could keep you on this program for an hour and a half hour. But everybody wants you. This is the most sort after and popular and respected woman in Washington, D.C. -- I think in our country. And I want to thank you very much, Dr. Frances Kelsey for being with us and we salute you for your achievement and we thank you for your protection of the public interest and the public safety and indeed the lives of our people. Thank you.

OUTLINE FOR HUMPHREY 15 MINUTE TELEVISION REPORT TO MINNESOTA--8/30/62

- 1 -- Introduction by Bob Coar.
- 2 -- Opening remark by Humphrey about the quickened pace of Congress and recent successes of legislation. Mention briefly the idea that the overall record of Congress is good.
- 3 -- One victory for good legislation was approval of the Communications Satellite Bill. This program won the overwhelming support of Congress, passing the Senate 66 votes to 11, and the House 354 votes to 9.
- 4 -- What does the Communications Satellite Act do? Emphasize the dual authority and control by private enterprise and the government---and the full protection of the public interest by language written into the act by the Administration.
- 5 -- Emphasize that the Communications Satellite Program does not create a monopoly. It gives us the framework for a program of partnership between government and private enterprise in the space communications field.
- 6 -- A less successful development on the international level has been the results of the disarmament negotiations at Geneva, Switzerland. Those negotiations are due to end this week, and are unlikely to provide any substantial progress toward a treaty ending nuclear weapons testing.
- 7 -- The fault is not ours. We have made two major, reasonable proposals at this conference---submitted in the form of specific and complete draft treaties.

The first calling for an end to all nuclear weapons testing, with a system of control and inspection to be certain the treaty is respected by both sides.

The second calling for an end to all nuclear testing in the atmosphere, outer space and underwater---requiring no on-site inspections because of recent detection advances.
- 8 -- The Soviets have rejected our offers, but we must continue our efforts. Radioactive fallout (iodine 131 and Minnesota dairy cows), the risks of accidental nuclear war and proliferation of nuclear weapons demand a continuing effort to end the nuclear arms race.
- 9 -- Signoff and reference to importance guest two weeks from now.

COPY

- 1 -- Introduction by Bob Coar
- 2 -- Opening remarks: "Today I want to give you a basic report on the United States Senate, how it has changed in the 14 years I have been a member, and how its operations might be improved to meet the needs of our Nation today."
- 3 -- Report on the "tempo." The increased load of work for the whole Senate and individual members. Floor work, bills, committee work and hearings, phone calls, visitors---all up by far from 14 years ago.
- 4 -- Some of the modern problems in the Senate: What is the logical committee to discuss a legislative measure on such things as Communications Satellite Bill? There is none.
- 5 -- The time is ripe for a legislative reorganization act. Congress is failing to meet some of the demands on it. Mention why, and then suggestions for what a legislative reorganization act could include.
- 6 -- Congress is the vital instrument of our representative government, but it must clean up its own house before it can serve the nation as effectively as it must in these challenging times.
- 7 -- Signoff, and reference to a special and important guest two weeks from now.

HHH 15-MINUTE WASHINGTON TV REPORT
AUGUST 30, 1962

SENATOR HUBERT H. HUMPHREY REPORTS TO MINNESOTA ON NEW FARM
PROGRAM, GENERAL CONGRESSIONAL PROGRESS, COMMUNICATIONS
SATELLITE BILL, AND EFFORT FOR NUCLEAR TEST BAN

This is Washington, and this is Senator Hubert H. Humphrey of Minnesota. Today the Assistant Majority Leader reports on some key developments in Washington as well as the International scene. Now, here is your Senator, Hubert Humphrey.

SENATOR HUMPHREY: Yes, thank you. I'm going to report first to you about the quickened pace of the Congress of the United States. Thank goodness that it stepped up a bit. But this is to be expected as we draw to what we hope will be a conclusion of our deliberations here in this the Second Session of the 87th Congress.

I have been predicting for some time that this Congress would adjourn by not later than September 15th. I suppose everyone is entitled to amend his own predictions. So, I'll have to say now that we'll be mighty fortunate if we're out of Washington back to our homes and constituents by September 22nd. In fact, it looks like it will be in that week of the 22nd and the 1st of October. Now, I say that because there is still much work to be done, even though the Congress has been moving along at a rapid pace.

Many people are critical of the way that Congress acts -- the long delays that we seem to have. But this is representative government. And as you know, we have to work through our established committees of the Congress. Then, too, we've had some highly controversial legislation this year. When you ask a Congress to pass a major tax bill that goes into much of the Internal Revenue Code of our country, and you ask the same Congress to pass a greatly expanded and broadened Foreign Trade Bill -- one of the most controversial items on the legislative calendar -- and then you ask this same Congress to venture forth into new areas of legislation -- such as Communications Satellite legislation, the development of Outer Space, and then add to that an overall complete reorganization of your agricultural policy, I say you've asked for a pretty big job and a pretty big order. And that's what we've had to do in this the Second Session of the 87th Congress. And when we get through here we're going to have a good record. Now, we've gone around twice on the Farm Bill, but by the time you see this telecast, the Farm Bill should be law. And it will be a good bill. It will be one that has most of the basic recommendations of the Administration. The long-term WHEAT program -- to bring a better balance between wheat production and wheat consumption. At the same time, to provide us with

those necessary security reserves. By the way, let me say that we never want to get ourselves into a position in this country where we have a shortage of food. In other words, the economics of scarcity when it comes to foodstuffs could be suicidal. It surely could be economically unhealthy because it would result in a sharp rise in food prices and from our national security point of view it could be disastrous. We need to have a carry-over -- a normal carry-over in government stocks of, let's say, three to four months of consumption. That would mean it would be entirely right to have, let's say, better than 500 million bushels of wheat as a normal carry-over over and beyond regular exports and domestic consumption. This is the way we based our Farm Program.

Then, we are going to have an extension of the Feed Grain Program. It's worked pretty well. You know that Feed Grain Program that we passed here two years ago and then extended it last year--and we'll do so again this year---brought into Minnesota last year along a hundred and fifty million dollars cash payments to our farmers. I repeat \$150 million cash payments. And after that, a sale of feed grains themselves -- the feed grains are a sizeable portion of our agricultural economy. That \$150 million sharply reduced surpluses. We've cut back about 18 million tons of feed grains surpluses in

the past two years. We are getting our feed grains situation in pretty good balance now. Feed grains prices have been stabilized fairly good. And as I said, this program has put cash into the pocket of the farmer, and he in turn has spent it for goods and services that he has needed. Agricultural income went up \$1 billion net. That's a good increase---the first increase in agricultural income since 1952. Now we, also, in this Farm Bill are taking care of conservation needs, Public Law 480, the Food for Peace program, better use of our land resources, recreational use of agricultural lands and many other parts of the Farm Program.

I want to move along. We are passing our Public Works Bill. It'll aid many communities.

And Housing for the Elderly, one of the finest programs that this country has. I want to say that with a growing number of people of 65 years of age and over, that housing becomes one of the most important items in the budget of the elderly, and surely a very important item in every community plan. And Housing for the Elderly program has been under way now for two or three years and we are expanding it this year.

We are going to, as I say, have our Emergency Public Works program that will permit communities to have---where there is distress and unemployment in particular---to have much needed public works in those particular communities.

And a Tax Bill. We have worked hard on this one. It's very controversial. That will be passed -- and Foreign Aid and other items. So, we're going to rack up, as they say, or finally add up a good record for the 87th Congress. And at the end of this Congress, I am going to take time to review with you what we've done.

Now, I want to talk with you for just a few moments about an item of legislation that you've read about or hear about. It surely precipitated quite a debate down here in Congress. Frankly, a filibuster -- it lasted for weeks. This is the bill we call the Communications Satellite Bill. You've heard of Telstar -- that wonderful, magnificent creation of ^acommunications satellite that today is beaming radio and television broadcasts and telephone calls to many part of the world. It's actually in operation. Needless to say, it's experimental. But, here is where we have the lead ^{on} the Soviet Union. And we want to keep that lead. We've always had the best telephone system in the world. We have the best, I believe, television and radio in the world. And as you know, they're privately owned, and they work well. We have freedom -- freedom of speech, freedom of press, freedom of information. We don't have government censorship nor do we have government ownership. Now there comes a new area, a new way of communicating.

