

June 25, 1973

CONGRESSIONAL RECORD — SENATE

S 11833

this land can help himself to other people's money without being dealt with, what protection is there for the widows and the orphans and the clients of all categories who must deal with the legal profession? Right now John Dean is the darling of the theatrical set, but the good name of the legal profession demands that the appropriate bar association committee deal with the Dean case.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. METCALF):

A concurrent resolution adopted by the Legislature of the State of Texas. Referred to the Committee on the Judiciary:

"SENATE CONCURRENT RESOLUTION No. 18

"Whereas, The Supreme Court of the United States has ruled that membership in both houses of a bicameral state legislature must be apportioned according to population and has thus afforded every citizen of the State of Texas just and equal representation in the legislature of the State of Texas; and

"Whereas, Since 1965 and the passage of Senate Concurrent Resolution No. 24 of the 59th Legislature of the State of Texas, memorializing the Congress of the United States to call a constitutional convention for the purpose of changing the ruling of the Supreme Court, the people of Texas have accepted the wisdom of that decision; and

"Whereas, The people of Texas desire to repudiate Senate Concurrent Resolution No. 24 of the 59th Legislature; now, therefore, be it

"Resolved by the Senate of the State of Texas, the House of Representatives concurring, That the Congress of the United States is memorialized to disregard and to consider Senate Concurrent Resolution No. 24 of the 59th Legislature of the State of Texas as a total and complete nullity; and, be it further

"Resolved, That Concurrent Resolution No. 24 of the 59th Legislature of the State of Texas is repealed, revoked, and repudiated and has no continuing effect or validity; and, be it further

"Resolved, That a duly attested copy of this resolution be immediately transmitted to the Secretary of the Senate of the United States, the Clerk of the House of Representatives of the United States, and to each member of the congress from this state."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HATHAWAY, from the Committee on Banking, Housing and Urban Affairs, without amendment:

S. 1901. A bill to amend the act of August 20, 1963, as amended, relating to the construction of mint buildings (Rept. No. 93-243).

By Mr. HATHAWAY, from the Committee on Banking, Housing and Urban Affairs, with amendments:

S. 1141. A bill to provide a new coinage design and date emblematic of the bicentennial of the American Revolution for dollars and half dollars (Rept. No. 93-244).

By Mr. ROBERT C. BYRD (for Mr. SPARKMAN) from the Committee on Banking, Housing and Urban Affairs, with amendments:

H.J. Res. 512. A joint resolution to extend the authority of the Secretary of Housing and Urban Development to insure the insurance of loans and mortgages, to

extend authorizations under laws relating to housing and urban development, and for other purposes (together with individual views) (Rept. No. 93-246).

By Mr. MCINTYRE, from the Committee on Banking, Housing and Urban Affairs, with amendments:

S. 1410. A bill to amend section 14(b) of the Federal Reserve Act, as amended, to extend for 1 year the authority of Federal Reserve Banks to purchase U.S. obligations directly from the Treasury (Rept. No. 93-248).

By Mr. MAGNUSON, from the Committee on Commerce, without amendment:

S. 1352. A bill to require load lines on U.S. vessels engaged in foreign voyages and foreign vessels within the jurisdiction of the United States, and for other purposes (Rept. 93-245).

By Mr. RANDOLPH, from the Committee on Public Works, without amendment:

H.R. 6717. An act to amend section 210 of the Flood Control Act of 1968 (Rept. No. 93-250). Referred to the Committee on Interior and Insular Affairs.

By Mr. SCOTT of Virginia, from the Committee on Public Works, without amendment:

S. 1618. A bill to name the headquarters building in the Geological Survey National Center under construction in Reston, Va., as the "John Wesley Powell Federal Building" (Rept. No. 93-247).

By Mr. RANDOLPH, from the Committee on Public Works, with an amendment:

S. 1759. A bill authorizing further appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes (minority views filed) (Rept. No. 93-241).

By Mr. LONG, from the Committee on Finance, with an amendment:

H.R. 8410. An act to continue the existing temporary increase in the public debt limit through November 30, 1973, and for other purposes (Rept. No. 93-249).

Mr. LONG. Mr. President, I ask unanimous consent to file a report on behalf of the Committee on Finance on H.R. 8410.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, I ask unanimous consent that during consideration of this measure, the debt limit bill, the following staff members be permitted on the floor from the Committee on Finance:

From the Finance Committee staff, Michael Stern, Jay Constantine, Jim Mongan, and Bill Galvin.

From the staff of the Joint Committee on Internal Revenue Taxation, Lawrence Woodworth, Mike Byrd, Al Buckberg, and Bob Shapiro.

From the Congressional Research Service, Fred Arner, Joe Humphreys, and Frank Crowley.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPORT ENTITLED "SUPPLEMENTAL EXPENDITURES BY THE COMMITTEE ON GOVERNMENT OPERATIONS"—REPORT OF A COMMITTEE (S. REPT. NO. 93-242)

Mr. CHILES submitted a report on an original resolution (S. Res. 131) to supplement requests made in Senate Resolution 131, which was referred to the Committee on Finance, to be printed.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated: **PPB**
By Mr. FULBRIGHT: **PPB**
S. 2059. A bill to provide for the furnishing by the U.S. Government of foreign economic and humanitarian assistance. Referred to the Committee on Foreign Relations. **11833-43**
1185

By Mr. HARTKE:

S. 2060. A bill to authorize the Secretary of Transportation to act to assure the continuance of rail services in the northeastern United States, and for other purposes. Referred to the Committee on Commerce.

By Mr. PACKWOOD (for himself and Mr. HATFIELD):

S. 2061. A bill for the relief of J. Dain Connor, Clarie June Connor, his wife; Thomas Clayton Connor, David Dain Connor, sons; Nancy Lynn Connor, daughter. Referred to the Committee on the Judiciary.

By Mr. HATFIELD (for himself, Mr. CASE, Mr. HUGHES, Mr. PACKWOOD, and Mr. KENNEDY):

S. 2062. A bill to prohibit the introduction into interstate commerce of nonreturnable beverage containers. Referred to the Committee on Commerce.

By Mr. MAGNUSON (for himself and Mr. COTTON) (by request):

S. 2063. A bill to amend the Criminal Code in order to extend protection to officers and employees of the Interstate Commerce Commission. Referred to the Committee on Commerce. **11845-9**

By Mr. MAGNUSON (for himself and Mr. COTTON) (by request):

S. 2064. A bill to amend the laws governing the transportation of hazardous materials. Referred to the Committee on Commerce.

