

to get at least a minimum program for our Latin American neighbors passed. Certainly his strong voice in behalf of it will mean a great deal.

**THE DIRECTOR OF THE BUDGET, AND REDUCTIONS IN THE BUDGET**

**MR. FULBRIGHT.** Mr. President, I have noted with deep regret the attack upon Mr. Percival Brundage, the Director of the Budget, made before the chamber of commerce yesterday, in which, according to this morning's paper, his resignation was called for. I particularly regret that the attack was made by a Member of the Senate, who made it, he said, "without prejudice to President Eisenhower, for whom I have the greatest respect."

I regard Mr. Brundage as one of the most enlightened and discriminating and courageous Directors of the Budget that we have had in a long time.

It is quite evident to anyone who glances even casually at the budget that real, substantial reductions can be made only by trimming some aspect of the swollen and extravagant Defense Establishment.

It seems to me to be quite unfair to suggest that eight or nine billion dollars can be cut without reducing military appropriations.

That being so, whose responsibility is it to suggest cuts in the military budget? Especially is this so when the President and Commander in Chief is a famous general.

Why should Mr. Brundage, an enlightened and civilized man, with a deep understanding of national and international affairs, be singled out for condemnation, and the President excused from any responsibility. That on its face seems to me to be extremely unfair and unwarranted.

The implication that the President is being led around by his subordinates seems to me also unwarranted.

I deeply regret that such a personal attack has been made upon a fine public servant, the Director of the Budget.

**DEVELOPMENT OF PHOSPHATE ON THE PUBLIC DOMAIN**

**MR. SMATHERS.** Mr. President, as acting majority leader, I move that the Senate proceed to the consideration of Calendar 289, Senate bill 334, a bill to amend section 27 of the Mineral Leasing Act of February 25, 1920.

**THE PRESIDING OFFICER (Mr. YARBOROUGH in the chair).** The clerk will state the bill by title for the information of the Senate.

**THE LEGISLATIVE CLERK.** A bill (S. 334) to amend section 27 of the Mineral Leasing Act of February 25, 1920, as amended (30 U. S. C. 184), in order to promote the development of phosphate on the public domain.

**MR. CARLSON.** Mr. President, may I inquire of the distinguished acting majority leader whether the matter has been cleared with the minority leader, the Senator from California (Mr. Knowland)?

**MR. SMATHERS.** I understand it has been cleared by both sides.

**THE PRESIDING OFFICER.** The question is on agreeing to the motion of the Senator from Florida.

The motion was agreed to, and the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs with an amendment.

**HORATIO ALGER AWARDS**

**MR. DIRKSEN.** Mr. President, it has become a familiar story, in election years, of the rise of men from humble beginnings to positions of great public trust. I am proud to say that my own career has paralleled this typically American story. For my parents were immigrants who came to a new country, raised a family, and in the great American tradition, after having served in World War I as an enlisted man who was commissioned in the field, I returned to set up a small bakery with my brother. It was from this baker's bench that I came to Washington first as a Congressman, and now serve here as a United States Senator.

So I am pleased that the story of businessmen who have followed the same course should have been, at long last, recognized by the American Schools and Colleges Association by the Horatio Alger award, which is just 10 years old this year. From the many thousands of men who have risen from humble beginnings, they select each year a chosen few who best epitomize the American tradition and at the same time prove their right to such recognition by their own contributions to America and their home communities.

Next week, May 9, in New York, Dr. Norman Vincent Peale, chairman of the Horatio Alger Awards Committee, will present five such awards to men who follow in the footsteps of Herbert Hoover, Bernard Baruch, and Dr. Milton Eisenhower. Numbered among them will be two men from my own State.

The first is Louis Zahn, who began his business career helping out with the family's finances. He sold chewing gum at the age of 6, in Chicago. Then he had a newsstand. In 1932, when thousands of others were discouraged, he borrowed \$225 and started a drugstore. Today he heads his own \$10 million drug chain.

The second man, Dr. John J. Sheinin, is closer to my heart, for he fled from his native Russia during the Kerensky revolution, in which he was very nearly shot. Penniless and unable to speak English, he yet reached his goal and became a doctor. As head of the Chicago Medical School, he found similar problems for the school was not recognized by the American Medical Association and the American Hospital Association. He brought the school through that stage, and today, after 25 years with the medical school, it is recognized and successful, turning out students who achieved top honors before national examining boards.

