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that he ever planned any speeches there. Anyway, it is ludicrous to think of GOLDWATER in a secret conspiracy with German rightists.

But for GOLDWATER's strategists, the CBS commentary was deadly serious. It is another brick in what they regard the most formidable obstacle between GOLDWATER and the Presidency; his image as a militaristic, bomb-rattling advocate of war, an enemy of peace. The idea of GOLDWATER consorting with jack-booted Germans in Munich embellishes the image.

GOLDWATER erased the problems posed by the German trip by canceling it. But the basic problem of the bomb-rattling image remains. In fact, it grows every time he speaks off the cuff. The cause of this growth is shared by both the press and GOLDWATER himself.

For their part, newsmen pepper GOLDWATER with more intense questioning about his military-foreign policy views than is usually the case, even with a presidential candidate.

For his part, GOLDWATER replies to their questions in breezy, offhand style, as if engaged in a barracks bull session. GOLDWATER's arrival in San Francisco for the National Convention is illustrative. His high command decided a press conference was necessary. Unfortunately for GOLDWATER, it came right after publication in a German magazine of some barracks-room impromptu remarks. As soon as GOLDWATER arrived here, he was rushed to a hotel suite. There, for 45 minutes, staff members briefed him on the German magazine article.

To little avail. "We spent 45 minutes telling him what not to say, and then he went downstairs (to the press conference) and said it," confided one aid.

For instance, he reiterated that he would turn over control in the Vietnamese war to military commanders. Whatever the merits of such statements, they enlarge the image of militarist.

The reason why so many Republicans now tell pollsters they prefer President Johnson to GOLDWATER is not the Senator's conservatism. The vague fear that he will provoke a nuclear holocaust is what really frightens Republican voters—particularly in the isolationist, peace-loving Midwest.

If this immense hurdle could be cleared, GOLDWATER might well make a race of it. His key strategists are even now planning a scatter-shot campaign against Mr. Johnson (with special emphasis on the Bobby Baker and Billie Sol Estes scandals and his 89-vote Senate election victory in 1948). Whichever charges hit home will be pressed.

Simultaneously, Mr. Johnson will be depicted as a leftwinger in hopes of winning the crucial suburban vote. The emphasis here will be on high taxes and the cost of living, with the white backlash a silent ally.

But these same GOLDWATER strategists privately admit that these tactics will have no more effect than barking at the moon unless Goldwater's militaristic image is erased.

How to do it? As a starter, virtually eliminate press conferences. After his grilling in that first San Francisco press conference, GOLDWATER immediately decreed that there be no more during the convention. And there will be precious few between now and November 3.

This will cut down on barrack-room answers to hostile press questions. But beyond this negative formula, GOLDWATER must take positive steps to erase the dangerous image that now exists. If he does not, an L.E.J. landslide looms.

Report From Congress

EXTENSION OF REMARKS

OF

HON. GRAHAM PURCELL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1964

Mr. PURCELL. Mr. Speaker, under leave to extend my remarks, I submit my report from Congress dated July 27, 1964:

REPORT FROM CONGRESS

(By GRAHAM PURCELL, Representative, 13th District of Texas, July 27, 1964)

DEAR FRIENDS: I was appalled when I heard Senator GOLDWATER say in San Francisco, "It has been during Democratic years that our strength to deter war has stood still and even gone into a planned decline." What amazed me about this statement was that the Senator displayed such an astounding lack of information about our Defense Establishment.

If there is any area of our Federal Government in which Americans of all political philosophies can justifiably take pride, it is in the operation of the Department of Defense.

Is our strength declining? Let's look at the facts. In the past 3 years we have accomplished a 150-percent increase in the number of nuclear warheads in the strategic alert forces; a 60-percent increase in the tactical nuclear forces deployed in Western Europe; a 45-percent increase in the number of combat-ready Army divisions; a 44 percent increase in the number of tactical fighter squadrons; a 75-percent increase in airlift capability; a 100-percent increase in general ship construction and conversion to modernize the fleet; and an 800-percent increase in the special forces trained to deal with counterinsurgency threats.

There is no decrease in our defense capability. On the contrary, the United States today is stronger than it has ever been, and we maintain the greatest margin of military superiority over our adversaries than has been the case at any time since the start of the cold war.

And all of this has been accomplished in the midst of a cost reduction program which is saving the American taxpayer billions of dollars. Secretary of Defense McNamara recently issued the second annual progress report on his cost reduction program. Here is what the report shows. Savings of \$2.5 billion were actually realized during fiscal year 1964, compared with the forecast of savings of \$1.5 billion. Savings of \$4.6 billion a year by fiscal year 1968 and each year thereafter have been set as the new long-range goal. This is an increase of \$600 million per year over the previous objectives of the cost reduction program.