By Mr. STEVENSON (for himself, Mr. ROTH, Mr. ABDOUREZK, Mr. HUMPHREY, Mr. ALLEN, Mr. MCGOVERN, Mr. BENTSEN, Mr. COOK, Mr. EAGLETON, Mr. NELSON, and Mr. MONDALE):

S. 2065. A bill to clarify the application of the gift tax laws to political contributions made to more than one political committee, and to require the Secretary of the Treasury to notify political committees that they must preserve their financial records for tax purposes. Referred to the Committee on Finance.

By Mr. SAXBE:

S. 2066. A bill to declare a national emergency with respect to energy supplies and to establish in the Executive Office of the President the Office of National Energy Coordinator with certain authority to deal with such emergency. Referred to the Committee on Government Operations.

By Mr. CANNON (for himself and Mr. PELL):

S. 2067. A bill relating to congressional and Supreme Court pages. Referred to the Committee on Rules and Administration.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. FULBRIGHT:

S. 2059. A bill to provide for the furnishing by the U.S. Government of foreign economic and humanitarian assistance. Referred to the Committee on Foreign Relations.

THE INTERNATIONAL DEVELOPMENT ACT

Mr. FULBRIGHT. Mr. President, following the Senate's defeat of a foreign aid bill a year and a half ago, the Senate has today passed back to life by passing two bills, one military and one

economic, each of which pledged that it "looks to the phaseout of the current program and to establishment of a new one which will command the respect and the support of Congress and the American people." The Committee on Foreign Relations has approved a bill to revamp the military assistance and sales program. Today I am introducing a bill to carry out the second half of that 1971 pledge, one charting a new course for foreign economic assistance.

I realize that there is not sufficient time available at this point for Congress to give proper consideration to this or any other bill which makes major changes in the foreign aid program or its administrative apparatus. I am introducing this bill, not with the expectation of having it passed this session, but in order to indicate the direction in which I think American foreign aid policy should move, as well as to stimulate public discussion and comment for action by Congress next year. I welcome constructive comments on the proposal. There are, however, portions of the bill which I do intend to pursue in connection with the committee's coming consideration of interim economic aid legislation.

Mr. President, the foreign aid program has promised far more than it could deliver. The prospective benefits of foreign aid have been oversold to Congress, to the public, and, most unfortunate of all, to the people of the recipient countries. Revolutionary changes have been promised. But other than the Marshall plan, which cost \$20 billion, it is difficult to point to solid, measurable accomplishments from the \$118 billion in economic aid the United States has dispensed since World War II.

The success of the Marshall plan has been a principal cause of the failure of our foreign aid policy since that time. The Marshall plan syndrome has guided the aid program for two decades. Massive American aid saved Western Europe from communism, the argument went. Ergo, economic developments, force-fed by U.S. aid, would save the rest of the world from that evil also. Foreign aid would create the good life for everyone, eliminating the misery of poverty, hunger, and disease which supposedly formed the breeding ground for communism. But, we found, the oligarchies in Brazil, the Philippines, Ethiopia, and other recipient countries had little in common with the democratic leaders of Western Europe who were committed to bringing the fruits of economic growth to the masses.

Showplace factories have been built and roads and dams constructed with American foreign aid throughout Latin America, Asia, and Africa. The focus of this policy has been on quantitative change while the real need has been for qualitative change, in the way people live and in the relationship between governors and the governed. As a consequence, much of America's aid has ended up in the mansions, yachts, and limousines of the rich, not the pockets of the poor. American foreign economic aid, by concentrating on

down theory, where the rich get richer and the poor get relatively poorer.

Peter T. Bauer wrote recently:

Progress does not depend on handouts, but on capacities, mores, and institutions.

If, he wrote, "the required conditions other than capital are present, capital will be generated locally or supplied commercially from abroad, to government or to business, so that aid is unnecessary for development. If the other conditions are not present, aid will be ineffective and thus useless." After nearly three decades of experimentation, there is no concrete evidence that external aid is a crucial factor in the social and economic development of poor nations.

In fact, a strong case can be made that the U.S. aid program has only postponed the day of reckoning for many poor nations of the world. If deprived of the steady inflow of American capital and food, some observers have said, these countries would have been forced to take more aggressive steps to solve their own problems, such as over-population relative to food production and the maldistribution of wealth. In an article in the June 3, 1973, Washington Post, William C. Paddock wrote:

One reason why no drastic action is being taken in the world against the population-food crunch is the false hope that foreign aid provides. So long as there is such false hope, governments will not initiate the action most needed. The time has come then, for aid without AID.

The hungry nations must be helped by not helping them, by letting them know they must solve their own problems and that the only way they can do this is with their own energies and motivation. Most of the developing world knows what needs to be done. We must let them do it.

Unless population growth is brought under control, any foreign aid the United States or the rest of the world funnel into many of the poor nations of Asia, Africa, or Latin America will have little impact on the lot of the common people. Their situation is like the country described by the Queen in "Alice in Wonderland" where "it takes all the running you can do to keep in the same place." James P. Brown wrote in the May 30 New York Times that, although the "Green Revolution" has not been a failure, population growth has wiped out the gains. This year, even with a drought, India expects to harvest nearly twice her 1950-51 production of grain, he wrote. But in that period India's population has increased by about two thirds. As a result "the overwhelming majority remain close to the starvation line."

Economic growth per se also does little to help the lot of the poor if maldistribution of wealth persists. Robert McNamara told a meeting of the World Bank last year that in 10 countries with per capita incomes averaging \$145 yearly "the poorest 40 percent of the population receive a per capita income of only \$50." In India, he said, some 200 million people subsist on incomes of less than \$40 per year and that "it would require more than 30 years before the poorest third of the country could afford an adequate economic growth. An equitable social structure is essential to economic prog-

ress for the masses. No amount of foreign aid can buy that.

If a government and the ruling classes deny the people political participation and social justice, foreign aid serves only to further entrench the establishment and perpetuate the status quo. Throughout the world the doling out of U.S. foreign aid to reactionary and repressive regimes has put the United States, a nation founded by revolution, on the side of the "haves" and against the "have nots." Korea, Taiwan, the Philippines, Greece, Brazil, Thailand, Vietnam—all major recipients of foreign aid—are constant reminders of Washington's infatuation with the status quo.