If ever two men symbolized the Horatio Alger awards, certainly these two

Illinoisans do. It is my proud privilege to bring their records to the attention of my colleagues in the Congress as reminders of the great country in which we live, and in which opportunity still lies ahead for men of ambition and vision, no matter how humble may be their start in life.

**ORDER FOR ADJOURNMENT TO MONDAY**

**MR. JOHNSON of Texas.** Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until 12 o'clock noon on Monday next.

**THE PRESIDING OFFICER.** Without objection, it is so ordered.

**ORDER FOR CALL OF CALENDAR ON MONDAY NEXT**

**MR. JOHNSON of Texas.** Mr. President, I ask unanimous consent that on Monday, following the completion of the morning business and the consideration of the executive calendar, there be a call of the calendar, from the beginning, of measures to which there is no objection.

**THE PRESIDING OFFICER.** Without objection, it is so ordered.

**THE BUDGET**

**MR. JAVITS** obtained the floor.  
**MR. CARLSON.** Mr. President, will the Senator from New York yield so that I may suggest the absence of a quorum.

**MR. JAVITS.** I yield for that purpose.  
**MR. CARLSON.** Mr. President, I suggest the absence of a quorum.

**THE PRESIDING OFFICER.** The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

**MR. BUSH.** Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

**THE PRESIDING OFFICER.** Without objection, it is so ordered.

**MR. JAVITS.** Mr. President, I have waited some days before speaking to the subject to which I intend to speak today, in order to proceed with the subject very carefully, and also in the hope that perhaps it would be taken up by other Senators, as in part it already has been. I believe the time has come to marshal into perspective our present situation in respect of the administration's action on the budget, and what needs to be our action in Congress.

The battle of the budget has been joined also as the battle of the administration. Second thoughts on the budget are now due. There is no question about the deep interest of all our people in economy in Government, minimizing the effect of Government spending on inflation and reducing the tax load as far as practicable.

I think we should be cognizant of the fact that under the cover of the great public interest in budget cuts, however, may now be discerned other interests regardless of party, who seek a return to a

Dr. Ambrósio Carlos Finlay, Cuba, in 1897 and later against yellow fever, which was started many years ago.

Of special interest are the several loan agreements made under the terms of the amendment and signed earlier this week. One of the first to be signed was an agreement with Panama for a loan of \$2 million for the construction of water and sewage works in the city of Panama. President Ernest de la Guardia told me last fall that the problem of sanitation and sewage disposal was of paramount concern to him. He pointed out to me that it was a problem that also affected United States citizens living in the Canal Zone, and that a solution to it was necessary for the welfare of both United States citizens as well as Panamanians living in the city of Panama. The project was engineered and planned in 1951, but action was stalled for lack of funds. Panama is now putting up \$1,815 million, and has agreed to repay the loan in 20 years with 3 percent interest.

The loan being made to Costa Rica is especially heartwarming and promising. Like the Panama agreement, this is a loan, payable with interest. It is for \$2 million, the money to be used to rejuvenate the children's hospital in San Jose. Presently there are about 400 children in a 200-bed hospital which has grown up over the centuries. The Costa Rican Legislature demonstrated its enthusiasm for the loan by passing enabling legislation in 3 days. Moreover, news of the loan created such local interest that the government was able to raise a public subscription of \$180,000. The government, in the meantime, has budgeted for the hospital for the next 10 years. It is hoped, moreover, that improvements in the children's department will lead later to improved techniques in other hospital branches. A United States Embassy dispatch characterized the loan as follows:

It is doubtful whether it would have been possible to find any other cooperative project which would create more goodwill than this one.

Healthy children, goodwill, and a thoroughly cooperative venture—what greater bargain could we hope to achieve with our foreign aid? Remember, too, that this is a loan, not a grant. It is the vital catalyst for making much-needed modernizations, while at the same time maintaining everyone's self-respect.

In Chile a series of fortuitous circumstances made the terms of the special fund uniquely suitable. There exists in Chile a core of highly trained scientists and technicians, but too few to supply the minimum needs of the country. Moreover, they lack properly trained supporting personnel. In addition, the paucity of scientific publications, journals, and properly equipped research laboratories makes it difficult for them to keep up with the latest developments in their respective specialties and to develop other technicians.

Recognizing the need to increase the number and improve the quality of adequately trained scientists and technicians, the Chilean Congress in 1954 enacted a law which created the universities' construction and research fund.

