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formation agencies of the Government. We do not stop spy activities. All governments practice that, particularly in this space age when it has become more necessary. But we disassociate humanitarian and altruistic objectives from spying objectives. We do not make our most altruistic people into spies. We do not make them secret spies when they are engaging in an altruistic capacity—that is, to help other people.

Mr. President, I yield the floor.

BRAIN DRAIN

Mr. McCARTHY. Mr. President, Senator MONDALE spoke last month at the University of Minnesota to the delegates at the Conference on Higher Education and the International Flow of Manpower: Implications for the Developing World.

Senator MONDALE has given close study to this issue. In his address, he reviews the extent and effects of the problem. He also outlines several proposals for assisting talented citizens of developing nations to follow professional careers in their own homelands.

I ask unanimous consent that his address be printed in the RECORD.

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

THE BRAIN DRAIN: IMPLICATIONS FOR EDUCATIONAL AND PUBLIC POLICY

(Remarks by Senator Walter F. Mondale, University of Minnesota, April 14, 1967)

I hope that President Wilson, Will Cochran, Bill Rogers, and Forrest Moore will forgive me for saying this, but it is a real disadvantage to be booked for the afternoon of the final day of a star-studded conference. It's much more comfortable to give a keynote speech and sort of "set the tone." At that point in a conference the audience hasn't already heard most of the things you plan to say.

WHAT IS OUR POLICY

But more seriously, I am happy that you are ending your conference with the question of policy—how we in the government and you in the universities should perceive the brain drain, and what actions may be warranted by our perceptions.

For I think it is important that we not content ourselves with cries of alarm, or cries of alarm at the alarm of others, as the case may be. We must consider the difficult next step—what changes, if any, the fact of the brain drain should bring in our public institutional policies.

WE MUST ACT NOW

For while our knowledge of the brain drain is not detailed and catalogued, we do know as a fact that it exists. And because it is a fact, I am not one of those who feel that we should wait until we have absolutely precise statistics. I am certain that we could research this problem up and down and in every other direction that the fertile academic mind can devise. This study should be undertaken.

As stated in the Pan American Health Association's report on the brain drain from Latin America: "The formulation of policies in this field does not depend on precise statistics; knowledge of the general magnitude, nature, and causes of a problem is an adequate guide for action."

Research should not be a substitute for decision-making. The two should go forward hand in hand, each supporting and reinforcing the other.

I want to devote most of this short state-

ment to the kinds of action I think we should consider.

THERE IS A SERIOUS BRAIN DRAIN

But first I would like to summarize briefly the evidence which has led me to see the brain drain as one of the neglected problems of our day.

I found it serious last year when the figures of the Immigration and Naturalization Service indicated that about 30 per cent of our foreign students from Asia adjust their status to permanent resident. I find it serious today.

Recent figures, in fact, indicate that this percentage may be rising. There were 3,351 such adjustments in fiscal 1966, up from 1,586 in fiscal 1965. Since 1965 showed a decline from 1964, it is hard to call this a trend. But there certainly is no trend in the other direction.

Mr. W. Wallace Maner, Foreign Student Advisor at the University of Iowa, studied 905 foreign students who attended that University in the 1950's. He found that a total of 590—or 55 per cent—are still in the United States.

The brain drain in medicine is a national disgrace. The percentage of foreign-trained residents and interns in our hospitals has soared from 9 to 29 per cent in just 15 years. Today over 8,000 of these residents and interns are from developing countries. An estimated 25 per cent of them will never go home.

Too much can be made of numbers when developing nations are the subject. In 1963, only 16 Nigerian doctors were working in American hospitals. Does that number seem insignificant? Only to an American.

To a Nigerian it means that nearly a year's production of doctors from that nation's single medical school have left the country. And the physician-population ratio was one doctor for every 33,000 people. Compare that to one doctor for every 670 people here in the United States.

It is important not to mask the impact of the brain drain by talking in large numbers. The loss of a brilliant student or a highly skilled professional is a serious threat to the development of a poor nation.