And in many countries the infusion of economic aid in one pocket has only enabled poor countries to take money out of another pocket and spend it for useless military purposes. In the last 20 years, the United States has furnished some \$35 billion in military and related aid to the poor countries while providing them with some \$43 billion in economic aid. It makes little sense to provide these countries with resources which only enable them to divert other resources into maintaining large, unneeded military establishments.

China could serve as an instructive example of how nations can make the best of what they have. Everyone who knew the old China and has visited the new China appears to be greatly impressed with what the Chinese people have done, on their own, to develop their country. China has pulled herself up by her bootstraps without foreign aid since the Russian technicians left many years ago.

Contrast China with South Korea, often pointed to as an American foreign aid success story. Korea received \$586,804,000 in U.S. aid last year, \$169,363,000 of it in food aid alone. And, in addition, Korea costs the American taxpayers \$600 million more for the 40,000 U.S. troops still stationed there 20 years after the end of the Korean war. With success stories like this, our taxpayers could use some failures.

Mr. President, the Agency for International Development is still geared to running a program where Uncle Sam thinks he knows what is best for the poor nations of the world. As of December 31, 1972, 17 percent of all U.S. Government personnel abroad worked on State Department activities. In contrast, 21 percent of the total worked for the Agency for International Development. A total of 16,293 people, including foreign nationals, were employed by AID and, of those, 12,804 were stationed overseas. The cost of salaries alone amounted to \$164 million in the 1972 fiscal year and overall operating costs came to \$193 million, 11 percent of the entire appropriation for the year.

A look at AID's country-by-country operating costs is revealing. In Chile AID operating expenses amounted to 99.1 percent of the 1972 economic aid program; they were 68.9 percent of the program in Morocco, 62.9 percent in Zaire, 33.4 percent in Brazil, and 32 percent in Liberia. And so on down the list which I will insert in the Record.

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Overseas spending by AID in the last fiscal year amounted to \$329,000,000, a significant factor in our unfavorable balance of payments.

The point is that the administrative apparatus of the foreign aid program is much too large and cumbersome. Under the bill I am introducing, overseas and Washington-based personnel would be reduced to a minimum and the small remaining bilateral aid program operated primarily on a contract basis through nongovernmental organizations.

My bill would also deal with one of the most serious problems facing the developing countries, their growing debt burden. As of the end of 1971 the external public debt of the less-developed countries was \$50.7 billion of which \$16.7 billion was owed to the United States. The debt servicing obligations of the 80 developing countries increased at a rate of 11.2 percent annually from 1965 through 1971—from \$3.5 billion to \$6.6 billion. And indications are that it will continue to rise rapidly during the rest of the decade. The debt-service level could reach \$20 billion a year by 1979. While the external debt payments are up by 89 percent over this period, exports are up by only 63 percent and the gap between debt-service requirements and ability to pay is widening rapidly. Repayments on AID loans alone are expected to double by 1977, from \$202 million to \$404 million. A May 21 article about the problem in the Wall Street Journal quoted a United Nations official as saying:

The only question is whether they can roll over this debt—cover it with new borrowings—as it comes due. They can't pay it.

I do not believe that it is either in our interests or the interests of the poor countries to encourage them to add to their debt burden. If poor countries must borrow, they should do it through the international and regional development banks which are in a position to require conditions for lending that the United States simply cannot impose without involving itself deeply in the internal affairs of the borrowing country. Multilateral lending institutions can require political and social changes as a condition for loans or seek out projects to benefit the masses directly. I point out that the Senate went on record 2 years ago in favor of phasing out the bilateral loan program by 1975. My bill would end the bilateral loan program. It also contains provisions which would ease the foreign exchange squeeze on debtor nations.

Let me explain briefly the basic provisions of the bill.

It would abolish the Agency for International Development and create a U.S. Foundation for International Development. The Foundation would be headed by a President subject to Senate confirmation. Policy would be established by a bipartisan board of directors, all subject to confirmation by the Senate. The Foundation would have the principal responsibility for

administering both bilateral and multilateral assistance programs.

The Foundation's bilateral aid program would focus on providing a modest program of technical assistance through contract with nongovernmental organizations, with projects directed at programs to improve human welfare—education, health, and agriculture. To insure local initiative and support, each country would be required to pay at least 25 percent of the costs of a project. All projects would be coordinated with other donors. U.S. Government personnel here and abroad would be kept to a minimum. Present AID missions abroad would be phased out within 1 year, \$200,000,000 would be authorized for this program for the first year, including use of funds from repayments on outstanding loans.

Out of the appropriations for technical assistance up to \$25,000,000 could be made available for use in a discretionary fund of not more than \$500,000 per country, to be administered by the U.S. ambassador, for assistance on small, self-help projects.

Technical training assistance would be emphasized and \$50 million per year would be authorized with funds to come out of repayments on outstanding foreign aid loans. The recipient country would be required to pay at least 25 percent of the costs of the training.

The \$10 million a year would be authorized, out of development loans repayments, for support through the Department of State of American-sponsored schools abroad, but not more than 15 percent could be spent in any one country.

As to debt arrangement on prior foreign aid loans, the President would be authorized to make agreements of limited amount and duration, which could be rejected by Congress, for:

First, repayment by the poorest debtor countries in local currency in order to meet U.S. expenses,

Second, grants of amounts due from the poorest countries for technical assistance projects, in conjunction with debt forgiveness arrangements by other lending nations, and

Third, use of loan repayments as contributions or interest-free loans to the multilateral development organizations on a 25-percent matching basis.

A \$150 million would be earmarked for population and family-planning activities.

It would authorize a total of \$240,000,000 in fiscal year 1974 for relief and rehabilitation in South Vietnam, Cambodia, and Laos, compared with the executive branch request of \$632,000,000.

The total authorizations in the bill are \$881,200,000, a reduction of \$1,056,800,000 from the executive branch request. Only \$546,200,000 in new appropriations would be required, the remainder would come from repayments on outstanding loans.

Mr. President, I do not introduce this bill with enthusiasm or expectation of acclaim from either my colleagues or my constituents. Foreign aid is not the highest item on my constituents' priority list or the most urgent matter facing Congress. But it is an issue which involves great sums of the taxpayers' money and

deserves serious public discussion if we are ever to break away from the unsatisfactory policy that has prevailed for so long.