This program, which is helping to achieve the twin objectives of the required military strength and the lowest possible cost, has three parts:

1. Buying only what is needed to achieve balanced readiness.
2. Buying at the lowest sound price.
3. Reducing operating costs through termination of unnecessary operations, standardization, and consolidation.

The spending policies of the Department of Defense are particularly significant when we realize that this one Department spends over one half of the funds in each year's Federal budget. Over 50 cents out of each

Federal tax dollar you pay goes to the task of keeping our Nation the strongest on earth. I think it is most significant that this administration has placed such emphasis on the dual responsibility of maintaining and increasing our defense capability while, at the same time, making an all-out effort to streamline and modernize our efforts to get the most possible benefit from each dollar spent.

Senator GOLDWATER said in San Francisco, "We can keep the peace only if we remain vigilant and strong. Only if we keep our eyes open and keep our guard up can we prevent war." I am in wholehearted agreement with that statement. This is why I support the present administration so strongly in this area. We are doing just that.

I have, in the past few days, had the opportunity of viewing firsthand our defense capabilities at the "top of the world" in Alaska and Greenland. This is our first line of defense in case of nuclear attack from the Soviet Union. I am proud to be able to report to you that our installations there are most impressive in their efficiency and capability. We have the most modern equipment available, and the most dedicated and well-trained personnel to operate it. My visit to these installations was most reassuring and informative.

I hope to be able to tell you more on this subject in a later newsletter.

Cordially,

GRAHAM PURCELL

S. 1276 *Subj file*
We Build Our Competition With Foreign
Aid Tax Funds

EXTENSION OF REMARKS

OF

HON. BOB CASEY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1964

Mr. CASEY. Mr. Speaker, I have for some time been deeply concerned over the competition we are building abroad under the foreign aid program for our American workers and our industries.

A year ago, the House adopted my amendment to the foreign aid bill which would bring some protection to the jobs and the markets of our taxpayers footing the bill for this program. Unfortunately, the Senate refused to accept it, and it was lost in conference.

On June 10 of this year, the House again saw fit to adopt my amendment. Most of my colleagues know personally of industries in their own districts suffering from a deluge of foreign imports. They have watched, as I have, while our citizens' tax dollars are used abroad to build plants and modernize industries to take away American jobs. The need for my amendment is imperative to turn the spotlight of publicity upon the aid program, so that our people and this Congress will know just what we are building overseas.

Mr. Speaker, my amendment is not restrictive. It allows ample latitude to the Executive to carry out this program.

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Lest there be any doubt about the need for it, I call the attention of my colleagues to a few statistics.

From 1945 through fiscal year 1963, we built, modernized or expanded 179 foreign steel plants; and from 1958 through 1963, we built or expanded 31 pulp and paper plants; 24 chemical plants; 13 aluminum plants; 22 rubber plants; and we made 27 loans or grants for studies and to build plants for petroleum industries.

I did not, at that time, have information covering one segment of our economy suffering heavily from foreign imports—our textile industries.

My colleagues from textile manufacturing areas, and their taxpaying workers dependent upon this industry for their livelihood, will be delighted to know that in the past 5 fiscal years, we built, modernized or expanded 115 textile plants abroad under this program.

As I advised my colleagues a few days ago, I wish to update the statistics I presented to the House on August 22, 1963, on pages 14760-14764 of the RECORD. The statistics I submitted at that time were as complete as possible, but as the Library of Congress researcher pointed out:

The enumeration of total foreign aid to specific industries can be undertaken with only limited success * * * The Agency itself does not compile aid figures according to industry or by name.

Mr. Speaker, I call to the attention of my colleagues the following information for fiscal year 1963 on plants we have built, modernized or expanded for specific industries. In addition, I ask my colleagues to examine the text of my amendment, and if in their judgment it is sound and needed to protect the interests of the workers and industries in their areas, I urge its adoption by Congress. The amendment states:

Page 8, immediately after line 10 insert the following:

"(d) At the end of section 620, add the following new subsection:

"(n) No assistance shall be furnished under this Act for the construction or operation of any productive enterprise in any country unless the President determines that similar productive enterprises within the United States are operating at a substantial portion of their capacity and that such assistance will not result in depriving such United States enterprises of their reasonable share of world markets. The President shall keep the Foreign Relations Committee and the Appropriations Committee of the Senate and the Speaker of the House of Representatives fully and currently informed of assistance furnished under this Act for the construction or operation of productive enterprises in all countries, including specifically the numbers of such enterprises, the types of such enterprises, and the locations of such enterprises."