BACKLASH

The recent wave of concern over this problem has been followed by a wave of skepticism. There is a brain drain backlash of sorts. Last year some high government officials were calling the brain drain one of the great unresolved problems of our time. Today they are using almost identical statistics to argue that the problem has been grossly exaggerated.

Kennedy Committee testimony shows this subtle governmental change—an apparent attitude that basically the world is more ideal now than it was in the last decade.

Their perceptions of the problem appear to have changed. So have mine. They have been broadened immensely by the discussion that has taken place during the past year. But in one important respect, my perceptions have not changed. I still see the brain drain from developing nations as a potential catastrophe.

For a talented professional or student is more than mere manpower in a developing country. He is a leader, or a potential leader, in his nation's upward movement from colonial subservience to full participation in the world community.

This nation has committed itself to helping the poor nations. It is committed to the relief of suffering and starvation, of course. But it is committed also to a variety of programs, both unilateral and multilateral, which aim to help poor nations develop the economic and political stability that will bring independence and full participation. Among these are AID programs, Food for Peace, trade assistance, and population control.

We have said that we believe this policy

will serve the best interests of our own security and wealth. Our President is currently in Punta del Este to help carry out our belief in this policy. And despite our peculiar American need to justify everything we do on grounds of selfish interest, we are deeply committed to this policy because we believe that it is right. As the son of a Protestant minister, I would like to refer you to a recent statement of a Catholic pontiff;

"For if the new word for peace is development, who would not wish to labor for it with all his powers?"

All of these emerging nations have a tremendous demand for imaginative, creative leadership—in their governments, in their economies, in their universities, and in their schools.

When we remove leaders and potential leaders from these nations, we clearly set back their hopes for development. Ultimate peace in our world depends in great measure on steady progress and development in these countries. The brain drain is a potential threat to that peace.

Technical aid is simply not an adequate substitute for dealing with the brain drain. Native leadership is the critical ingredient. Without it, our aid will likely have a marginal effect at best.

We must face up to our own involvement in the brain drain. We must ask whether we are laboring for development with all our powers.

You will notice that I am concerned almost entirely with the flow of manpower from developing countries. The distinction is an important one.

From some European countries, particularly Britain, the brain drain is very substantial. But it is well within the means of these countries to provide the incentives which would reduce the flow, or at least compete for talent, particularly in the strengthened European Common Market nations.

But developing nations cannot compete in salaries and material benefits. And any student or trainee in this country soon learns to appreciate those rewards. It is an essential part of the curriculum.

Furthermore, these nations cannot now create the kinds of institutions and the kinds of opportunities which will attract and retain the very best of their native talent. They cannot, that is, unless they have outside help.

Therefore, we must recognize a responsibility to these nations—a responsibility that must be met by positive action. I would like to put forth a few suggestions.

One step I know we agree on is the need for substantial expansion of opportunities for our own citizens in areas like medicine where we are heavily and unforgivably dependent on foreign talent.

I would feel much better about the proportion of foreign doctors working in the United States if I did not know that hospitals would have to close without them. I have strongly favored federal legislation to support expanded medical education, and I am happy to note that Rep. Albert Quie, my platform colleague here from another party and another philosophy, has also given his qualified approval to such expansion.

OUR IMMIGRATION POLICIES

Immigration policy is a much more controversial matter.

Unlike many others who are honestly concerned with the brain drain, I do not feel that we can ignore our option to deal with the problem in part through immigration policy. There seems little doubt that the Immigration Act of 1965 has brought a substantial increase in the talent drain from some of the Asian countries which can least afford it.

As Assistant Secretary of State Charles Frankel has pointed out, 5,931 skilled Asian immigrants came here in fiscal 1966, when the new law first went into effect. This is

almost triple the number of the previous twelve months.

This change was not only anticipated—it was consciously accepted. Those of us who joined in sponsoring this legislation felt deeply—and still feel—that the national origins quota system was a shameful form of discrimination. We place high value on the free movement of individuals between nations.