The bill does not go as far as I would like in revising foreign aid policy. And it will go too far for others who are still wedded to the current approach. My preference would be to call a moratorium on all new U.S. bilateral aid projects and allow a reasonable interval, a year or two, for the recipient countries, other donors, and the international development institutions to appraise the situation. There is now \$2.9 billion in the pipeline for bilateral economic aid and, if all new funding were cut off, the foreign aid program would still continue indefinitely. Out of a moratorium would, I believe, emerge a more realistic approach by the world community to the social and economic development problems of the poor. This bill, then, is not being proposed as the optimum solution, but as a measure tempered by the realities of the problem facing the Congress.

I wish to make it clear that this bill is an effort to deal with only a portion of the U.S. overall effort to assist the less developed countries of the world. It focuses only on a limited spectrum of our aid policies. It does not disturb the basic authority for the Public Law 480 program or for contributions to international banks. Nor does it treat with broader issues such as trade preferences, special drawing rights and other more indirect means of assisting and developing countries.

I recognize that, in limiting this bill to activities such as those now being carried out by the Agency for International Development, its scope is quite limited. But because of the complexity of the issues concerning the U.S. relations with the developing countries, I believe that Congress should take the overhaul of U.S. policies toward these countries one step at a time.

Mr. President, Americans are compassionate people with deep concern for their less fortunate fellow men. They have been more than generous with their tax dollars to help foreign countries. But they have a right to expect measurable results for those expenditures. This has not been the case with the money spent for foreign aid. Our Government's fiscal condition is perilous. The President has urged Congress to exercise fiscal restraint and eliminate nonessential spending. This would reduce the amounts programmed for economic aid by \$1 billion. It sets forth a new approach which would implement the President's request while continuing a modest program of assistance, geared to human needs, in keeping with America's humanitarian tradition. I hope that it will stimulate public discussion that will lead to major changes in our foreign aid policy and the framework for carrying it out.

I ask unanimous consent to have the text of the bill, a summary of its provisions, and a number of tables printed in the Record at this point.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 2059

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act, divided into parts, chapters, and sections according to the following table of contents, may be cited as the "International Development Act":

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PART I—GENERAL PROVISIONS

CHAPTER 1—DEFINITIONS

DEFINITIONS

Sec. 101. For purposes of this Act—

(1) "Foundation" means the United States Foundation for International Development established under section 301 of this Act;

(2) "Board" means the Board of Directors of the Foundation established under section 302 of this Act;

(3) "agency of the United States Government" includes any agency, department, board, wholly or partly owned corporation, instrumentality, commission, or establishment of the United States Government;

(4) "programs relating to population growth" includes but is not limited to demographic studies, medical, psychological, and sociological research and voluntary family planning programs including personnel training, the construction and staffing of clinics and health centers, specialized training of doctors and paramedical personnel, the manufacture of medical supplies, the dissemination of family planning information, and provision of medical assistance and supplies; and

(5) "prior foreign assistance loan legislation" means the Economic Cooperation Act of 1948, the Mutual Defense Assistance Act of 1949, the Indian Emergency Food Aid Act of 1951, the Mutual Security Act of 1953, the Mutual Security Act of 1954, the Latin American Development Act, and the Foreign Assistance Act of 1961.

CHAPTER 3—UNITED STATES FOUNDATION FOR INTERNATIONAL DEVELOPMENT

ESTABLISHMENT

Sec. 301. (a) There is established, within the executive branch of the United States Government, an independent establishment to be known as the United States Foundation for International Development. The Foundation shall have such functions as may be conferred upon it by this Act and other provisions of law. The Foundation shall be the principal agency within the United States Government with responsibility for administering bilateral and multilateral programs of that Government to assist people of developing countries.

(b) The Foundation shall be under the general policy guidance of the Secretary of State.

BOARD OF DIRECTORS AND PRESIDENT

Sec. 302. (a) The Foundation shall have a Board of Directors composed of 9 directors, appointed in accordance with this section. Six of the directors shall be appointed from private life, and 2 shall be appointed from among officers of the executive branch of the United States Government. All such appointments are to be made by the President, by and with the advice and consent of the Senate. The ninth director shall be the President of the Foundation. The directors shall be

appointed without regard to political affiliation.

(b) The Board shall exercise all powers necessary to carry out the purposes, functions, and powers of the Foundation. The Board may delegate to any officer, employee, or agency of the Foundation such powers vested in the Board as the Board deems appropriate.

(c) The directors appointed from private life shall serve for terms of 6 years, except that—

(1) the terms of such 6 members first taking office shall expire as designated by the President of the United States at the time of appointment, 2 at the end of 2 years, 2 at the end of 4 years, and 2 at the end of 6 years, following their appointments; and

(2) any such director appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall serve for the remainder of such term.

The 2 directors of the Board who are also officers of the United States Government shall serve at the pleasure of the President of the United States.

(d) The President of the Foundation shall be appointed by the President of the United States, by and with the advice and consent of the Senate. The President of the Foundation shall serve a term of 6 years, and he may succeed himself. He shall be appointed without regard to political affiliation.

(e) The President of the Foundation and the 6 directors appointed from private life may be removed by the President of the United States only for inefficiency, neglect of duty, or malfeasance in office.

(f) The 6 directors appointed from private life shall be compensated at a rate equal to the daily rate paid under level IV of the Executive Schedule under section 5315 of title 5, United States Code, when engaged in the actual performance of their duties as directors. The other 3 directors shall serve without additional compensation. Any director appointed from private life may be paid per diem in lieu of subsistence at the applicable rate prescribed in the standardized Government travel regulations, while away from his home or usual place of business.

(g) Vacancies in the membership of the Board, as long as there are 5 directors in office, shall not impair the powers of the Board to execute the purposes, functions, and powers of the Foundation. Five of the directors in office shall constitute a quorum for the transaction of business.

(h) The Board is authorized to establish such committees of the Board, and delegate such powers to any committee, as the Board deems appropriate to carry out its purposes, functions, and duties.

(i) The Board shall elect one of its directors (other than the President of the Foundation) as Chairman of the Board.

PERSONNEL OF THE FOUNDATION

Sec. 303. (a) The President of the United States is authorized to appoint, by and with the advice and consent of the Senate, a First Vice President of the Foundation and 4 Second Vice Presidents of the Foundation.

(b) (1) The Foundation is authorized to appoint such personnel as it considers appropriate to carry out the functions of the Foundation.

(2) Of the personnel employed in the United States under this subsection, not to exceed 30 may be appointed to, or removed from, positions within the Foundation without regard to the provisions of title 5, United States Code, governing the competitive service. Under such regulations as the President of the United States may prescribe, any individual who is appointed to any such position may be entitled, upon removal from such position, to reinstatement to a posi-

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tion occupied at the time of appointment or to a position of comparable grade and salary.

