

Office of the  
COMMONWEALTH OF PUERTO RICO  
2210 R Street, Northwest  
Washington 8, D. C.

\_\_\_\_\_ 2/9/59

MEMORANDUM

To: Arturo Morales Carrión

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*Transfer a to*  
*memo.*  
*[Signature]*

The attached refers to a subject  
in which you are interested and  
is referred for your information.

Yours very truly,

*Luis A. Gonzales*

Excerpt from Congressional Record of  
Feb. 5 - Inter-American Relationships

Miss Jo Ann Hyde, Robert, Louisiana Market Poultry Show, Alexandria.

Miss Joan LaBorde, Marksville, Louisiana Livestock and Pasture Festival, Marksville.

Miss Marey Lancaster, New Roads, Louisiana Sugar Cane Festival, New Iberia.

Miss Raedonna Lantz, Eggen, Louisiana Farm Bureau Federation Festival, Baton Rouge.

Miss Pauline Lassere, Lafayette, Southwest Louisiana Mardi Gras, Lafayette.

Miss Phyllis LeBlanc, Delcambre, Future Farmers of America, Baton Rouge.

Miss Sandra Lynn Lemoine, Ville Platte, Cotton Festival, Ville Platte.

Miss Gladys Mestayer, New Iberia, Louisiana Dairy Festival, Abbeville.

Miss Tommie Jean Rayburn, Bogalusa, Louisiana Paper Festival, Bogalusa.

Miss Linda Marie Sullivan, Buras, Louisiana Orange Festival.

Miss Saliye Ann Sumlin, Delhi, North Louisiana Delta Festival, Bastrop.

Miss Camille Woodall, Oakdale, Forest Festival, Winnfield.

The maids, or ladies of the court, are Miss Mary Ann Basnight, Silver Spring, Md.; Miss Elizabeth Beyt, St. Martinville, La.; Miss Corinne Boggs, New Orleans; Miss Nina Claire Breaux, Carencro, La.; Miss Judith Rebecca Fletcher, Alexandria, La.; Miss Sandra Lynn Girouard, Kaplan, La.; Miss Tony Landry, New Iberia, La.; Miss Susan Virginia Phillips, Lafayette, La.; Miss Lynn Prescott, Bethesda, Md.; and Miss May Del Tinsley, Point a La Hache, La.

Also to be presented will be Miss U.S.A. Miss Arlene Howell, of Bossier, City, La., appearing through courtesy of Warner Brothers Pictures; and Miss Elizabeth Coit, of Newellton, champion yam cook of Louisiana.

Louisiana's senior Senator ALLEN J. ELLENDER is chairman of this year's Mardi Gras Ball, with President Felix M. (Dan) Broussard, of the Louisiana State Society, in general charge of arrangements, and United States Senator RUSSELL B. LONG, of Louisiana, directing the Krewe of approximately 75 costumed and masked funmakers who contribute much to the merriment and gaiety of the event.

Members of the king's committee, from Louisiana, are R. J. Castille, Lafayette, chairman; J. J. Arceneaux, Opelousas; A. D. Miller, Lafayette; State Senator G. A. Ackal, New Iberia; A. A. Gonsoulin, Sunset; Mr. and Mrs. Milton Knox, Lafayette; and Robert Pettit, Lafayette.

Prominent Louisianians who will escort the ladies of the court include Lt. Gov. Lether Frazer, Warren Rabb, Ham Richardson, Paul Wooton, Bobby Baker, Dr. G. A. Ackal, J. J. Arceneaux, A. D. Miller, George Pettit, and Milton Knox. Coach Paul Deitzel, of Louisiana State University, will escort Miss Howell, and Billy Cannon will be the escort of Miss Coit.

Several young men from Louisiana attending school in Washington or assigned to the military service in this area will be among the escorts of the festival queens.

Among the many visitors to Washington to attend the Mardi Gras Ball from my congressional district, are Mr. Branan Beyt, king of the Louisiana Sugar Festival, and Mrs. Beyt; Mr. and Mrs. George Mestayer, New Iberia, parents of the queen of the Louisiana Dairy Festival; Dr. G. A. Ackal, State senator, New Iberia; Mr. and Mrs. Milton Knox, Mr. and Mrs. Jack Hayes, and Jack Francisco, all of Lafayette; Mayor Roy Theriot, of Abbeville; Benny Blakeman, clerk of court, of St. Mary Parish, and Jimmie Willis, of St. Martinville.

Other events, in connection with the Mardi Gras observance, were the king's reception at the Sheraton Park, a dinner and program in the blue room of the Shoreham Hotel, and a luncheon in the former U.S. Supreme Court quarters in the Capitol.