Instead of the cables that go under the seas, or the radio wave through atmosphere, we have in outer space what we call a communications satellite where you bounce off the signal. You bounce it up to the satellite and it bounces back to the receiver and then it's transmitted from ground stations to the person that's on the other end of the line. getting your telephone call. It's fantastic. But it works. And we're going to be able to communicate around this world so rapidly that it will almost seem that we're all of us living next door. As I've said, we have the lead, and we want to keep that lead. Now how did we get that lead? We got it by government and private industry working together. Not just government. Not just private industry, but working together. A partnership, so to speak. Surely, the public has put a lot of money into communications development and communications satellite. But so has private industry -- the Bell Telephone, Radio Corporation of America, Hughes Incorporated, International Telephone and Telegraph, just to mention only a few -- and there are many others. They've put in hundreds of millions of dollars of their own money into research. And what is more they have the technicians, the scientists. Some of your sons and daughters may work for these great companies. They're tremendous business institutions.

Well, we passed a bill here in the Congress that put

together in one partnership, one corporation -- we did establish a private corporation with public interests known as the Communications Satellite Corporation. And that Communications Satellite Corporation is governed by a Board of Directors that consists of six members from the general public; it consists of three members of the common carrier, such as the telephone company; and it consists of three members appointed by the President of the United States. So that the public interest is represented. In fact, the public has the dominant interest the dominant control over the Board of Directors. What is more, the voting stock of this corporation is held in the majority by the public and not by the common carriers. So this charge of monopoly and giveaway really doesn't hold much water. It makes a good headline. It makes a good -- Oh -- spirited attack. But it just doesn't add up. What we've done is to put our government working side by side with private American industry, private capital and public capital to develop a great new system of communication. And I think it's going to work well. And it'll keep us in the lead

Now, how about the public interest. Is this protected? After all the government is helping a great deal here. The public interest is protected. This is a privately owned corporation, publicly regulated by the Federal Communications Commission. And we put in a special protective clause that anytime that the Justice Department, the Attorney General feels or has reason to believe that this corporation is not

adequately serving the public interest, he can go to any District Court in the United States, put in an injunction, an order to enjoin or to stop this corporation in its activities. The public interest is protected, including the rate structure, the services to the American people, the services of this corporation to the public itself. ^{Well} /now that bill passed. We had a big fight, and it went on for weeks. And you've read a lot about it. We have thousands of pages of hearings and testimony and debate. It passed the Congress of the United States overwhelmingly -- 354 to 9 in the House. Now that many people can't be wrong about a piece of legislation. And in the Senate -- 66 to 11 -- six to one majority. It was the kind of legislation that represented that represented a real breakthrough that I think can mean a great deal in the years ahead. Why do I say that? Because if this country is going to really demonstrate its strength to the world we must do it by our government, and our private and free and voluntary institutions working together. This is true in foreign aid. It's true in everything we do. Our government doesn't own and control everything in this country, thank goodness. In Russia, it does. So, when we compete with the Soviet Union, we're going to need our government plus our private industry, plus our farmers,

plus our workers, plus our voluntary groups all working together, marching together for a common objective. And that's what we established in this Communications Satellite.

Now, I want to conclude on another note and a very important item. As we strengthen this nation of ours, and we're doing that every day by increasing the power of our armed forces, strengthening our own economy back home, broadening our trade and expanding our trade abroad. As we do this, we also search relentlessly for peace, because it is still true that "Blessed are the peacemakers." Now, I've never been so proud of our President as I am now when he persists in searching for honorable ways to peace, for an honorable peace. And we've been sitting at Geneva Switzerland now for many months with a group of nations -- some 18 nations -- trying to find a way to stop this arms race before it results in accidental war. The arms race itself is a threat to peace. And our President has been trying to stop these atom tests, because the nuclear arms race could be disastrous. And we've proposed recently a Test Ban Treaty to the Soviet Union. Oh, they've temporarily rejected it. Maybe they'll reject it completely. But we've had the moral initiative, thank goodness. And that Test Ban Treaty says that we are prepared to sign an agreement now

with the Soviet Union and with any other country to prohibit tests in the atmosphere, to stop this radioactive fallout, this iodine 131, this strontium 90 that contaminates food, injures the wellbeing and the health of people. We are prepared to sign a treaty now to stop tests in the atmosphere, under water and in outer space. We are asking the Soviet Union to do it. Our President has taken the lead. I have backed him on this, as you know. I think I have studied this one question more than anything else in my public life. And I know this is in our national interest and the interest of our security. It's in the interest of world peace and more than that, it's in the interest of humanity. And we have a responsibility here.

Well, that ends the talk with you today. I hope to be back with you shortly and give you a wind-up and a round-up on what happened in Congress this year.

Thank you.

HHH 15-MINUTE WASHINGTON TV REPORT
SEPTEMBER 20, 1962

SENATOR HUBERT H. HUMPHREY AND EUGENE FOLEY

This is Senator Hubert Humphrey speaking from the Nation's Capitol. Later on in today's report we will have a special guest. But first, here is Senator Humphrey.

SENATOR HUMPHREY: Thank you. These are the closing days, at least that's what we hope, of the second session of the 87th Congress. And I can assure you that as the Assistant Majority Leader and Majority Whip of the United States Senate that these are mighty busy days -- long sessions -- 12, 14 and 16 hours, as we seek to complete our work on the legislative business of this Congress.

Now, I've said to you before, and I would like to repeat it again, that when we complete the second session of this Congress, the 87th Congress, we will have a creditable record. One that we can point to with a degree of pride, and one that we can show and demonstrate as having been in the public interest. These final days find us in what we call conference committees, trying to work out the difference between bills passed by the House and the Senate. We will be passing tax legislation -- both Houses having acted separately. Now we try to bring together a tax bill

that will meet the approval of the two Houses acting on the same bill.

We will work on Social Security legislation, education legislation, and farm legislation. One of the most important items of our legislative calendar has been the agricultural bill.

Then, too, we've had another bill that I will want to talk about a little later in this program -- the foreign trade bill, the expansion of our foreign trade. One of the most, if not the most important measure of the President's program. This bill has had an overwhelming vote of support in both the House of Representatives and the United States Senate. And more than any other bill presented by President Kennedy, this measure came out of the two Houses of Congress as the President wanted it and requested it.

Just this past week, we have passed a very important resolution in both House of the Congress relating to our relationships with the nations in the Western Hemisphere, Latin America, and particularly our relationships with Cuba. Now, all of us know that the Western Hemisphere has for better than 135, almost 140 years, been protected by what we call the Monroe Doctrine. The Monroe Doctrine simply put was a statement on the part of President Monroe, back in 1823, to the effect that the United States would consider any attempt

on the part of European powers to extend their system to any portion of this hemisphere as dangerous to our peace and our safety. Now, that's the part of the Monroe Doctrine that pertains to the Western Hemisphere. All of us know that in recent years, in fact, starting in 1958, we faced a very dangerous situation in Cuba with Fidel Castro and his revolutionary movement that has become a Marxist-Leninist-communist movement -- being in full control of the government of Cuba -- a tyranny in this hemisphere which we never dreamed possible only a few years ago. Now, we seek to prevent the spread of that tyranny. And not only that, we seek to eliminate it completely. And the Congress of the United States has taken action to back up the President of the United States to clarify our policy so that friend and foe alike may know exactly what we mean and where we stand and what we intend to do. We passed a resolution known as Senate Joint Resolution 230 by a vote of 86-1 in the United States Senate. Now, that resolution first of/^{all}cited the many treaties and agreements that we have entered into with our neighbors in Latin America and the Western Hemisphere relating to the defense and the freedom and the security/of this hemisphere. The Rio Treaty of 1947, the Monroe Doctrine of 1823, and of course the Conference of Foreign Ministers of the Organization of American States at Punta del Este in January 1962 where it's declared that the

present Government of Cuba has identified itself with the principles of Marxist-Leninist ideology, has established a political, economic and social system based on that doctrine and accepts military assistance from the extra-continental communist powers including even the threat of military intervention in America on the part of the Soviet Union. Now that was the statement that was adopted by the Conference of Foreign Ministers of all of the Western Hemisphere Republics. And in light of these situations and these commitments and the sudden flow of -- or the recent flow of Soviet Arms and munitions into Cuba, your Congress and your President have resolved as follows:

"Whereas the international communist movement has increasingly extended into Cuba its political, economic and military sphere of influence, now therefore, be it resolved by the Senate and the House of Representatives of the United States of America in Congress assembled that the United States is determined first to prevent by whatever means may be necessary including the use of arms the Marxist-Leninist regime in Cuba from extending by force or by threat of force its aggressive or subversive activities to any part of this hemisphere;

"Secondly, to prevent in Cuba the creation or use of an externally supported military capability endangering the security of the United States; and

"Thirdly, we pledge to work with the Organization of American States and with freedom-loving Cubans to support the aspirations of the Cuban people for self-determination."