(c) The Foundation may obtain the services of experts and consultants in accordance with section 3109 of title 5, United States Code.

DETAIL AND ASSIGNMENT OF PERSONNEL

SEC. 304. (a) Whenever the President of the United States determines it to be in furtherance of the provisions of this Act, he is authorized to detail, assign, or otherwise make available any officer or employee of the United States Government to any office or position with, or to render advice or service to, any foreign government, foreign government agency or international or regional organization, where acceptance of such office or position does not involve the taking of an oath of allegiance to another government or the acceptance of compensation or other benefits from any foreign country or international or regional organization by such officer or employee.

(b) Whenever practicable, details or assignments made under this section shall be made with reimbursement by the foreign government, foreign government agency, or international or regional organization, and any reimbursement made (including foreign currencies) shall be available for the purposes of this Act.

(c) Any officer or employee, while assigned, detailed, or serving under this section, shall be considered, for the purpose of preserving his allowances, privileges, rights, seniority, and other benefits as such, an officer or employee of the agency from which assigned and he shall continue to receive compensation, allowance, and benefits from funds made available under this Act.

GENERAL POWERS

SEC. 305. (a) In order to carry out its functions, the Foundation shall have the following powers:

- (1) to adopt, alter, and use a seal, which shall be judicially noticed;
- (2) to adopt, amend, and repeal bylaws, rules, and regulations governing the purposes, functions, and powers granted to or imposed upon it by law;
- (3) to sue and be sued in its name;
- (4) to acquire (including acquiring by gift, devise, bequest, grant, or otherwise), hold, use, or dispose of, upon such terms and conditions as the Foundation determine, any property, real, personal, or mixed, tangible or intangible (including any instrument evidencing indebtedness or ownership) or any interest therein, whether within the United States or without (including real property within the District of Columbia);
- (5) to receive services of any kind by gift or otherwise;
- (6) to issue letters of credit and letters of commitment;
- (7) to make advances, and to make, amend, and carry out such contracts, grants, and other agreements, and enter into such other transactions as assist the conduct of its business, with any person, corporation, organization, or other body of persons, any government or agency of any government, within or without the United States, and with any international or regional organization, which agreements (except for loans) may not extend at any time for more than 5 years;
- (8) to exercise the priority of the United States Government in collecting debts from bankrupts, insolvents, or decedents' estates;
- (9) to determine the character of, and the necessity for, its obligations and expenditures, and the manner in which they shall be incurred, allowed, and paid, subject to provisions of law specifically applicable to Government corporations; and
- (10) to take such other actions as may be necessary or appropriate to carry out its functions.

(b) The principal office of the Foundation shall be in the District of Columbia. For purposes of venue in civil actions, the Foundation shall be a resident of the District of Columbia.

USE OF FUNDS

SEC. 306. (a) Funds made available for carrying out the provisions of this Act may be utilized for the following:

- (1) expenses of attendance at meetings concerned with provisions of this Act;
 - (2) contracts with individuals for personal services abroad, except that such individuals shall not be regarded as employees of the United States Government for the purpose of any law administered by the Civil Service Commission;
 - (3) the purchase and hire of motor vehicles abroad, and the purchase or hire, or both, of passenger motor vehicles for official use without regard to the limitations contained in sections 638(c)(2) and 638c of title 31, United States Code;
 - (4) use in accordance with the Foreign Service Act of 1946 (not otherwise provided for);
 - (5) insurance of official motor vehicles and aircraft acquired for use in foreign countries;
 - (6) expenses of preparing and transporting to their former homes, or, with respect to foreign participants engaged in any program under this Act, to their former homes or places of burial, and of care and disposition of, the remains of persons or members of the families of persons who may die while such persons are away from their homes participating in any program under this Act;
 - (7) payment of per diem in lieu of subsistence to foreign participants engaged in any program under this Act, while such participants are away from their homes in countries other than the United States, at rates not in excess of those prescribed by the standardized Government travel regulations, notwithstanding any other provision of law;
 - (8) payment of the cost of health and accident insurance for foreign participants engaged in any program under this Act, while such participants are absent from their homes for the purpose of participation in such program;
 - (9) payment of the cost of health and accident insurance for foreign employees engaged in any program under this Act while those employees are absent from their place of employment abroad for purposes of training or other official duties;
 - (10) expenses in connection with travel of personnel outside the United States, including travel expenses of dependents (including expenses during necessary stopovers while engaged in such travel), and transportation of personal effects, household goods, and automobiles of such personnel when any part of such travel or transportation begins in one fiscal year pursuant to travel orders issued in that fiscal year, notwithstanding the fact that such travel or transportation may not be completed during the same fiscal year, and cost of transporting automobiles to and from a place of storage, and the cost of storing automobiles of such personnel when it is in the public interest or more economical to authorize storage; and
 - (11) printing and binding without regard to the provisions of any other law, and for expenditures for the procurement of supplies and services, and for administrative and operating purposes (other than compensation of personnel) without regard to such laws and regulations governing the performance, amendment, or modification of contracts, and the obligation and expenditure of funds of the United States Government, as the President may determine to be appropriate to accomplish the purposes of this Act.
- (b) Any cost-type contract or agreement (including grants) entered into with an educational institution for the purpose of carry-

ing out programs authorized by this Act may provide for the payment of the reimbursable indirect costs of such educational institutional on the basis of predetermined fixed-percentage rates applied to the total, or an element thereof, of the reimbursable direct costs incurred.

MISSIONS AND OFFICES ABROAD

SEC. 307. Except as otherwise provided in section 503 of this Act, the Foundation shall not establish or maintain a mission or office in any foreign country unless that mission or office is specifically authorized for that country by law enacted after the date of enactment of this Act.

ANNUAL REPORT

SEC. 308. The Foundation shall, as soon as practicable, after the end of each fiscal year, submit a report to Congress on its activities during the preceding fiscal year.

CHAPTER 5—AGENCY FOR INTERNATIONAL DEVELOPMENT; INTER-AMERICAN FOUNDATION ABOLITION OF AGENCY FOR INTERNATIONAL DEVELOPMENT

SEC. 501. The Agency for International Development is abolished.