The law provided that, from January 1, 1956, and for a period of 20 years, one-half of 1 percent of all government revenues shall be devoted to the fund. The money allotted to the fund is to be spent in the construction, equipment, and installation of experimental stations, laboratories, and other institutions devoted to scientific research in the seven universities. Administration of the fund is entrusted to a council of rectors composed of the rectors of the seven Chilean universities.

One of the first steps taken by the Council of Rectors was to request technical assistance from the United States mission in Chile for the planning and implementation of a scientific and technological research program. An expert from the National Research Council was sent to Chile to make a preliminary survey of the country's needs. Then Dr. Ralph Krause of the Stanford Research Institute made some followup recommendations to the Council of Rectors, a principal one being that the future of scientific and technological research in Chile depended upon intensive scientific training at the undergraduate as well as graduate levels.

There was great enthusiasm for carrying out Dr. Krause's recommendations. But the ever present question of how improvements were to be paid for arose. At this point the Council of Rectors, unofficially and without reference to any special United States fund, approached the ICA mission in Chile on the feasibility of obtaining a loan to implement Dr. Krause's recommendations. Fortunately, at this time, the amendment to the Mutual Security Act for fiscal 1957 had been passed, and the project eminently qualified for a loan under the terms of the act.

On Monday the Chilean Government signed for a loan of \$850,000. Part of the funds will go toward establishing a central library for the seven universities. About \$700,000 will be expended for modern equipment, instruments, and materials for the laboratories of the 7 universities. The ICA mission in Chile considers the new project, and I quote, "a brilliant opportunity of furthering good relations among Chilean institutions of higher learning, the United States Government and other agencies, thus helping to counteract the Marxist influence that has been in evidence in some of the Chilean universities." If the materials made available under the loan improve scientific training in Chile, I will consider the project of extreme importance in aiding in the long-range economic development of the country and its political and economic stability.

Mr. President, I think it could be well stated at that point that it is unbelievable of me, after their people have said these kinds of things about this program, that ICA would somehow continue to oppose this particular amendment.

Two million dollars for a very different purpose has been lent to Peru. In Peru there is grave fear that population pressures on the congested altiplano, accentuated by drought and by its accompanying hunger and despair, will lead to per-

manent poverty and social chaos. Meanwhile, Peru possesses vast agricultural lands which he fallow because they have never been penetrated by roads. The loan is to be used to open land for resettlement of thousands of Indian families. The Peruvian Government will undertake all the costs of building the settlers' housing and facilities and easing the transition period for the settlers' families until the farms become productive.

Again may I remind you that this is a loan, payable in 20 years with interest. Yet it provides the Peruvian Government the opportunity to give hope to a large, depressed segment of its population that might otherwise seek a violent solution for its otherwise hopeless status quo.

From the special fund for Latin America, Ecuador is also to receive a loan of \$2 million for financing an imaginative land resettlement project, while Paraguay is the recipient of a \$1 million loan for agricultural and industrial development in its exemplary Mennonite colonies.

I feel we have made a beginning on a valuable new type of assistance to our Latin American neighbors. Rather than watch from the sidelines as conditions deteriorate, we have found a mechanism for attacking some of the basic problems of our friends. In the last analysis, the United States stands to benefit enormously from the increasing prosperity and stability that will accrue from each small seed of help that we extend.

I cannot repeat too often that these are loans, not handouts. This is the type of assistance the Latin Americans have been urging for a number of years. It is the type of assistance that will help them in achieving their objective of political and economic stability. It is the type of assistance that will promote minimum standards which will create an atmosphere that will attract the investment of private capital. Until these minimum standards are achieved, private investments will not flow into these areas. No one desires to invest capital in any area where disease, pestilence and illiteracy are major factors. It is therefore highly improbable that private investments would do anything about health, education and sanitation projects, for there is no immediate and direct monetary return in promoting them. Private investment today is attracted to only those countries in Latin America where at least minimum standards have already been achieved in these fields. These are few countries indeed. As a matter of fact, over 69 percent of private investment is in 5 Latin American countries, namely, Brazil, Chile, Cuba, Mexico, and Venezuela. We must remember that there are 15 other Latin American countries, many of whom have not been able to develop an atmosphere which would attract private capital. Yet it is exactly in these fields that many of the Latin American countries are badly in need of temporary assistance, and where the loans provided for under the amendment which I introduced last year will be most effective. We want to rely on private capital to develop those areas but certain minimum health, education, and sanitation stand-