Now, this is the policy of our government. I might add in reference to the Monroe Doctrine that there was another aspect to that Doctrine 135 years ago, a 140 years ago, which said we would remain out of any entanglements in Europe. Needless to say that section of the Doctrine has had to be altered because of the world-wide threat of international communism. So, today we find our nation aligned with 42 other nations in a great freedom compact or freedom alliance to resist communist aggression and to restrain the appetites and imperialistic designs of the Soviet Union.

Well, enough of that, I want to take now the domestic scene, because I have with me a very distinguished guest, a very close and personal friend and one of our outstanding government servants. I have here today, and I introduce him to you, Mr. Gene Foley, who is the Deputy to the Secretary of Commerce, a very important position in our government. Mr. Foley was once associated with me. He was Counsel for the

Small Business -- Select Committee of Small Business of the United States Senate. He's been a personal friend of mine and as I say, has been associated with me in my work in the Senate office. He's from Wabasha , Minnesota, and that surely qualifies him as a firstrate Minnesotan. Now, Mr. Foley works with the Department of Commerce, and he is the Deputy to the Secretary, meaning that he is the Secretary's top number one assistant. This Department of Commerce is a rather exciting department, Mr. Foley. I'm going to run down quickly what I ^{have} just found out about it -- known for some time, but will recite it again. In this Department of the Bureau of Public Roads, you have quite a little money.

MR. FOLEY: Yes, sir, we do. Four billion dollars a year.

SENATOR HUMPHREY: Four billion dollars a year. The Census Bureau headed by Richard Scammon, by the way, of the State of Minnesota; the Area Redevelopment Administration which means so much to our Northeastern part of Minnesota; the Bureau of Standards which is a vital part of government for the protection of consumer ^{the} interests; Business and Defense Services Administration; the Coast and Geodetic Survey; the Maritime Administration; Patent Office; the Weather Bureau, and the U.S. Travel Service. And now you take our

new duties in the field of foreign trade, as I said with the new Trade Expansion Bill being passed. Now, what does this Trade Bill mean to your department and what does it mean to our country, Mr. Foley?

MR. FOLEY: The Trade Bill, of course, Senator, as you well know in your long experience in Foreign Relations, is going to make a big difference, not only to the Commerce Department as you've asked but to the country -- to the country's economy, to the economy of the State of Minnesota. Because it offers an opportunity for our goods to get into markets that they've never entered into, historically, before. There've been many high tariff barriers in other countries, there've been quotas, there've been non-tariff barriers that have restricted our products from getting into other countries. And the Trade Bill offers the President of the United States the opportunity to negotiate the tariff restrictions against U.S. goods downward so that our manufacturers can enter into the foreign market.

SENATOR HUMPHREY: Now, Mr. Foley, as I understand it, our foreign trade last year was running at the rate of a little over \$20 billion a year which is no small amount of business, and ⁱⁿ our agricultural products on the national average it was running over \$5 billion a year. And one of

the areas in which we hoped to pick up new business and new customers, as I understand, is in the field of agricultural exports, of course, as well as our manufactured products.

MR. FOLEY: Let me just mention, here, Senator, that we, of course, export more than we import -- approximately \$3 billion more. Our overall exports -- pardon me, overall imports, two-thirds are non-competitive with American produced goods. I have in mind tropical foodstuffs, bananas, coffee, and things that are not produced in this country. There are some similarly manufactured articles also that come into this country. Two-thirds of the foreign imports that come into this country are non-competitive with American goods. Now oftentimes we hear the problem of "What about Japan and low-wage countries?" Well, the truth of the matter is that we export no manufactured goods to Japan. They export to us. We export more manufactured goods to Germany than they export to us. As a matter of fact, we export more manufactured goods to other countries than they manufacture to us, now ah export to us. Now . . .

SENATOR HUMPHREY: What about agriculture.

MR. FOLEY: Agriculture, too.

SENATOR HUMPHREY: Agriculture to Japan. Isn't that one of ^{our} big customers?

MR. FOLEY: Of course, Japan is one of our great customers. Now, the thing about it is that wages is, of course

one aspect of production cost. But so are finance cost, so are power cost, so are costs of distribution, costs of transportation. And when you consider American efficiency and American quality, the truth of the matter is that per unit our costs are frequently lower and have a better quality than foreign produced goods. This means a great deal for our producers in this country -- this Trade Bill, because it does offer this great opportunity to combat the artificial restrictions that have been placed against our trade.

SENATOR HUMPHREY: Now, Mr. Foley, you mentioned Minnesota's interest in the Foreign Trade program, and indeed, in the new legislation. What the eh-- What's the Foreign Trade figures relating to Minnesota and its agricultural commodities and its manufactured products?

MR. FOLEY: Well, in 1960 in Minnesota, we exported approximately a hundred million dollars. This is a figure that I rather suspect surprises ^{most} Minnesotans. This is just a manufactured product. It's almost an equivalent figure in terms of agricultural products. So foreign trade means a great deal to the State of Minnesota.

SENATOR HUMPHREY: About two hundred or close to two hundred million dol...

MR. FOLEY: Close to two hundred million dollars.

SENATOR HUMPHREY: And in Minnesota, I heard, for example, that in our export commodities on agricultural products that well over 25,000 agricultural workers, so to speak, were involved in export business. And it means a great deal in electronics and farm machinery and machine tools as I understand, and some radio component parts insofar as Minnesota manufacturers are concerned--of course, flour and processed foods.

MR. FOLEY: Yes, sir. And manufactured exports account for 75,000 jobs in Minnesota.

SENATOR HUMPHREY: Seventy-five thousand . . .

MR. FOLEY: Seventy-five thousand jobs.

SENATOR HUMPHREY: Well, that surely is a meaningful figure. And do you think that the Trade Bill will have any real effect on Minnesota exports? Will it help?

MR. FOLEY: Well, there's no doubt about it. For instance, you take in Austin, a great exporter of food products, this means an opportunity for the farmers of that area and the companies employed in food products in Europe to enter into new markets particularly in Europe. I think that your great help, Senator _____ the Trade Bill. It gives the President special authority to make it possible to enter the agricultural markets of the Common Market countries.

Take Fairmont, Minnesota, the great railway motors work

there. This offers an opportunity in the underdeveloped countries. Because in the lesser countries of the world the main transportation, of course, is still rail.

SENATOR HUMPHREY: Oh, Yes.

MR. FOLEY: And this offers -- I would gather that -- I would judge that the Trade Bill would offer great opportunity in the rail business.

SENATOR HUMPHREY: I think we should . . .

MR. FOLEY: . . . in transportation

SENATOR HUMPHREY: I think we should point out here that we have an excellent study made of Minnesota business and Minnesota trade in foreign trade. There's Austin with the Hormel Company; Duluth-of Clyde Iron Works, and Diamond Tool and Horseshoe Company; Fairmont, the Fairmont Railway Motors; Faribault, the MacQuay Company; Glencoe Telex Incorporated; Hastings, F.H. Pevey; Hopkins, Motex Industries; Hutchinson, Kraft Foods Division, etc. Yes, we are in the international business, aren't we.

MR. FOLEY: _____

Well, our time is at an end. It goes quickly, I am proud to have presented today a Minnesotan that's made real good in making a genuine contribution to his country and to the world powers -- Gene Foley, Deputy to the Secretary of Commerce.

Thank you. See you two weeks from now.

[Nov. 28-30,
1962]

VENEZUELA

On arrival at the airport we were greeted by the Ambassador and other Embassy officials, including the Director of Protocol of the Foreign Ministry. Along with the personal representative of the President, an Army colonel, we proceeded to the Embassy for a luncheon and a briefing. Ambassador Stewart put together the luncheon and briefing in one. It was informal and very informative. The Counselor of the Embassy, John Hill, more or less conducted the briefing in which the main participants were the Economic Adviser, Carl F. Norden; the Political Officer, Mr. Long; the USIA Officer, Richard Cushing; the Agricultural Attache, George H. Day; and the military officers.