U.S. AID TO TEXTILE INDUSTRIES IN FOREIGN COUNTRIES FOR FISCAL YEARS, 1958, 1959, 1960, 1961, 1962

The following figures comprise the major aid totals by loans and grants given specifically to textile industries in foreign countries for the 5 fiscal years as noted. Under each country the various contracts or aid projects are given individually. Most of the larger listings is in the form of loans from the Export-Import Bank. Smaller totals represent specific projects sponsored by the

Agency for International Development. In addition to the totals mentioned aid to specific textile activities may also be hidden in disbursements for handicraft promotion centers, technical support, productivity training, industrial education and development, home industries, and vocational education. AID has no breakdown available for distinct projects readily assignable to the textile category.

FISCAL YEAR 1958

| | |
|---|-----------|
| Austria: Textile machinery | \$192,000 |
| Germany: Drycleaning equipment training | 9,000 |
| Greece: Textile training | 18,000 |
| Korea: Silk equipment | 200,000 |
| Philippines: Textile equipment | 7,125 |
| Spain: Textile management | 9,000 |
| Yugoslavia: Textile processing | 41,000 |

FISCAL YEAR 1959

| | |
|------------------------------|-----------|
| Brazil: Textile education | 27,000 |
| Greece: Wool textile methods | 17,000 |
| Iraq: Industrial sewing | 6,000 |
| Nicaragua: Cotton machinery | 53,368 |
| Paraguay: Cotton machinery | 1,000,000 |
| Philippines: | |
| Textile dyeing units | 41,000 |
| Textile equipment | 195,000 |
| Textile machinery | 15,116 |
| Cotton mill equipment | 98,352 |
| Spinning machinery | 141,945 |
| Textile machinery | 1,585,803 |
| Do | 1,661,381 |

| | |
|--------------------------------------|---------|
| Spain: Textile production assistance | 42,000 |
| Yugoslavia: | |
| Cotton textile manufacturing | 81,000 |
| Wool processing | 140,000 |

FISCAL YEAR 1960

| | |
|------------------------------|---------|
| Argentina: Textile equipment | 14,000 |
| Belgium: Knitting machinery | 10,247 |
| Colombia: | |
| Textile equipment | 102,000 |
| Looms | 242,500 |
| Do | 60,000 |
| Textile equipment | 17,554 |
| Textile bleaching equipment | 86,900 |
| Looms | 25,607 |
| Cotton equipment | 210,600 |
| Textile equipment | 20,400 |
| Do | 126,358 |

| | |
|-------------------------------------|-------|
| Korea: Silk manufacturing equipment | 8,000 |
|-------------------------------------|-------|

| | |
|-------------------|--------|
| Mexico: | |
| Looms | 94,901 |
| Do | 46,546 |
| Textile equipment | 15,600 |

| | |
|---------------------|--------|
| Peru: | |
| Textile engineering | 33,000 |
| Looms | 39,600 |

| | |
|--|-----------|
| Philippines: | |
| Textile equipment | 85,328 |
| Yarn dyeing equipment | 69,325 |
| Textile equipment | 394,203 |
| Do | 477,134 |
| Do | 1,750,000 |
| Do | 4,397,495 |
| Yugoslavia: Manufacturing of cotton textiles | 89,000 |

FISCAL YEAR 1961

| | |
|-----------------------------------|---------|
| Argentina: | |
| Sewing machinery | 5,200 |
| Textile mill equipment | 86,000 |
| Do | 72,000 |
| Do | 18,500 |
| Sewing machinery | 186,000 |
| CENTO: Textile development (wool) | 2,000 |

| | |
|------------------------------------|---------|
| Colombia: | |
| Fibers development | 25,000 |
| Textile equipment | 45,500 |
| Do | 45,000 |
| Textile washing equipment | 36,000 |
| Denmark: Textile machinery | 261,000 |
| El Salvador: Cotton machinery | 315,800 |
| Germany: Hosiery textile machinery | 922,500 |
| Guatemala: Fiber development | 3,000 |

| | |
|-----------------------------------|-----------|
| Iran: | |
| Cotton machinery | \$182,000 |
| Do | 90,000 |
| Israel: Textile development | 25,000 |
| Mexico: | |
| Textile machinery | 58,202 |
| Textile equipment | 12,657 |
| Peru: | |
| Textile engineering | 6,000 |
| Textile equipment | 55,602 |
| Spain: Cotton machinery | 61,000 |
| Thailand: Jute mill machinery | 699,000 |
| Uruguay: | |
| Textile equipment | 467,500 |
| Looms | 16,878 |
| Yugoslavia: Textile manufacturing | 7,000 |