Yet this is not an unqualified freedom. We place high value on the free movement of individuals especially if we need their talents and skills.

If free movement were our only value, we would be admitting not only the Indian scientist but also the peasant who could multiply his income and improve his standard of living ten times by becoming a migrant farm worker in this country.

We would welcome not only hundreds of Korean doctors, but also tens of thousands of rural families from Korea whose chance for decent medical care migrates here with those physicians.

These millions of people will not find their opportunities in the United States. If they find them at all, it will be at home. And if they find them, it will be because of the presence of leaders—of people in the institutions of their societies who can help them move forward.

Our principle of free movement is certainly a more convenient principle for the gainers than it is for the losers. But it is not absolute principle with us.

We discriminate—perhaps reasonably—in favor of the skilled and the educated. It also seems reasonable to me to discriminate in another direction—to consider the skilled manpower needs of developing countries as well as the skilled manpower needs of the United States. This might be called discrimination for the millions—discrimination for the “most unfavored nation.”

It is not easy to find tolerable means of doing this. I have proposed that we consider wider use of the exchange visitor visa—requiring more students from developing countries to return home for at least two years before becoming eligible for permanent movement here. I have also suggested that we look into the possibility of negotiating bilateral immigration agreements with the poor nations which suffer most from the brain drain and are taking some steps of their own to eliminate its causes at home. I have suggested a multilateral approach under the auspices of the United Nations.

These specific proposals are not sacred.

Judging from some of the reactions to them, I'd say that some people consider them closer to profane.

It is far, far better, of course, to concentrate on improving incentives for talented people to return to their homelands. Until it is clear that incentives can have substantial impact on the brain drain—and it is not yet clear—we must not discard the possibility of carefully-conceived changes in immigration law.

In addition, I think we must realize that adequate incentives are a false hope unless the Congress appropriates the huge sums that would be necessary. We have to be realistic and recognize the great difficulties involved in relying only on incentives.

SOME NEEDED INCENTIVES

With this qualification, I would like to identify some possible efforts of other kinds—positive attempts to help talented Asians, Africans, and Latin Americans pursue rewarding professional careers in their homelands.

It is true that the poor can only be helped if they are willing to help themselves. If they are not interested, the task is impossible. But surely this does not mean we can abdicate any responsibility for the expansion of career opportunities.

For we could take the same position in regard to food problems or in regard to development efforts as a whole, where we have considerably less responsibility for the symptoms than we do for the brain drain. But we do not take that position. We believe in aiding developing countries that are serious about building better lives for their people.

On the brain drain problem we should do no less.

I believe we should concentrate on two things—providing superior, well-motivated foreign students with an education relevant to the needs of their homelands, and helping to build good and rewarding work opportunities for them and their fellow citizens at home.

Many sincere people in colleges and universities shudder to think of directing students from foreign countries into such programs. Educators pride themselves rightly on their commitment to the development of individuals. One of the purposes of education in this country is still to raise the aspirations of talented people.

But these same educators also take pride in developing new professional programs which meet expanding needs of the society and move toward new horizons. The other day I received a brochure from an American University. In his accompanying letter, the dean expressed his great pride in announcing a new program—an Institute of Space Law.

I wonder. Is there really much difference between raising the aspirations of students to fulfill a manpower requirement of the United States, or a new world, and raising these aspirations to fulfill a manpower requirement of a native country?

I would be willing to bet that that faculty will be recruiting students and guiding them into this new and potentially exciting program. Why shouldn't a university do the same with an Institute of Legal Training for Developing Nations?

OVERSEAS SELECTION

Improving foreign student programs should begin before the students arrive in this country—with a much better overseas selection system.

Respected groups like Education and World Affairs have long advocated such a system. Small-scale efforts have already shown that foreign programs can select students who are capable, highly-motivated, and committed to the progress of their homelands.

This should not be entirely a government operation. Nor should federal officials attempt to dictate university admissions policy. But an important role could be played by a comprehensive screening system to inform and advise our educational institutions as they interpret the paper qualifications of different students.