The reports were brief but helpful. It was my view that the Embassy is under very good control by the Ambassador. The Ambassador is a long-time personal friend of President Betancourt. He has an intimate working relationship with him. The Ambassador told me that he laid down the law to the military. He would not permit any comment from any military officer of our government to the effect that we would look with favor or even tolerate any activity and opposition to the established government. The Ambassador made it quite clear that in Peru once the junta had come to power, certain military officers, despite the official attitude of the Kennedy administration opposition to the junta, said privately and even semi-publicly that they looked with favor upon what the military had done. Ambassador Stewart said that

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he had informed every member of his Embassy staff, including the military attaches, that if any such activity or interpretation took place in the U. S. Embassy at Caracas that the person guilty or the person so stating would be summarily returned to the States. He felt that this standard had a good effect. Certain points were brought up that I think we ought to comment upon.

The military were somewhat critical and disturbed over the fact that the military credits to the Venezuelan Government had been slow and too low. These are short-term credits for the Venezuelan Government to buy with hard currency - in other words dollars - American military equipment. This has resulted in the Venezuelan Government purchasing equipment from the British; that is, airplanes, and a goodly number; tanks from the French; small arms from the Belgians; destroyers from Italy; thereby having a military operation here where spare parts from the United States would not be available. The military stressed the importance of having American military equipment here so that there would be some reliance upon the U. S. for spare parts and maintenance.

The USIA report was good. There seems to be a need to step up the exchange program. It needs a little more help. It appears that we would be well-guided to look into the U. S. films and programs on television. There is a great need of educational TV materials and this would be most helpful since there is an educational TV station here by the Government which has plenty of free time.

Health:

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We accompanied the Minister of Sanitation, Dr. Arnaldo Gabaldon, on a trip into two neighboring states to the Federal District of Caracas. The Minister of Health is responsible for the complete eradication of Malaria from Venezuela - and more than anything else this has increased the life span of the Venezuelans. He is also responsible for their housing problem. His crew of administrators who handle the Malaria control program have been shifted to the extremely critical housing problem.

The life expectancy has risen from something like 45 years in 1945 to about 63-65 in 1960. There are still some very serious problems of infant mortality, stemming from diarrhetic diseases in the first two years. There is also a local infestation of belharzia, a liver fluke carried by a snail from Africa. This is the same snail that is such a terrible problem in Egypt. Infestation, however, is only in the area near Lake Valencia. Dr. Gabaldon reports that there are some four or five hundred rural dispensaries which do bring clinical treatment to the most rural areas. There is also no longer a shortage of doctors, in terms of the ability to pay. As a result, they are able to get young doctors to go out into the rural areas for the first time, in the last twelve to twenty-four months. Medical care is provided by a kind of social security. Although the hospitals are not up to American standards, medical care is, in fact, available to anyone who

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can come under social security. In the rural area around Valencia, we observed quite a number of children with distended bellies who appeared to be suffering from hookworm and probably are picking up the worm from the ground. Other than that, the health of the people seems to be quite good, and the population is, of course, expanding tremendously. About 45 per cent of the population is under the age of 15.

The Minister of Sanitation is concentrating on housing and sanitation by bringing water to this housing. They are not yet concerned with trying to bring absolutely pure water, going on the thesis that bringing any kind of decent water will cut down the filth problem and therefore reduce the sanitation problem. The Minister of Sanitation, it is significant, is in charge of the entire program of rural housing. These rural homes include their own kitchens and separate water closets and showers - a fantastic advance over the primitive hut.

Some of the new money available through the \$30 million loan from the U.S. will be put into the laying of sewer pipes, etc., in the cities.

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Education:

It is somewhat difficult to get any accurate reading on education here. There seems to be a shortage of adequate school space, concurrent with the housing shortage. We saw in one rural redevelopment area a new school being built by the local householders, and in the meantime a young Indian girl, with perhaps 6 years of education, teaching in an outdoor school room with only a roof over their heads. The University in Caracas is dominated by violent left-wing elements, and the provincial universities are apparently quite small, on the order of 800-1000 students, and are really only getting started.

The most severe shortage seems to be in training for skilled workers. There is a shortage of some 5,000 skilled workers and a surplus of some 200,000 unskilled workers out of a population of 7½ million. There would seem to be an urgent need here for vocational training.

Education is currently taking about 15 per cent of the national budget of Venezuela - although it must be remembered that education is financed entirely by the Federal Government and apparently the state and local governments do not tax for educational purposes. Its spending amounts to something like 4 per cent of the gross domestic product. This is aside from the revenues carted away by the American companies, in other words.

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General Itinerary and Impressions:

We arrived in Caracas on Wednesday, November 28, followed by a briefing with Ambassador Stewart and the entire key group at the Embassy. Stewart is a former AP man, knowledgeable, calm, and rather humorous, who seems to be "muy simpatico" here in Caracas. His staff appears to be competent and interested in its work.

The Senator went to the Senate and the Chamber of Deputies for a brief visit to the Venezuelan Parliament and spoke to a number of the deputies, emphasizing the cooperative nature of the Alliance for Progress, and urging that Latin Americans understand that the United States cannot and does not intend to conduct an alliance on a one-way basis. Later we met with Governor Oropeza, the Governor of the Federal District of Caracas, a city of 1,500,000, about 20 per cent of the population of Venezuela. Dr. Oropeza is reputed to be the principal subordinate for President Betancourt, and has the big job of trying to make social and economic reform work in this teeming city. He is a charming man who speaks English quite well. He was much interested in the possibilities of machine teaching when this topic was brought up, and would like to receive details. Later, on Friday afternoon, the Senator went with Governor Oropeza to visit two or three slum clearance areas where the "ranchos" of Caracas are being replaced by decent low-income housing.

In the evening the Senator was the guest of honor at a dinner at the residence of President Betancourt, which included all of his Cabinet, a number of prominent Members of Parliament, and a good

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scattering of American and Venezuelan business men. There was a group of about 100 people there. It was interesting to note that there was a heavy military guard around the area, apparently most of them being Indians. Later I found out that the President depends on this personal body guard of his, who are all Indians - the fiercest and most military of all the various groups in Venezuela. They apparently ran the country for several generations prior to the war.

On Thursday we flew in the Minister of Communication's DC-3 to the two neighboring States of Carabobo (capital of Valencia), a rapidly growing industrial area with a large planned industrial development program and a new four-lane highway going down to the Puerto Cabelo on the coast about 75 miles away; and the State of Aragua, capital city of Maracay. This is very fertile valley land between two mountain ranges, very hot, and quite humid. Now that Malaria has been eradicated, it apparently is a very fertile area for industrial and agricultural development. There we saw two low-cost housing developments - one of them operated by a non-profit foundation, fostered by Eugenio Mendoza (?) for workers in the nearby industrial plants of Valencia. These are houses that sell from \$4,000 to \$5,000 and by comparison with other low-cost housing in Venezuela, not really low cost. We also saw a rural housing program under the Ministry of Sanitation, and particularly under the planning control of Arthur Ortiz - an American from New Mexico who is the director of the credit program under the Ministry of Health. This was the LaJulia project of about 120 homes selling for about \$1100, and by which are bought the campesinos or family farmers at about \$5 a month.

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We briefly passed through a third type of slum clearance in the city of Maracay where the ranchos have been moved aside to provide them with smaller homes than the low-cost rural housing. These were apparently financed and loaned by the State Government. We saw an experimental fertile egg hatchery in the vicinity of Valencia run by IBEC, a Rockefeller project. This is just beginning to break even and is a most modern type of production unit with hybrid chickens, automatic feeding, etc.

On Friday, November 30, we visited two Peace Corps projects run in conjunction with the YMCA - one of them a brand new operation up in the very tip top of the hills surrounding Caracas in the midst of the worst urban slums. A second YMCA project is a well-established four or five year old project in a better section of town with a swimming pool, concrete basketball court, etc.

The Senator was instrumental in getting the final agreement on the details of a \$30 million loan to the Venezuelan Fundacion Para el Desarrollo Comunidad. This is the Foundation for Community Development and Municipal Improvement. This is the largest loan to be made to Venezuela - \$30 million dollars - principally for low-cost housing loans and community facilities. The schedule was pushed up thirty days so that it could be signed while the Senator was here.

Earlier the Senator visited with the leadership of the labor movement equivalent to our AFL-CIO. A principal officer of the Confederacion Trabajadores is Jose Gonzalez Navarro.