FISCAL YEAR 1962

| | |
|--------------------------------|-----------|
| Argentina: | |
| Looms | 186,000 |
| Do | 38,000 |
| Do | 121,000 |
| Do | 78,500 |
| Do | 116,000 |
| Do | 38,000 |
| Do | 268,600 |
| Do | 122,000 |
| Do | 70,000 |
| Do | 81,500 |
| Do | 151,000 |
| Sewing machinery | 35,000 |
| Do | 46,500 |
| Textile machinery | 11,500 |
| Looms | 93,000 |
| Yarn machinery | 17,500 |
| Textile equipment | 218,000 |
| Sewing machinery | 27,000 |
| Brazil: Looms | 61,200 |
| Colombia: Fiber development | 17,000 |
| El Salvador: Textile equipment | 15,693 |
| Guatemala: Cotton equipment | 15,236 |
| Honduras: Cotton equipment | 207,436 |
| Mexico: | |
| Textile machinery | 352,000 |
| Cotton equipment | 67,195 |
| Looms | 51,184 |
| Textile machinery | 25,517 |
| Looms | 42,635 |
| Do | 27,818 |
| Nigeria: Textile plant | 2,000,000 |

| | |
|---|---------|
| Spain: | |
| Textile training | 27,000 |
| Do | 5,000 |
| Cotton machinery | 48,053 |
| Do | 43,572 |
| Do | 48,881 |
| Do | 48,053 |
| United Kingdom: Yarn processing equipment | 23,768 |
| Uruguay: | |
| Textile equipment | 31,743 |
| Looms | 87,181 |
| Venezuela: | |
| Looms | 41,135 |
| Do | 122,524 |
| Do | 120,640 |
| Yugoslavia: Wool textile training | 6,000 |

Sources: Export-Import Bank, periodical loan releases. AID project books by fiscal years.

U.S. AID TO SPECIFIC INDUSTRIES IN FOREIGN COUNTRIES BY GRANTS AND LOANS, FOR FISCAL YEAR 1963

The following figures provide the basic listing of eight industries in foreign countries which have received some form of U.S. aid either by loans or grants during fiscal year 1963. Many of the larger loans were procured through the Export-Import Bank while aid projects were initiated through the Agency for International Development. In the latter instance itemized totals per industry and per country are not specified. Actual aid to the industries covered may also be included among disbursements for productivity centers, mining developments, research centers, metals fabricating plants, engineering laboratories and services, technical support,

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metallic and nonmineral surveys, and industry development and project assistance. The actual aid to the industries in question may therefore be higher than noted.

ALUMINUM INDUSTRY

Ghana: Volta Aluminum Co. \$55,000,000
India: Hindustan fabricating plant 5,000,000

CHEMICAL INDUSTRY

India: Expansion of chemical facilities 7,650,000
Mexico: Soda ash plant 4,000,000

IRON AND STEEL INDUSTRIES

Afghanistan: Iron ore resources 210,000
India:

Bokaro steel plant 750,000
Steel training 580,000
Forging factory 3,908,000
Locomotive plant 19,000,000
Korea: Iron ore production 37,000
Spain:

Foundry services 10,000
Expansion of steel plant 6,600,000

Japan:

Iron and steel facilities 26,000,000
Expansion of steel facilities 18,500,000

Philippines: Iron ore concentrator mills 5,000,000

Italy:

Expansion of steel plant 25,000,000
Steel rolling plant 5,000,000
Steel mill expansion 50,000,000
Steel machinery materials 130,000,000

Chile: Expansion of steel plant 8,300,000
Mexico: Expansion of steel plant 16,900,000

Peru: Iron ore facilities 1,250,000

PETROLEUM INDUSTRY

Pakistan: Gas treating plant 2,800,000

PLASTICS

Nil.

RUBBER INDUSTRY

Guatemala: Rubber development 26,000
Thailand: Tire and tube plant 5,000,000

Dominican Republic: Rubber goods production 24,600

PULP AND PAPER INDUSTRY

Iran: Lumber for pulp 18,000
Nepal: Forest products development 244,000

Egypt: Cellophane plant 3,000,000

Laos: Lao photo press 84,000

Philippines:

Pulp and paper mill \$100,000
Machinery for pulp making 74,200

Uruguay: Pulp and paper machinery 450,000

TEXTILE INDUSTRY

India: Rayon tire cord 9,800,000
Spain: Textile production 27,000

Yugoslavia: Wool textile production 6,000

India: Yarn manufacturing plant 4,700,000
Greece: Cotton yarn mill 3,000,000

Mexico:

Looms 42,840
Do 33,201

Sources: Export-Import Bank: loans fiscal year 1963.

AID: Project Survey for fiscal year 1963.

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