The government could give such a system substantial financial support. And it could also make use of on-the-spot knowledge of overseas AID officials and Peace Corps volunteers, among others.

When foreign students arrive in this country they should have available to them an education closely related to the problems and needs of their homelands.

I have proposed that the Congress enact a program of pilot grants to support improved foreign student counseling, or special experimental course offerings particularly relevant to conditions in developing countries. An Institute of Legal Training for Developing Nations would warrant such support, for example. But I hope that universities would move ahead in this area whether or not such federal aid becomes a reality.

A vital part of such an education is the proper counseling of students. Here the government can only encourage institutions to keep students interested in and familiar with their homelands and interested in programs aimed at helping their development. Per-

haps there would be ways of measuring practical results. I think so.

There should be nothing distasteful in such counseling activity. The adviser-advisee relationship in our colleges and universities has long been an effective vehicle for developing commitments to our own professional specialties. Advising students from developing countries simply adds another dimension to such relationships.

OPPORTUNITIES AT HOME

The rest of our policy efforts should be directed to helping the foreign student—and the doctor, and the engineer, and the scientist—find and develop a rewarding career opportunity in his homeland.

We have neglected this dimension of our AID programs, and I have proposed making this a major objective of our foreign assistance. We should provide funds to help talented individuals and their homelands create opportunities that will bring this talent home where it is so desperately needed and to plant and provide the seed of future growth within the homeland.

Partly, this is a problem of placement. But there is also another major difficulty. Many home institutions do not welcome the contributions of the talented, well-educated youth. They view him as a threat to his elders rather than as a valued resource.

Closely related is the absence of work conditions attractive to the professional person. He not only needs salary. He needs opportunity to develop in his profession. He needs proper equipment and research facilities. He needs to be able to participate in a professional community which shares his values and his interest.

We can't conquer these problems all at once, but what we can do is to make more funds available for foreign professionals to conduct research in their homelands, as we help them to do in this country. We can do more to support development of higher education and research institutions in Asia, Africa, and Latin America, particularly where the contributions of young scholars will be welcomed. We can work, in short, to make the intellectual and professional communities truly world communities, as we like to claim that they are.

There is an encouraging welter of research projects which have sprung up to gather more information on the brain drain. We should encourage this research.

FACE-TO-FACE DISCUSSIONS

Particularly, we should encourage face-to-face discussions. One of the best ways to find out about the brain drain and get suggestions for its relief should be to ask the assistance and guidance of the nations which are suffering the losses. This is a fairly simple device, but it is not being used much. I am encouraged by what I hear of the coming attempt by Education and World Affairs to do just that.

I have tried to suggest some possibilities. All of them are offered within the framework of a general policy that places the development of emerging nations in the highest possible priority. I hope that our government and our universities and foreign representatives in this country and abroad will take it upon themselves to make intellectual migration truly beneficial for developing nations as well as the United States.

Our policy must no longer be accidental. Above all, it should avoid robbing the poor to give to the rich.

This is doubtless not the work of years, but of decades. But this is all the more reason to begin, without delay. For I am reminded of a story which President Kennedy was fond of telling, of a great man who told a friend that he had to plant a tree in his garden the next day. The friend was perplexed—“What is your hurry; that tree will not bloom with flowers for a hundred years.”

"In that case," said the man, "there is not time to lose. I will plant it this afternoon."

U.S. GOLD POLICY

Mr. McCARTHY. Mr. President, I ask unanimous consent to have printed in the RECORD an article published in the Wall Street Journal on May 9, 1967, written by John Parke Young, entitled, "Should the United States Change Its Gold Policy?"

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

SHOULD THE UNITED STATES CHANGE ITS GOLD POLICY?

(By John Parke Young)

Current debate over U.S. gold policy, particularly whether the U.S. should continue to buy or sell gold freely, has implications far beyond the immediate problem. In the background is the basic question of the role of gold in the modern world and its future as money.