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On Friday afternoon the Senator went to view the low-cost housing - slum clearance projects in Caracas - with the Governor of the Federal District. At 5:00 we held a press conference, and in the evening a dinner was given in the Senator's honor by the Foreign Relations Committees of both Houses. We also had a luncheon with Dr. Caldera, the principal figure of the Christian Democratic Party (COPEI) here in Venezuela - a very obviously enlightened and cultural gentleman.

Caracas is a very new city. Most of the buildings having been built in the oil boom during the 40's, and having gone through a disastrous bust during the last period of Dictator Jimenez. The city is crowded with about 200,000 people living in small shacks called ranchos up and down the hillside of this beautiful river valley. The valley itself is surrounded by rather high mountains and is about two or three thousand feet high. The climate this time of the year is delightful - mild and pleasant. Actually, Venezuela is a very rich country with vast oil resources and iron ore, a good deal of good agricultural land, and by and large an enlightened business class. The housing problem is very critical and the political stability problem is perhaps even more so. The problem of providing enough jobs for all the workers of Venezuela is largely, it appears, one of training the workers. The cultural pattern of the peasants who have come into Caracas is such that they cannot be useful as skilled labor and, therefore, with 200,000 unemployed there is a shortage of skilled labor.

The Army in Venezuela appears to hold the key to power, and seems to be committed in its leadership to the continuance of a constitutional

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democracy. The business classes have a strong group of enlightened individuals who are apolitical, but who will throw their obviously considerable economic power behind any candidate who will promise a non-revolutionary stable government. There are several very enlightened business men indeed, who have fostered all kinds of new housing, recreation, and other types of social improvement projects. The general tone of the country seems to be in favor of Betancourt, who has made progress in land reform, has been working with the labor groups, and has been a man of courage and vigor. There is enough here - enough economic base, enough intelligent and courageous leadership - to build upon as a counterpoise to the Castro experiment. Unlike the Dominican Republic where there is practically only sand to build on, there is a hard rock here of economic progress and planning. The country is a hard money country. The budget is balanced and the short-term debt left by Jimenez will be liquidated in about another year or two. The income taxes are being increased, but are still small by comparison with U. S. standards. Nevertheless, the Government with its tremendous royalties from oil, is able to maintain a rather substantial level of spending for economic and social improvement.

The people of Caracas are very much of a mixture of Indian, Negro, and Spanish, with perhaps the least important mixture being Negro. and large they are fairly well dressed, although clothes like thing else are very expensive.

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Housing:

The housing situation in Venezuela would appear to be one of the two most critical problems; the other one being the training of skilled workers. In Caracas, the phenomenon is ranchos - either adobe, tin, or concrete block shacks staggering up the hillsides and housing about 200,000 of the city's 1,300,000 people. They have largely no water and no sewage although there seems to be electricity, and of all things a number of television sets. The weather is not too bad; in fact it is quite pleasant. There are ambitious plans to do away with these ranchos by replacing them with low-cost concrete block housing. In a typical rancho section you wind up an irregular paved street half way up a steep hill on the outskirts of the city and finally run out onto a very narrow, twisting, and quite obviously unplanned dirt road, flanked every foot of the way by small homes of about 12 feet in diameter and perhaps 15 feet deep. There are a great many children around, and there is obviously no birth control being practiced in the rancho area. Indeed, the population increase being what it is, it would seem hopeless for the government by itself to provide enough houses to take care of the housing problem. People are just multiplying too fast. The hope of the planners, however, is to build a sufficient number of these houses to stimulate individuals to build their own houses based on the plans which are provided by the planners. There are a great many dramatic projects - the most effective one

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appearing to be that developed by the Ministry of Sanitation or Health to build rural housing of three bedrooms, housing about 25 by 20 feet, with a separate kitchen including gas or kerosene stoves, electricity, running water, and a toilet. This house, made of concrete block with an asbestos-type roof, sells for about \$1100, and can be paid for by a farmer at about the rate of \$5 a month for 20 years. No interest. Eleven thousand of these homes have been or are being built this year. I believe the rate anticipated is to be about eleven to twelve thousand per year. The new \$30 million loan will apparently accelerate this program. Other programs are being undertaken by foundations and by city and state governments - providing homes in the neighborhood of about four to six thousand dollars in cost. The salary of a skilled worker is sufficient to cover such cost of housing. Such workers working in American-owned plants will frequently make \$2,000 to \$4,000 per year. While the higher priced houses are slightly larger and perhaps of a better finish, they are not that much better and it would seem that the best prospects for solving any basic housing shortage are going to be in the Ministry of Sanitation's program. This is run by a man named Arthur Ortiz, a young American with a lot of drive, who is of an experimental mind and apparently is a hard driver. The American adviser to the planning commission of Venezuela, Erik Carlson, is another intelligent fellow. He is a Swedish-American who is deeply interested in the rural housing program.

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It is obvious that the people in these new homes are very, very proud of them, and the concept of having to buy the homes seems to be extremely sound. They are making tremendous steps upward with such housing, and it gives evidence of private ownership by the way that they are proceeding to plant not only vegetables and trees around their new homes, but also flower gardens.

Some of this low cost in the rural housing is attributable to the concept of self-help. A worker will be helped by the prospective owner and the two of them can put up one of these houses in perhaps six weeks. All the finishing details are left to the owner.

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This is the summary on Venezuela. Venezuela is an obviously rich country. With its huge resource of oil furnishing almost three-quarters of the Government's revenues, and with the short-term debt left by the dictator Jiménez about to be reduced in the next two years, it will have a good many resources to put into economic and social development. It has an excellent series of trunk highways, a good base of industrialization begun, and a reasonably ambitious program of rural housing and sanitation. Its great slums or barrios, which run into a couple hundred thousand in a city of about one million - Caracas - are a constant threat to a stable government in that city.

The country has this year put more money into education for the first time than it has for the military. Their President is stubbornly undemocratic and anti-totalitarian. It has some extremely bright, intelligent individuals among the new-rich - the non-landed gentry, and even among some of the third generation rich. For example, the Bollmer family. Bollmer is an extremely bright and able man with holdings principally in sugar; however, also with tremendous financial investments and manufacturing investments throughout Venezuela. Another man of the self-made type is Eugenio Mendoza, who has pioneered in all kinds of humanitarian projects such as the YMCAs, and the suburban housing redevelopment programs.

A doctor who is a member of the Foreign Relations Committee of the House in Venezuela told me that the secret of Venezuela's progress lay in the lack of any stratification of classes. Apparently, during

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the great civil wars of about three generations ago all of the old aristocracy was killed off and there was a great mixture of the classes. Since then the problem of race and class has never been a serious one for Venezuelans. I noticed in the top management group of the Worker's Confederation that two were apparently pure Negro and perhaps ten to fifteen key labor leaders.

The income tax of the wealthy classes has risen about fifty per cent in recent years, but it is still rather light and is really not hurting them. The land reform movement is seriously moving along, for one thing because some three or four hundred owners of the large, modern estates have offered to sell their land to the Government, which is a lot better than ex-appropriation. The Venezuelans and the Venezuelan farmers appear to favor, by the way, a family-farm type of agriculture although the Mexican adviser to the Venezuelan Government supervising the Inter-American bank loan for agricultural redevelopment is pressing for the Mexican type of collective farm.

The farm to city migration appears to have been checked, and if strenuous efforts are made to develop further the programs of rural housing and education and health commenced already, a great measure of political stability can be expected in the rural areas.

Because of Venezuela's particular advantages in having both a sound currency and great mineral wealth, the Venezuelans appear most reluctant to go into an integrated economy, common market situation with their neighbors who are not addicted to hard money, and whose standard of living is rather radically below that of the Venezuelans.

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Education:

Two developments of interest in Venezuela on education are that the high schools, or "lyceos" are being changed rather sharply toward the vocational, and away from the pre-college training toward which most of them were previously orientated. This is in line with the need for solving the very great shortage of skilled labor.

It is also noteworthy that the first books to be published in Venezuela are now available. Until very recently all books were imported from outside the country.

School Milk Program:

The Ministry of Health, without apparently Public Law 480 assistance, feeds about 250,000 school milks per day; about 125,000 school lunches per day; and also provides for feeding about 30,000 low-cost workers.

Meeting with Doctor Rafael Caldera:

We met with Doctor Caldera on the noon of Friday, November 30. Doctor Caldera is a very distinguished and genteel person. He speaks English very well. He is one of the intellectual leaders in the Christian Democratic movement in Latin America. His name was well known in both Panama and Costa Rica by those interested in the movement. However, he does not have a great deal of political backing in his own country. He is a strong believer in the Alianza, and in the concept that the propertied classes must give up some of their privileges if the Alianza is to succeed and if constitutional government is to be perpetuated in a country like Venezuela.