#### DISASTROUS AIRPLANE CRASH

(Mr. LINDSAY asked and was granted permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. LINDSAY. Mr. Speaker, I have just finished sending notes of sympathy to the families of three of my constituents who lost their lives in the disastrous crash day before yesterday of an American Airlines plane at the LaGuardia Airport. The names of the victims are: Edward N. Benjamin, 1155 Park Avenue, John A. Hermann, 955 Park Avenue, and Peter Kefalas, 215 West 34th Street—all of New York City.

The tragedy and heartbreak of this event are unspeakable. One of those killed was Edward N. Benjamin, known to me chiefly by reputation as a young lawyer, a member of a leading law firm, and a promising leader of the community. To his widow and his children, and to the families of John Hermann and Peter Kefalas, go the sympathy of the entire community.

The rest of the country has suffered indescribable losses in the same manner.

I am aware and appreciative of the record of American Airlines for safety. Nevertheless, I deem it the responsibility of the Congress to see to it that the examination of the crash, the circumstances, and the reasons are fully and publicly explored.

#### INTER-AMERICAN RELATIONSHIPS

The SPEAKER. Under previous order of the House, the gentleman from Florida (Mr. SIKES) is recognized for 30 minutes.

Mr. SIKES. Mr. Speaker, we are living in a period of history when economic vision is needed as never before. The age-old concept of national self-sufficiency is out-of-date. Our modern needs are so all-comprehensive that we must have close ties with the countries in the whole world, especially countries in our own hemisphere. Our progress and safety in the Western World can only be found in genuine partnership by combining our resources and sharing them for better living in many fields.

One outstanding feature of our Western Hemisphere relations concerns the

enlightened long-run self-interest which our countries have usually demonstrated in their international relationships. Never before have we in the Western Hemisphere had such a growing opportunity for consolidating our hemispheric solidarity by applying a greater concept of interdependence to our economic relationships.

Mr. Speaker, on August 20, 1959, I expressed my full support for an Inter-American Bank before this great body. At that time I was concerned over the apparent lack of active support being shown by the United States for this institution. However, I am glad to say that today the establishment of an Inter-American Bank is more than an idea without concrete proposals.

Since the mid-thirties there have been demands for an institution of this kind which would assist in promoting the economic development and the economic cooperation of the Latin American countries. The Latin American countries are our next door neighbors, and I feel they are ready to accept their responsibility in a cooperative effort for solidarity of purpose among the Americas.

In the past the United States has refused financial support for the proposal. Recently, the policy of nonsupport has changed and we now find that the United States is presently engaged in negotiations with our Latin American neighbors looking toward the establishment of such an institution which would, in the words of the President, "facilitate the flow of public and private capital for economic development projects in this hemisphere and would supplement existing lending arrangements." Inasmuch as these negotiations are now in progress I would not like to prejudice the position of the U.S. negotiators or inhibit our Latin American friends from putting forth specific proposals of their own by making detailed proposals of my own. I do feel, however, that it is both timely and appropriate for me to point out certain aspects of such an institution which I hope will be fully explored in the creation of the proposed bank. I also feel that the American people must be kept aware of developments along these lines and that they be assured the new lending institution will not be just another segment of the foreign-aid program, but that it will be founded on Democratic principles with all of the Latin American countries making appreciable contributions to its capital and that they take an important role in the management of its operations. In the study I have made of the proposal and our policies, I am glad to say that I see a great future for the Inter-American Bank. This contemplates a future not dependent upon the sacrifices of the peoples of the United States, but a future based on sound principles of business principles through the cooperative efforts of the peoples of the Americas.

During the negotiations which are currently underway, it is my hope that all delegates will bear in mind that the paramount purpose of an Inter-American bank should be to support the economic development of Latin America.

existing institutions which have contributed importantly to the reconstruction of Latin America as one of the total task of assisting the reconstruction and development of countries over the world. On the national level the Export-Import Bank has directed much activity toward facilitating investment in Latin America where that investment is directly associated with the export of U.S. goods and services.

The desirability of the new institution in the eyes of our neighbors is that it will concentrate specifically on the problems of Latin America. While the stage of economic development in Latin America varies substantially from country to country, the development problems of the area have many features in common. All the nations in Latin America have passed the earliest stages of industrialization; some of them have attained a high degree of industrialization, though usually in a relatively limited range of goods.

The Latin American countries are unique among the less developed countries of the world. They have a common heritage and have shown a real desire for mutual cooperation in achieving further economic progress. The proposed bank must be built upon this acceptance of the principles of mutual cooperation. With all the member countries' contribution to the capital of the institution and sharing the responsibilities as lender and borrower, I am confident a new sense of continental and hemispheric solidarity will be stimulated.