The debate reflects gold's long-term declining importance. It is believed in a number of quarters that the dollar is more valuable than gold, and that gold would depreciate were it not for its convertibility into dollars at \$35 an ounce. Silver ceased to be primary money many years ago after a reign of several thousand years. Is gold now approaching that position?

Few economists or bankers would advocate outright demonetization of gold. Yet most proposals regarding gold and reform of the international monetary system downgrade gold and are steps in this direction. Moreover, an increasing number of persons, while not advocating demonetization, would not consider it a dire catastrophe if we were forced to break the link between the dollar and gold. U.S. gold problems and the difficulties being encountered by this country in achieving constructive international monetary reform make real the possibility that the U.S., either through force of circumstances or by voluntary action, might alter its gold policy. The dollar, which is inherently strong, would be allowed to stand on its own feet and its exchange value staunchly defended.

ONLY THE U.S. CONVERTS

Gold is a problem for the U.S. because of a combination of large holdings of dollars by foreigners and an undertaking by the U.S. to convert dollars freely into gold for central banks. U.S. balance of payments deficits tend to feed these holdings, although the holdings have not grown recently because of reluctance of foreigners to add to them, due to fears that the U.S. might devalue the dollar in terms of gold. The U.S. is the only nation that attempts to maintain any form of convertibility of its money into gold. Current developments thus raise the question how important to the dollar is the tie to gold.

Any move by the U.S. to weaken the link between gold and the dollar would be a major blow to gold. A complete break by the U.S. with gold could precipitate gold's demise as money. In any event, recent developments are undermining the position of gold.

The case against gold is that the total supply of monetary gold and annual increments from the mines are inadequate for the growing needs of world trade. Moreover, the amount of gold is rigidly fixed at any one time, whereas the requirements of the modern world call for a flexible supply of money if inflation and deflation are to be avoided. Within the U.S., the Federal Reserve System alters the supply of money according to the demands of business in seeking to keep the economy on an even keel. Gold reserves, however, cannot be adjusted in this manner.

Growing recognition of these difficulties has led to proposals to supplement gold for

international settlements. Plans for the creation of additional reserve assets, "paper gold," are well advanced. Greater cooperation from Europe, however, in seeking solutions to international monetary problems is sought by the U.S., which believes that time is not unlimited.

For several generations the trend has been away from the use of commodities as money and in favor of money based upon credit. The dollar is thus based upon the credit of the U.S. Government, backed by the vast economic strength of this country. Safeguards against over-issue of money, rather than gold, protect the value of the dollar. The domestic monetary systems of all countries similarly rest today upon the credit of their governments, and the effectiveness of controls against over-issue and inflation.

The dollar, not gold, is the world's monetary unit and the base for other currencies. Foreign central banks seek to maintain the convertibility of their currencies into dollars rather than into gold. Traders want dollars, not gold, and the world's trade is transacted largely in terms of dollars. Dollar bills or checks on New York are readily accepted anywhere. The dollar is thus not dependent upon gold, either domestically or internationally. Continuance of the dollar's high standing is, of course, dependent upon appropriate monetary and fiscal policies by the U.S. and reasonable external equilibrium.

AN EYE ON GOLD RESERVES

So long as the U.S. had excessively large stocks of gold, which lay idle and were almost forgotten, gold had no influence over this country's economic and financial policies. Few people here or abroad knew or cared how much gold was at Fort Knox. When, however, the U.S. lost several billion dollars of gold to replenish depleted stocks of Europe, concern began to develop. Since the U.S. has followed a policy of freely converting dollars into gold for friendly foreign governments, the size of our gold reserve was recognized as related to our commitment to maintain gold convertibility.

The fact is that the U.S. need not undertake to pay gold for its currency to maintain the value of the dollar or to provide for its stability. The value or purchasing power of the dollar domestically is determined by this country's monetary and fiscal policies and the state of the economy, regardless of gold. Stability of the dollar in the foreign exchange market is determined by the convertibility of the dollar into foreign currencies at the established rates. As numerous countries have shown, given proper monetary and fiscal policies, exchange-rate stability can be maintained by the purchase and sale of foreign exchange by the central bank, and without gold movements or exchange restrictions.