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Meeting in Caracas with Members of the Confederated Trade Union Workers:

The President of the Federation is Jose Gonzalez Navarro. He is a man of about 50, poised, good-looking mestizo type. He expressed some dissatisfaction with the minor role that labor was playing in the Alliance in Venezuela, and also his concern that many programs have not yet gotten down to the people. This echoes a statement made by the trade union people we met with in El Salvador who thought that they were not being consulted ahead of time on matters that were going to affect their membership.

Jose Gonzalez Navarro stressed that the Alliance benefits should not be given to dictatorships of either the right or the left, but should be denied to people like Somoza in Nicaragua. Senator Humphrey told the group that the United States and Venezuela ought to foster and help strengthen free trade unions - that this was one of the most important movements in the hemisphere. He also expressed pleasure at the lack of race prejudice that he found in Venezuela; that all men and women are accepted for what they are, not for their skin color or their race. He emphasized that the Alliance is a genuine act of good neighborliness. It is not a U.S. program, but rests upon cooperation among free nations.

Dec 2-3, 1962

COSTA RICA

Costa Rica is markedly different from all the other countries of Central America in that it is immediately apparent that the people are Spanish or Caucasian and there is very little mixture of the Indian or Negro people. The houses have a far more European look than other capitals in Central America. The land is extremely rich. San Jose is situated in a valley with thousands of fresholders farming corn, coffee, and sugar cane.

Costa Rica appears to be the intellectual leader in Central America. It has a government of confidence without any corruption, and a hard currency. People by and large are better dressed than in most capitals of Central America. There are almost 48,000 to 50,000 recognized farming units, about one farm for every 20 people in the total population. In 1955, two-thirds of the total occupied farm land was in less than ten per cent of the farms. This was probably large coffee fincas.

Chief problems of Costa Rica are the tremendous population growth, which is over 4.3 per cent per year, and the fiscal imbalance of the government which has been spending more than it has been taking in in taxes - primarily because of coffee prices. The trade imbalance in 1961 was \$27,000,000, although a good deal of incoming investment capital has offset this unfavorable balance of payments situation.

The country is very largely literate and therefore has a superior labor force compared to other Central American countries. When President Orlich came into power, he inherited a \$28,000,000 deficit

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and asked the United States for a long-term \$20,000,000 loan to cover it. This has been scaled down to \$10,000,000. The government has increased consumer taxes and raised income and property taxes, which, if they are properly effected, may close the gap quite extensively.

The President of the Republic is Francisco Orlich. Francisco Orlich Bolmarcich is a man who appears to be in his early 60's. He was elected in the election of February 4, 1962. He was the leader of the National Liberation Party to which ex-president Jose Figueres Ferrer belongs. He won approximately 50 per cent of the total vote. The other 50 per cent was split essentially by two parties. Orlich represents the more conservative element in the NLP. He is a successful businessman-farmer, very quiet and somewhat reserved, but very friendly. He has some resemblance to Harry Truman. The Embassy believes that this election in February was without any question the freest election ever held in Costa Rica.

While political conditions in Costa Rica appear stable, the communist party is working on young Costa Ricans. About 250 of them have gone to either Cuba or the Soviet Union in the last year. The communists are aggressive and energetic and the government is not doing anything to prevent this travel. Costa Rica moved rapidly to support the President in the Cuban crisis. The President and the Assembly acted within two days. Students at the University collected 130,000 signatures in support of the United States,

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which is quite a fantastic achievement. The Costa Ricans took great pride in United States action and felt that they were a participant.

The opposition party led by Mr. Calderone, whom we did not meet, gave to Costa Rica its basic social reforms. At that time he was cooperating with the communists, but now has turned very conservative and anti-communist. His Republican Party got something over 30 per cent of the popular vote. The Conservative National Union Party was badly defeated; it got about 12 per cent of the vote. In the Costa Rican Congress Orlich has a one vote majority.

The other two leaders of the ruling National Liberation Party are Jose (Pepe) Figueres Ferrer. Figueres is a large coffee grower who is in deep financial difficulties. He has been the firebrand of the party and most active in the effort to unseat non-democratic generals in Central and Latin America. He has become embittered and disillusioned, perhaps because of his own severe financial problems and the difficulties which his political education school has been encountering. He is very pessimistic about the Alianza. The younger leader of his party is the present Foreign Minister, an attorney by the name of Daniel Oduber Quiros. Oduber is a brilliant man appearing to be about 40, apparently very popular, and is an active politico, getting his name and picture in the paper often. He has emerged as the leader among the foreign ministers of Central America, is strongly committed to bringing Costa Rica into the Common Market. Costa Rica has not been too anxious to do this, fearing that her higher standard of living may be pulled down by mixing in with her less fortunate neighbors.

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Oduber shows a very intelligent view toward the problem of Cuba and Castro subversion. The point that is more important than the destruction of the Castro regime is being ready to act and to support the democratic elements when Castro falls.

Housing:

While housing in the San Jose area does not seem to be as critical as in other countries, there is still an acute housing shortage. We looked at a group of houses in the \$1500 to \$3000 class. The houses we looked at were to sell for about \$2000. There is a five-year program of 5,275 homes to sell between \$1500 and \$3000, payments ranging from \$11.25 to \$41.25, including interest at 6 per cent.

So far over 1,000 homes have been built. We saw some excellent homes in the INVU (National Institute for Housing and Urban development). They were of concrete block and single family dwellings - usually duplex dwellings - situated very handsomely on excellent lots with trees still on them, with water, sewage, sidewalks, and paved streets. The interior partitions were wood and plywood with wooden beams across the ceilings to tie the walls together. There were three relatively small bedrooms and approximately 750 feet of total space. At general appearance, they were attractive. The housing engineer for this project was a man named Murray Silberman. We visited the project at Natillo with him. Costs have been estimated downward from the original figures for these houses and these figures are found in a separate memorandum in the Costa Rican file. Indeed,

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they have reduced the original estimate of \$2265 for the largest house (844 square feet) down to \$1824, and they have reduced the smallest house from \$1057 to \$795 (555 square feet). The lower cost houses originally required a monthly family income of \$35.50 and cost \$11.33 a month, including the lot, over a period of 16 to 18 years. Because the land costs are so high, the cost of the house and lot together ranges up to somewhere around \$750 for the lowest cost house to \$3300 for the highest price house. All of the houses consist of three bedrooms, living-dining room, a kitchen with cement sink, a bathroom with shower and water closet, and the laundry sink. It also includes a patio wall behind the house.

It was interesting to note that as soon as people have moved into these homes they have begun to paint them and put fences around them, and in general spruce them up to where they look very fine indeed. The average family in the San Jose area is 5.4 persons, which means that three bedroom homes can take care of an average family very well. Forty per cent of the entire population of Costa Rica, by the way, lives either in the city of San Jose or within 50 miles of it. Approximately 85 per cent of the families in the metropolitan area of San Jose have annual incomes of less than \$240 a month. Fifty per cent have incomes of under \$120 per month, and one-fourth of them have a family income of less than \$60 a month. A typical worker earns between \$60 and \$120 a month.

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I would note that while these homes are getting down quite low, and probably would suffice for Costa Rica, in other less well-off countries even the lowest cost house, which is approximately \$1250 including land, would be too much for the low income groups to pay.

Education:

Classroom construction is underway at a cost of about \$25,000 per school. This is about one-half of the old construction costs. We also saw for the first time here the projected new first and second grade readers - prototypes of these having been put out by CARE. Three-hundred fifty thousand of these books will be ready by March 1 through ROCAP - the regional AID mission located in Guatemala. This group of 350,000 will be printed in Costa Rica and is part of a full free distribution of 2,219,000 readers which will be distributed to public school children in the Central American countries - along with a correspondingly appropriate number of teacher guides. This project was begun in August 1962 and appears to be a singularly effective and dramatic example of how planning and follow-through can develop a project. These readers are stiff paperbacks with good illustrations using Latin American type boys and girls, about 70 pages each, and with prominent display of the Alianza para Progreso symbol.

There are no vocational agriculture textbooks available, and the AID administration should be queried as to why these are not available. There are six vocational agricultural schools planned with four of them

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now in operation. They expect to be graduating about 500 per year by 1967.