TRANSFERS

SEC. 502. (a) All personnel of the Agency for International Development (other than the Administrator, Deputy Administrator, Assistant Administrators, Regional Assistant Administrators, General Counsel, and Auditor-General), assets, liabilities, contracts, property, and records of the Agency are transferred to the Foundation. This subsection shall not be construed to prohibit the appointment of an individual holding any such position referred to in this subsection from being appointed to a position in the Foundation.

(b) Personnel transferred under this section may continue to be employed under the appointments in which they were serving immediately prior to the date of such transfer, or may, in the discretion of the Foundation be converted to a personnel status authorized by this Act or by other law, including status as Foreign Service Reserve officers with unlimited tenure.

(c) The President of the United States is authorized to prescribe by regulation, standards, and other criteria for maintaining adequate performance levels for Foreign Service Reserve officers transferred under this section who are serving under unlimited appointments at the time of such transfer. Notwithstanding any other law, any Foreign Service Reserve officer so transferred who fails to meet the standard of performance required by officers of his class shall be retired from the Service and receive benefits in the same amount as provided in section 634(b)(1) of the Foreign Service Act of 1946, unless he is eligible at the time of his separation for (1) an immediate annuity under subchapter III of chapter 83 of title 5, United States Code, or (2) compensation under subchapter I of chapter 81 of such title 5, other than compensation payable concurrently with salary or on account of the death of another individual.

(d) Any Foreign Service Reserve officer transferred under this section, whose services meet the standards required for the efficient conduct of the work of the Service, shall receive an increase in salary to the next higher rate for the class in which he is serving on the first day of the first fiscal year following enactment of this Act, and thereafter, the provisions of section 625 of the Foreign Service Act of 1946, shall apply.

(e) For purposes of section 8336(d) of title 5, United States Code, the Agency for International Development and the Foundation shall be considered to be undergoing a major reduction in force throughout the world for period of one year after the effective date of this Act.

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AID MISSIONS AND OFFICES

SEC. 533. The Foundation shall terminate, as soon as practicable (but not later than one year after the effective date of this Act), any mission or office of the Agency for International Development located in a foreign country.

INTER-AMERICAN FOUNDATION

SEC. 504. The President of the United States shall terminate all activities of the Inter-American Foundation not later than one year after the effective date of this Act. The President is authorized to transfer to the United States Foundation established under this Act, contracts, property, and records of the Inter-American Foundation he considers appropriate to enable the United States Foundation to carry out its functions.

PART II—BILATERAL ECONOMIC ASSISTANCE

CHAPTER 11—TECHNICAL GRANT ASSISTANCE

GENERAL AUTHORITY

SEC. 1101. (a) The Foundation is authorized to furnish grants, on such terms and conditions as it may determine, in order to assist in improving living standards of the most needy in the developing countries and areas through programs of technical assistance and cooperation.

(b) Grants made under this chapter shall emphasize programs to improve education, health, control of population growth (as provided in chapter 17 of this Act), and agriculture in the least developed countries.

CRITERIA

SEC. 1102. (a) In providing grant assistance under this chapter and chapter 17 of this Act, the Foundation shall—

(1) to the maximum extent feasible, provide such assistance through contracts entered into by the Foundation with specialized agencies of the United Nations, regional development groups, private voluntary agencies, educational institutions, and individuals;

(2) have technical personnel of other agencies of the United States Government available only if technical personnel not employed by the United States Government are not available; and

(3) employ and have made available, within and outside the United States, the minimum number of United States Government personnel necessary to carry out such chapters.

(b) Any contract entered into with a private voluntary agency (other than educational institutions) shall provide, to the extent practicable, for the sharing of costs in providing any such grant assistance.

FOREIGN COUNTRY RESPONSIBILITIES

SEC. 1103. (a) Developing countries themselves have the responsibility for determining their development priorities requiring assistance from sources outside their borders. Grant assistance shall be provided to a foreign country or an area under this chapter and chapter 17 of this Act only if that country or the countries within that area initiate a request for such assistance.

(b) No such assistance shall be provided until the Foundation assures itself that any country requesting the assistance has sought such assistance from multilateral organizations and no such organization is able to provide the assistance requested.

(c) No such assistance shall be provided any country until the country provides assurances to the Foundation, and the Foundation is satisfied, that such country will provide at least 25 percent of the cost of the entire project, program, or activity with respect to which the assistance is requested.

AUTHORIZATION OF APPROPRIATIONS

SEC. 1104. There are unauthorized to be appropriated to the Foundation, to carry out the provisions of this chapter, not to exceed \$100,000,000 for the fiscal year 1974 and \$150,-

000,000 for fiscal year 1975. None of the funds appropriated under this chapter shall be made available for South Vietnam, Cambodia, or Laos.

AMBASSADORS' DISCRETIONARY FUND

SEC. 1105. Not to exceed \$25,000,000 appropriated under section 1104 of this Act are made available for small, self-help projects in developing countries. Grants out of such amount may be made, at the discretion of the Foundation, upon receipt of the written request of the United States Ambassador to a developing country, except that not more than \$500,000 shall be made available under this section in any one country in any fiscal year. The provisions of section 1103(c) of this Act shall apply with respect to any grant made under this section.

CHAPTER 13—TRAINING AND EDUCATION

SPECIALIZED AND TECHNICAL TRAINING

SEC. 1301. (a) The Foundation is authorized to establish a program providing specialized and technical training (and not general education for police or related training) which shall make available to foreign countries, international organizations, and private agencies, specialized and technical training from both public and private sources in the United States, including any agency of the United States Government.

(b) The program to provide training under this chapter shall be administered by the Foundation in coordination with the Department of State and other agencies of the United States Government sponsoring training in the United States for foreign students.

(c) No training shall be provided under this section unless—

(1) the foreign country, international organization, or private agency agrees to pay, and the Foundation is satisfied that the country, organization, or agency will pay at least 25 percent of the cost of the training and related expenses; and

(2) any individual receiving such training agrees to return to his country, international organization, or private agency, as the case may be, for at least the period of time he has spent in the United States receiving such training.

(d) There are authorized to be made available to the Foundation, to carry out this section, \$50,000,000 in dollar receipts received during each of the fiscal years 1974 and 1975 as repayments on loans made under prior foreign assistance loan legislation.

STUDY ON EDUCATIONAL AND CULTURAL EXCHANGES

SEC. 1302. The United States Advisory Commission on International Education and Cultural Affairs shall make a complete study with respect to the feasibility of transferring all functions relating to civilian educational and cultural exchanges of the United States Government to the Foundation. The Commission shall submit to the President and the Congress a report on its study, together with recommendations it considers appropriate, not later than April 30, 1974.