The U.S. has large holdings of foreign exchange, and through foreign credits, currency swap arrangements and international Monetary Fund drawing rights, has access to very large amounts of foreign exchange. Payments to foreign central banks that wish to convert their dollars do not necessarily have to be made in gold, but could be made either in gold or foreign exchange at the fixed rate. The U.S. does not need to leave the option to foreigners. We might find it desirable to pay gold, but there are important advantages in making our own decision in each case.

A main advantage would be that de-emphasizing gold would help to eliminate misconceptions as to the strength of the dollar arising from doubts over this country's ability to continue gold convertibility. Such doubts have tended to magnify unduly to the world the problem of U.S. balance of payments deficits, and have contributed to lack of confidence in the dollar. Erroneous views about the dollar have weakened our bargaining position in negotiations for international monetary reform. Elimination of gold convertibility would give the U.S. needed flexibility in utilizing its gold and foreign ex-

change reserves. It would enable us to lead from strength in international negotiations. The dollar is the most stable and strongest currency in the world, and the U.S. need not be on the defensive.

Doubts over gold convertibility have tended to make the payments problem appear as entirely a U.S. problem, minimizing European responsibility for international monetary equilibrium. Since a deficit is only one side of a disequilibrium, surplus countries are also out of balance and have a responsibility in promoting international payments equilibrium.

Declines in U.S. gold and foreign exchange reserves point up the need for it to seek reasonable balance of payments equilibrium. The need for monetary and fiscal discipline would be clear, regardless of gold convertibility. Disequilibrium would be reflected in the state of total reserves, not merely gold, as in the case of other countries.

The present policy of converting dollars into gold at the option of foreign governments serves no essential economic purpose. It does, however, have a psychological aspect, which could be the source of trouble if the U.S. were formally to alter present policy. A formal and sudden policy change could lead to nervousness over the dollar and uninformed forecasts of inflation, devaluation and other consequences. A withdrawal of dollars by foreigners could be expected, which would put pressure upon our gold and foreign exchange reserves.

Even though we could withstand such pressure the economic and political repercussions could be troublesome. A flurry of capital outflow could take place. On the other hand, holders of funds on deposit in this country would find little benefit in transferring them into other currencies. Funds would have no place to go to improve their position.

The psychological shock of ceasing to convert dollars into gold freely would be ameliorated if the alteration were gradual. Through solicitations of cooperation and "voluntary" restraints on the part of central banks in requesting U.S. gold, we are easing into a policy regarding gold similar to that proposed. A formal change of policy could best take place when conditions are reasonably undisturbed.

Proposals that the U.S. stop buying gold, or buy gold only on U.S. terms, involve a more profound change than the exercise of discretion as to whether we redeem dollars in gold or in foreign exchange. Cessation of gold buying would cause gold to be offered to other countries rather than to the U.S. for conversion into money. If other countries felt they were becoming a dumping ground for unwanted gold, in view of fears as to the future of gold and desires to monetize gold, they might refuse to accept it. Other countries, in any event, would review their gold policies and a number might follow the U.S. lead. The situation could snowball and lead to the demonetization of gold.

While solicitations for foreign restraint in asking for gold and the proposal to cease free sales of gold may appear to upgrade gold by conserving our supply, actually the effect is just the reverse. Gold is being pushed further into the background and its influence weakened over economic, financial, and political policies. The link between gold and the dollar is being even more attenuated.

DETERIORATION OF GOLD

The role of gold in our domestic monetary system was reduced close to zero in 1933 and is now merely symbolic. We are presently witnessing a deterioration of gold's position in the international monetary system. Although U.S. balance of payments deficits seem to confirm gold's importance, since gold is used for international payments, nevertheless the effect is quite the contrary. U.S. payments deficits and excessive concern over the U.S. financial position, particularly on the part of European financial leaders, are paradoxically calling attention to the un-