We visited one of the vocational education schools, the Desamparados Vocational School, run by Padre Alfaro. Padre Alfaro is in his late 30's, a very vigorous and tough, and affable man. They are building broader quarters for their boys and girls and already have a well advanced machine shop, automobile repairing shop, electrical wiring shop, an excellent carpentry and cabinet shop, and a home economics shop concentrating on sewing. Many of the items in the machine shops particularly were donated by American firms. I understand that \$75,000 worth of new equipment is coming in from AID for this school.

An interesting note is that the boys have built a shrine to St. Joseph, the patron saint of laborers, made completely out of automobile parts. They also paid for and built themselves a big basketball court on the grounds. The entire area is clean, well organized, and obviously run by a man who knows exactly what he is doing.

Health:

We visited a new magnificent children's hospital, Hospital de Niños, on December 3rd. About \$2,000,000 of the cost of this \$3,500,000 hospital was provided by the United States and a considerable contribution was made by the people of Costa Rica themselves through the Ferria das Flores each year. The hospital has a very prominent sign testifying to this project as a success of the Alliance for Progress. It is to be shortly opened for patients.

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Ten ambulance-type medical mobile units are expected in Costa Rica by February or March under the program. Because the roads in Costa Rica are quite good, these should work out quite well.

Inter-American Institute for Political Education:

The Institute has for all practical purposes suspended operations due to lack of funds. According to Pepe Figueres, approximately \$75,000 is needed per year to pay for the rent, food, and salaries. This money was being paid by Mr. J. M. Kaplan through the Kaplan Foundation and the International Labor Research Institute, whose director is Sascha Volman. There evidently is quite a severe row between Volman and Figueres about the use to which the money recently given to the Institute was put. There are charges that the money was used for Figueres' own newspaper rather than for the project.

The American Embassy staff in Costa Rica is extremely interested in having the Institute continued, as are such men as Oduber, the Foreign Minister.

Norman Thomas has apparently notified Figueres that some kind of a "Senate investigation" has made it impossible for Kaplan to continue to pay for a share of the school.

If the funds can be secured one way or another, we should also make an effort to try to get some American professors who speak Spanish very well down from some of the political science departments of such universities as New Mexico University. Pat Holt has a memorandum on this and is going to follow up. The Embassy has

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requested a half-dozen times to the Department that they send some professors of this type down, but they have just simply not been sent.

Centers of Specialized Instruction at Higher Education Institutions:

Attached is a memorandum from Rocap, the regional planning operation for AID in Central America, which was presented to us by Dr. Walter Adamson in San Jose. Adamson is a regional education officer at the U. S. AID Mission in the American Embassy, San Jose. He says San Jose's university is the best and most advanced university in the area and the mission post has been placed at San Jose.

The general plan is for the five universities in the area to concentrate on certain centers or schools of specialization to serve the entire region. For example: at the University of San Carlos of Guatemala there would be regional schools of veterinary medicine and zoology, and a school of sanitary engineering. The University of Costa Rica would be the regional school of microbiology and chemical engineering. The University of El Salvador would be the center for graduate study in anatomy, physiology, cardiology, and pharmacy in the School of Medicine.

A decision is yet to be made as to which will be the regional school of education - either the University of San Carlos or the University of Costa Rica. The program is known as CSUCA, which means el Consejo Superior Universitario Centro Americano. In other words, high university council of Central America. It is the supreme body of the confederation of Central American universities.

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General Observations:

Prices in Costa Rica appear to be quite reasonable with goods produced either in the country or other countries of Central America. There is a plentiful supply of every kind of goods. The cars in Costa Rica appear to be about two-thirds foreign make, with a heavy proportion of small cars. This is an extremely sharp contrast to Venezuela where 98 per cent of the cars are large American made cars. Local transportation is still by means of horsedrawn large two-wheel carts. The horses on the whole were rather large and well kept. I understand that in the interior oxen are still used to pull carts and plows. A great deal of the Costa Rican coffee production is sold to the Germans and perhaps for this reason there is a fair amount of German merchandise available in the shops.

[Dec. 4, 1962]

EL SALVADOR

We visited El Salvador on December 4th and 5th. We met the President of the National Assembly, the Chairman of the National Planning Commission, most all of the cabinet officers, as well as the leading officers of the CDS Trade Union Confederation. We visited the San Antonio housing project, Mejicanos, and the Monserrat housing project and community center. We also met a number of leading El Salvador merchants and industrialists, as well as coffee growers.

First of all, the Embassy at El Salvador is run very sharply and ship-shape. There is a very active AID program going on, and excellent rapport has been established with the government of President Rivera. The Administrative Officer, who was also our control officer, Carl Weygand, is a very able control officer.

El Salvador is a very densely populated country with an average of 326 persons per square mile. It also has the best road system in Central America.

The present government is a government of very young men. The President is Colonel Julio A. Rivera. He was elected on April 29th this year and took office on July 1st for a five-year term.

We met with Colonel Rivera for a brief period. He is a heavy-set Indian-appearing man with a mustache. He speaks very clearly and directly and was extremely courteous. When he listened to the interpretation of Senator Humphrey's remarks, he would register reaction by raising his eyebrows, nodding vigorously, etc. He is

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just barely 41. His chief political officers include Dr. Francisco Jose Guerrero, 37, a lawyer, who is an excellent speaker, and apparently did a great deal of speaking for the President during his campaign for public office. The young man upon whom he appears to depend most strongly, and who was present on his right hand when we spoke to him, is Guillermo Borja Nathan, Executive Secretary of the National Economic Planning Council. Borja is 37, having studied medicine at the University of El Salvador, and engineering at McGill and Minnesota universities between 1945 and 1951. He speaks very good English; has served as Under Secretary of the Ministry of Public Works and Minister of Agriculture. Now he is in the powerful position as Chairman of the Council of Economic Advisers and Director of the Bureau of the Budget. He is strongly pro-American. He is a very pleasant and quiet young man. He is apparently being given real power. He was especially interested in the possibilities of increasing the literacy rate through the machine teaching field, and I promised to send him some materials immediately and get someone down to see him.

It is interesting to note the extent of American college education and the youth of the chief ministers of El Salvador. As I mentioned, Rivera is 41; Guerrero, President of the Legislative Assembly, is 37; Jauregui is 44; Herrera, President of the Central Bank, is 46; Dessola, President of the El Salvadorian Association of Industrialists, is 53; Dr. Lima, Minister of Public Health, is 41; Sole, Minister of Agriculture, is 34; Borja Nathan, Executive Secretary of the National Economic Planning Council, is 37; Guenas, Manager of the El Salvadorian Institute for Industrial Development, is 36; the oldest man is Dr. Medina,

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Vice President of the Legislative Assembly, who is 52. Of these ten chief officers, seven have had education in the United States in the late 40's and early 50's.

There are the usual twelve or fourteen old families based on land holdings in El Salvador. They appear to be politically impotent. Although they rant and rave in the newspapers, they seem to have no voting base, and the present ruling party's door to door organization work throughout the country seems to have them completely submerged. Those who were present at the Ambassador's residence expressed some concern for the proposed new labor law which will free up the syndicates for political action, and permit the transfer of organizers from one sindicato to another. They believe that a couple of tough communist organizers could then penetrate the whole labor movement.

The President of the Association of Manufacturers is Francisco de Sola, a Sephardic Jew, who has extensive holdings. He is a friend of Eugenio Mendoza in Venezuela. The mercantile classes appear to be grouped as "turcos" and apparently many are Lebanese and Jewish.

Education:

Something like 100 rural schools are being built under the Rivera regime, and there will be 14 mobile health units coming in from the AID program - two of them already here. Rivera made promises to the people in the interior that he was going to help them, and told them that they had been "abandoned". The mobile health units, which will be operating on excellent roads, should be very effective. He makes

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a point of going to each of the rural schools as they are being dedicated.