AMERICAN SCHOOLS AND HOSPITALS ABROAD

(a) There are authorized to be made available to the Secretary of State, to carry out the provisions of section 102(b)(3) of the Mutual Educational and Cultural Exchange Act of 1961, \$10,000,000 in dollar receipts received during each of the fiscal years 1974 and 1975 as repayments on loans made under prior foreign assistance loan legislation. Not to exceed 15 percent of the amount made available under this section each fiscal year shall be used for schools and hospital centers located in one country.

CHAPTER 15—USE OF REPAYMENTS ON LOANS REPAYMENT AGREEMENTS

SEC. 1501. (a) The President is authorized to enter into agreements (effective for not more than 2 years) with any foreign country owing amounts remaining due on loans made

by the United States Government under prior foreign assistance loan legislation, providing for—

(1) in the case of any least developed country, repayments on any such loan in the currency of that country to the extent that additional amounts of that currency may be needed to meet expenses of the United States Government in that country; and

(2) in the case of any least developed country, to make grants to that country of any amounts so repaid for purposes (A) of financing development projects of the type authorized under section 1101 of this Act within that country, if that country agrees to pay at least 25 percent of the total costs of such project, or (B) of financing costs within that country incurred with respect to training under section 1301 of this Act, or with respect to educational and cultural exchanges with the United States.

To the maximum extent practicable, any agreement with a least developed country under this subsection shall be made in conjunction with other countries receiving loan repayments from such least developed country also agreeing to make similar arrangements for that country.

(b) The President is authorized to enter into agreements (effective for not more than 2 years) with foreign countries providing for—

(1) repayments from loans made under prior foreign assistance loan legislation to be contributed to any multilateral development bank composed of representatives of at least 6 countries or other multilateral development organization (including the United Nations Development Program); and

(2) contributions from such countries to any such bank or organization so that the total amount of all United States contributions to that bank or organization will at no time exceed 25 percent of all contributions so made.

Amounts contributed by any country to the United Nations Development program in accordance with an agreement entered into under this subsection shall not be included in any computation made with respect to section 2102(b) of this Act.

(c) Agreements shall be entered into under this section only with respect to amounts of such repayments which exceed amounts provided for in sections 1301 and 1303 of this Act.

CONGRESSIONAL DISAPPROVAL OF AGREEMENTS

SEC. 1502. (a) The President shall submit to Congress each agreement entered into under section 1501 of this Act. Each such agreement shall be delivered to both Houses on the same day and to each House while it is in session. Not more than one such agreement shall be submitted to Congress in any calendar week.

(b) (1) The President may carry out such agreement effective at the end of the first period of 60 calendar days of continuous session of Congress after the date on which the agreement is submitted to it, unless, between the date of submittal and the end of the 60-day period Congress passes a concurrent resolution stating in substance that the House does not favor the agreement.

(2) For the purpose of paragraph (1) of this subsection—

(A) continuity of session is broken only by an adjournment of Congress sine die; and

(B) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the 60-day period.

(c) For purposes of this subsection and subsections (d)–(f) of this section, "resolution" means a concurrent resolution of Congress, the matter after the resolving clause of which is as follows: "That the Congress does not approve the agreement submitted to Congress, under section 1502 of the Interna-

tional Development Act, by the President on _____, 19____, with the blank spaces being appropriately filled; but does not include a resolution which specified more than one such agreement.

(d) A resolution with respect to an agreement shall be referred to a committee (and all resolutions with respect to the same agreement shall be referred to the same committee) by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

(e) (1) If the committee to which a resolution with respect to an agreement has been referred has not reported it at the end of 20 calendar days after its introduction, it is in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution with respect to the agreement which has been referred to the committee.

(2) A motion to discharge may be made only by an individual favoring the resolution, is highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same reorganization plan), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(3) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same agreement.

(f) (1) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to an agreement, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) Debate on the resolution shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order, and it is not in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

(g) (1) Motions to postpone, made with respect to the discharge from committee, or the consideration of a resolution with respect to an agreement, and motions to proceed to the consideration of other business, shall be decided without debate.

(2) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution with respect to an agreement shall be decided without debate.

(h) If, prior to the passage by a first House of Congress of any such resolution, such House receives from the second House such a resolution, then the following procedure applies:

(1) The resolution received from the second House shall be reported to the first House not later than 3 days after being received.

(2) On any vote on final passage of such resolution, that resolution of the second House shall be automatically substituted for the resolution of the first House.

(i) Subsection (c)-(h) of this section are enacted by Congress—

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described by subsection (c) of this section; and they supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

FUNDING

SEC. 1503. (a) Currencies of least developed countries received as the result of agreements entered into under section 1501(a) (1) of this Act are authorized to be made available to the President during fiscal years 1974 and 1975 to carry out such agreements.

(b) Of amounts received as repayments on loans made under prior foreign assistance loan legislation—

(1) \$100,000,000 in dollar receipts are authorized to be made available to the President, during each of the fiscal years 1974 and 1975, to make grants under agreements entered into under section 1501(a) (2) of this Act, and which thereafter become effective; and

(2) \$100,000,000 in dollar receipts are authorized to be made available to the President, during each of the fiscal years 1974 and 1975, to make contributions under agreements entered into under section 1501(b) of this Act, and which thereafter become effective.

CHAPTER 17—CONTROL OF POPULATION GROWTH GENERAL AUTHORITY

SEC. 1701. (a) The Foundation is authorized to provide assistance for programs relating to population growth in foreign countries and areas, on such terms and conditions as it shall determine, to foreign governments, the United Nations, its specialized agencies, and other international organizations and programs, United States and foreign nonprofit organizations, universities, hospitals, accredited health institutions, and voluntary health or other qualified organizations.

(b) In carrying out programs under this section, the Foundation shall establish reasonable procedures to insure, whenever family planning assistance from the United States Government is involved, that no individual is coerced to practice methods of family planning inconsistent with his or her moral, philosophical, or religious beliefs.

FUNDING

SEC. 1702. Of all funds provided to carry out this Act, not less than \$150,000,000 shall be made available in fiscal year 1974 and \$175,000,000 in fiscal year 1975 only to carry out this chapter.