I believe the new institution must be differentiated from existing institutions as well in the sense that the provision of technical advice and assistance must play a more important role in the operations of the new bank. As you will recall Dr. Milton Eisenhower and many others have suggested that investment in certain countries of Latin America has lagged because investment proposals presented to existing institutions have shown inadequate preparation. The proposals lacked studies and analyses required to reach a sound judgment relative to the feasibility of the proposed operation. I am referring to the type of study which examines the availability and the cost of raw materials to be used in a given process and the availability and source of necessary power—the type of study which contains an analysis of the potential market and includes forecasts of probable costs and selling prices. Studies of this nature were frequently not available simply because skilled personnel were not readily accessible to the potential borrower. This is an area in which I hope the proposed Inter-American Bank will make a substantial contribution. Such technical assistance will open many opportunities for sound investments which will not only return a profit to the bank or to the private investor undertaking the project, but will contribute in an important way to broadening the base for further industrial and agricultural growth in many areas of Central and South America.

It should be clearly understood by all concerned that the new institution is not intended to supplant any existing lending agency in this field. However, the new institution must seek the full cooperation of these agencies in performing its functions. Perhaps even more important, it should seek to stimulate the flow of private investment capital into Latin America. Latin America enjoys an extremely favorable position from the standpoint of the American private investor. Thirty percent of the total U.S. private investment throughout the world is located in Latin America, and in 1957 alone the value of these investments increased by \$1,658 millions.

The new institution will have a vast opportunity to stimulate private capital flow into the Latin American countries. In its early years of operation it should by identifying and removing certain bottlenecks open up profitable opportunities for the employment of private capital. It should also assist in the preparation of sound investment projects and perhaps add its guarantee to sound projects in order to give the private investor greater assurance that his capital will be wisely used.

In considering the many functions of the proposed new bank, consideration should be given to those countries which do not appear to have the capacity to repay foreign loans in a fully convertible currency. I believe, however, those countries might acquire that capacity in the future if they are given access to capital resources and apply them wisely. For this reason, I would favor combining in this institution the power of making loans which would be repayable in the currency of the borrower—referred to as soft loans. Soft loans should be a subordinate part of the total operations of the bank and must necessarily be handled in a manner to prevent any impairment of the value of the institution's assets. Funds for this operation should be kept separate from resources available for hard loan operations with all countries participating contributing to the resources for both operations. With such participation, the institution will be truly inter-American.

There have been many differing views about how large this institution should be. To me, the size of the institution is secondary. The important thing is to establish the institution and put into operation an effective organization for inter-American cooperation. We have witnessed in the past a weakening of relationships with Latin American countries. The proposed Inter-American Bank can be a contributing force to restoring close contact and cooperation among and with our neighbors.

I wish to draw attention to another Latin American problem that has been somewhat overlooked—namely a rise of productivity commensurate with population growth. The population of Latin America today is approximately equal to that of the United States. Her annual increase of 2.5 percent will give her a population well in excess of that of the United States by the year 2000. The needs of this phenomenally growing population is not being met current-

ly by its own production and certainly the needs of the population by the year 2000 will not be met unless its rate of productivity is stepped up. We have noted what remarkable results have been obtained from our investments, but the sad fact remains that even if our investment were to be doubled, the increase in productivity will not be commensurate with the growth of the population nor able to supply their basic needs for consumer goods. If our investments are to achieve the purpose envisioned for them, we must provide the growing Latin American population with a rising per capita real product.

The establishment of the Inter-American Bank which I have consistently supported and the increased private investments which can be expected, together with the present assistance programs and institutions will add great momentum to the economic development of the Latin American countries. If this institution is to be a success, it must seek to inspire the confidence of the private investment community in the United States and in other capital countries. It must also inspire the confidence and cooperation of existing institutions working in the same field. And, it must never overlook the fact that it was established for the purpose of promoting Inter-American development and cooperation.

Mr. Speaker, I am most encouraged with the progress made toward establishing the Inter-American Bank since my statement in August of last year. While much work remains to be done, I feel we are now approaching the time when such an institution will be a reality. I hope my distinguished colleagues will join with me in urging the early approval of this important institution—important to the economical development of our neighbors, and important to the mutual understanding and cooperation of all the countries of the Americas.

#### BUDGET BALANCERS VERSUS BUDGET BUSTERS

The SPEAKER. Under previous order of the House, the gentleman from Washington (Mr. MACK) is recognized for 15 minutes.

(Mr. MACK of Washington asked and was granted permission to revise and extend his remarks and include certain tables prepared by the Library of Congress and himself.)

Mr. MACK of Washington. Mr. Speaker, President Eisenhower has proposed a \$77 billion balanced budget for the coming year.

I note in the newspapers that some of the President's balanced budget opposition calls this \$77 billion balanced budget unrealistic, inadequate, and unattainable. Some budget busters even have denounced it as a pennypinching and a cheapskate budget.

How times have changed. When President Woodrow Wilson proposed the Nation's first billion dollar peacetime budget his was called an extravagant and a spendthrift budget. Now, 40 years later, when President Dwight