Housing:

There are some bad slums in El Salvador, although not as evident as some other places. In one slum, the el Manguito slum, 2,000 families are living where there are only two water taps. There are programs underway for what they call land utility projects - the urbanization of an area where the utilities are put in - such as sewage, water, and electricity, and the floors and walls only. They are leaving the new prospective owners to finish the job. We looked at a very fine housing project, the San Antonio housing project, where the houses were of general appearance similar to those in Costa Rica, except that they were constructed with reinforced concrete and tied across the top of the "box" with steel beams. The interior partitions were of concrete rather than wood. These houses are being sold to the occupants for about \$2,000 at 6 per cent interest over a 20-year period with no down payment. This permits skilled workers to buy this type of house. They make as much as \$80 a month. One of the great problems is that land is at a premium of \$23,000 an acre in suburbia and \$35,000 in town. Four-hundred ten units of the forty-three hundred planned in the San Antonio area have been built. They have sidewalks, streets are being put in, and they look to be very comfortable. They have an asbestos roof, which is a rather

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interesting idea. We were told that they were going to be sold for \$18 a month over the 20-year period. We also saw a number of high-rise apartments which were two rather than three bedrooms, four stories high, and rather attractive grounds - quite colorful. Some of these were located in the Monserrat housing project. These apartments rent for about \$7.60 to \$11.00 monthly. In the midst of this, once a slum area which is now developed rather extensively, is a very advance-design building, which apparently had been built as a children's theatre by the previous regime and had been lost on the government inventory. The AID people in making an inventory of public buildings found this building and are leasing it from the government for \$1 a year. It has a huge auditorium where children of all ages play. There is a fine shop, which is being operated in conjunction with the Peace Corps, the military mission of the U.S. in Salvador, and the Salvadorians. There were hundreds of children there working away to learn the use of simple tools, particularly carpenter tools, and generally keeping out of trouble. There was a fine little library. Incidentally, on the stack of paperbacks in this library was "La Democracia en Marcha", por Eugene J. McCarthy.

Trade Unions:

We met with the Salvadorian CGS, Trade Union Confederation, on the morning of December 5th in downtown San Salvador. This is a general federation of trade unions with approximately 94 affiliates and 38,000 members, principally in the construction, textile, sugar,

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transport and coffee workers group. According to the AID Deputy Chief of Mission, trade unionists of international stature agree that the level of El Salvador's trade union movement is the highest of any in Central America. There has been an active program of communication and training with this group. A project agreement was signed this year with the Ministry of Labor to provide \$35,000 to begin an apprenticeship training program, with \$114,000 of the El Salvadorian budget going for this program. Branch offices are to be opened in two cities outside of San Salvador. Current enrollment of 280 trainees far exceeds all expectations. AID will contribute \$50,000 and the government of El Salvador will contribute \$321,000 in 1963 for the program.

Among those present at the meeting were Ernesto Nagana, Deputy to the Congress and Secretary General of the organization. Jose Martín Garcia, I believe, is the President of the confederation. Also present were Francisco Murillo of the Confederacion General de Sindicatos and probably Julio Cesar Tejada.

This group has been working closely with the American Institute for Free Labor Development, and wished to express to President Kennedy their gratitude for his support of this institute. The group is especially interested in workers' housing and is concluding agreements with Bill Doherty, Jr., of A.I.F.L.D. for the use of American labor pension funds through this Institute, now that there is a new 100 per cent guarantee and agreement signed by the government of El Salvador and the U.S. They also in August signed a contract

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with A.I.L.D. for technical and financial assistance in the field of urban housing, cooperatives, and in the rural housing program.

They say, however, that things are not moving fast enough and that some of the Salvadorian government programs are not moving fast enough. This may be partially explained by the fact that they were going to go ahead on 25 units of a pilot project in housing and AID says they do not need the pilot project - that they ought to just proceed on 500 to 600 units to start if the land is available. Doherty was supposed to have been down there a few days after we were there to try to work out the credit program.

Credit is terrible. The "cojotes" (money lenders) lend money at the rate of 40 per cent per month, and one of Doherty's aims is to get some credit unions going. AID is sending down a CUNA representative in January to see if they can expedite a solution of the problem of delay in the Inspector of Banks and Commercial Organizations Office. This organization is operating very slowly to authorize new credit unions. USIS has been furnishing some very good cooperative and credit union pamphlet materials through Mexico and Venezuela. The Union leaders expressed satisfaction with their communications with AID and the Embassy, but they feel the Salvadorian government has not been asking their advice as much as they should. They are told about programs after they have already begun. However, apparently there is not too much problem. They have been getting some concessions from the government on the duties on importation of

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materials that they need for their housing program. They do have three men of their own group working in the Legislative Assembly. They feel that they ought to have membership, however, on the boards which have to do with housing construction and food price controls.

There is a Communist-dominated trade union which is trying to infiltrate into the free sugar and coffee workers unions. The free trade unions have just negotiated a contract to increase salaries 20 per cent in the coffee and sugar industries, and they are very grateful for the work that AID has done in helping train organizers. They now have 20 people in Puerto Rico training not only for organization work, but for collective bargaining. It is the best answer, they say, to the infiltration of Communist trade unions. They do have adequate materials such as mimeograph machines, although their newspaper has been suspended for lack of funds. Andy McLellan, they say, has promised a loudspeaker truck for them in their organization work. They are planning to double their membership next year.

Ted Moscoso promised them in July that AID would give them help in building a new headquarters building, and we should check on this.

Public Health:

We visited briefly a splendid public health clinic in the Mejicanos section, which is an urban redevelopment center on the outskirts of San Salvador. This is one of seven such clinics which are being built at a cost of \$210,000 to \$150,000 U.S. and \$60,000 El Salvadorian, including their equipment. They are well equipped, having a good small pharmacy with the kinds of drugs which would have been common in any small town pharmacy during the period 1920-1940, a thoroughly equipped dental facility, where the dental students from the University come down to give dental care to the indigent people of the area. The building was made of concrete block and slabs and was extremely attractive, well-decorated, and cheerful. They also had a prominent Alianza para Progreso sign out front. Ten mobile health units are going to cost approximately \$192,000.

Rural Development:

There are apparently only about 20,000 acres of unused land in El Salvador, and this is land which the government expects to sell to small landowners. Land is at a very great premium and the population is increasing at a very rapid rate. The increased attention to public health in the rural areas is bound to have an additional impact on population growth. We should have a follow-up discussion with Bob Nathan's group, as the Economic Planning Commission for El Salvador includes two men out of Nathan's group. They are Mr. Morris Moses and Dr. Leo Fishman. One of the four major programs outlined to us by the Acting Director of AID, Foston A. Guerin, in a memorandum dated December 6th, is for the development and establishment of agricultural

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production and adjustment programs. About one million dollars - actually \$1,119,000 - is being obligated in fiscal year 1962 and in fiscal 1963 they are estimating about \$716,000. Under Public Law 480, Title IV, there is a program of supervised agricultural credit amounting to only \$800,000 for fiscal year 1962 and \$400,000 for fiscal year 1963. The long-range program for supervised agricultural credit is to serve 10,000 low-income families by 1968 through a semi-autonomous institution known as ABC, administered by a board of directors made up of representatives of various ministries and private citizen representatives. They estimate that about 500 loans will have been made by December 31, 1962.

In increasing agricultural production, the effort is for expansion of research activities. The agricultural extension agencies are supposed to be doubled by 1965, and the 1963 El Salvadorian budget for research in agriculture is expected to be substantially increased. They are trying to complete a soil survey of El Salvador by 1965, and they are pushing research especially on melons and other new crops. The Ministry of Agriculture has established a target of 5,000 acres of melons in production by 1965 and the production of 25,000 acres of other new crops by 1968. A special organization has been established to consider means of taking between 25,000 and 40,000 acres now considered marginal for coffee production and devoting this land to some other productive uses. While production has been increasing in cotton, coffee, sugar, corn, dairy and poultry products, they are not making much headway in the production of fruits, vegetables, beef, and pork.

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Education:

They tell us that the plans are for construction of 100 rural schools, part of approximately 650 primary schools. That is, we were told that 100 rural schools are to be constructed. In a project agreement between AID and El Salvador of May 2, 1962, AID and El Salvador are going on about a two to one basis in a \$1,200,000 program to construct and equip approximately 650 primary school classrooms and related facilities. About eight of these schools are either built or are being completed, and construction has begun on ten more school buildings. The bids have been let on another ten schools. In January of 1963, 28 school buildings with 220 classrooms will have been completed. El Salvador plans to request loan financing to help El Salvador reach its target of 5,000 additional classrooms by 1967. The regional program of providing readers to the first and second years will be completed for distribution to El Salvadorian children at the beginning of the 1963 school year. A rural normal school is to be built at the approximate cost of \$600,000, scheduled to commence construction March 1963.

Summary:

We have a program in the U.S. AID program of 38 Americans and 37 locals on direct hire, with 7 U.S. on contract and 3 locals. The Peace Corps has 25 members in the area.



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