CHAPTER 19—RELIEF AND REHABILITATION ASSISTANCE FOR SOUTH VIETNAM, LAOS AND CAMBODIA

STATEMENT OF PURPOSE

SEC. 1901. It is the purpose of this chapter—

(1) to authorize the furnishing of humanitarian relief assistance in South Vietnam, Cambodia, and Laos, with priority to be given to refugee relief, health needs, child care, and aid to war victims;

(2) to assist the people of South Vietnam, Laos, and Cambodia to return to a normal peacetime existence in conformity with the Agreement on Ending the War and Restoring Peace in Vietnam, signed January 27, 1973, and the cease-fire agreement for Laos, and any cease-fire agreement that may be entered into with respect to Cambodia; and

(3) to encourage the formation of a multilateral effort, joined in by many countries,

to assist in the reconstruction and development of these 3 countries.

AUTHORIZATION OF APPROPRIATIONS

SEC. 1902. (a) To carry out the purposes of this chapter, there are authorized to be appropriated to the President for fiscal year 1974, for assistance to South Vietnam, not to exceed \$175,000,000, of which (1) not less than \$50,000,000 shall be for projects or programs administered through multilateral organizations and nonprofit voluntary agencies, and (2) not less than \$30,000,000 shall be reserved for contributions to a multilateral consortium formed for the purpose of promoting long-term reconstruction and development in South Vietnam.

(b) To carry out the purposes of this chapter, there are authorized to be appropriated to the President for fiscal year 1974, for assistance to Cambodia, not to exceed \$35,000,000, of which (1) not less than \$7,000,000 shall be for assistance to refugees to be administered through international organizations and nonprofit voluntary agencies, and (2) not less than \$6,000,000 shall be reserved for contributions to a multilateral consortium formed for the purpose of promoting long-term reconstruction and development in Cambodia.

(c) To carry out the purposes of this chapter, there are authorized to be appropriated to the President for fiscal year 1974, for assistance to Laos, not to exceed \$30,000,000, of which (1) not less than \$8,000,000 shall be for projects or programs administered by international organizations or nonprofit voluntary agencies, and (2) not less than \$4,000,000 shall be reserved for contributions to a multilateral consortium formed for the purpose of promoting long-term reconstruction and development in Laos.

PART III—MULTILATERAL ASSISTANCE

CHAPTER 21—UNITED NATIONS

AUTHORITY TO CONTRIBUTE

SEC. 2101. (a) The Foundation is authorized to make voluntary contributions to United Nations and its agencies (other than for the United Nations Development Program) on such terms and conditions as it considers appropriate.

(b) There are authorized to be appropriated to the Foundation, to carry out this section, \$49,000,000 for each of the fiscal years 1974 and 1975.

UNITED NATIONS DEVELOPMENT PROGRAM

SEC. 2102. (a) The Foundation is authorized to make voluntary contributions on a grant basis to the United Nations Development Program, on such terms and conditions as the Foundation considers appropriate.

(b) Contributions to the Program may not exceed—

- (1) for calendar year 1974, 40 percent;
- (2) for calendar year 1975, 35 percent;
- (3) for calendar year 1976, 30 percent; and
- (4) for each of the calendar years following 1976, 25 percent;

of the total amount contributed to the Program (including assessed and audited local costs) for each such year.

(c) There are authorized to be appropriated to the Foundation, to carry out this section, not to exceed \$90,000,000 for fiscal year 1974 and \$115,000,000 for fiscal year 1975.

INDUS BASIN DEVELOPMENT

SEC. 2103. (a) There are authorized to be appropriated to the Foundation for grants for Indus Basin Development, in addition to any other funds available for such Development, not to exceed \$15,000,000 for each of the fiscal years 1974 and 1975. Such amounts are authorized to remain available until expended.

(b) There are authorized to be appropriated to the Foundation for loans for Indus Basin Development, in addition to any other funds available for such Development, \$51,220,000 less the aggregate of appropriations

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made under section 302(b) (1) of the Foreign Assistance Act of 1961.

CHAPTER 23—MULTILATERAL DEVELOPMENT BANKS

LOAN AUTHORITY

Sec. 2301. (a) The Foundation is authorized to enter into agreements to make loans, without requiring the payment of interest, to multilateral development banks composed of representatives of at least 6 countries for the purpose of making grants and loan interest loans to developing countries—

(1) if other countries agree to make loans to the banks not requiring the payment of interest;

(2) if the amount the Foundation agrees to lend does not exceed 25 percent of the total amount agreed to be lent from all other sources; and

(3) providing that the agreement of the Foundation is not disapproved by Congress.

(b) Of amounts received as repayments on loans made under prior foreign assistance loan legislation, not to exceed \$75,000,000 in dollar receipts are authorized to be made available to the Foundation, during fiscal year 1974 and \$100,000,000 during fiscal year 1975, to carry out this chapter.

CONGRESSIONAL DISAPPROVAL OF LOANS

Sec. 2302. (a) The Foundation shall submit to Congress each agreement entered into under section 2301 of this Act. Each such agreement shall be delivered to both Houses on the same day and to each House while it is in session. Not more than one such agreement shall be submitted to Congress in any calendar week.

(b) (1) The Foundation may carry out such agreement effective at the end of the first period of 60 calendar days of continuous session of Congress after the date on which the agreement is submitted to it, unless between the date of submittal and the end of the 60-day period Congress passes a concurrent resolution stating in substance that that House does not favor the agreement.

(2) For the purpose of paragraph (1) of this subsection—

(A) continuity of session is broken only by an adjournment of Congress sine die; and

(B) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the 60-day period.

(c) For purposes of this subsection and subsection (d) of this section, "resolution" means a concurrent resolution of Congress submitted under this section, the matter after the resolving clause of which is as follows: "That the Congress does not approve the loan agreement submitted to Congress, under section 2302 of the International Development Act, by the United States Foundation for International Development on _____, 19____, with the blank spaces being appropriately filled; but does not include a resolution which specified more than one such agreement."

(d) The provisions of section 1502(d) (1) of this Act apply with respect to any resolution submitted under this section.

PART IV—HUMANITARIAN ASSISTANCE

CHAPTER 31—DISASTER AND REFUGEE RELIEF

AUTHORITY TO PROVIDE RELIEF GRANTS

Sec. 3101. (a) The Foundation is authorized to furnish grant assistance, outside the United States, its territories, and possessions, on such terms and conditions as it may consider appropriate—

(1) for famine and disaster relief and refugee and migration assistance;

(2) for reconstruction or rehabilitation assistance for victims of famine and disasters; and

(3) for aid in the preparation for, or prevention of, the effects of imminent threatened famine or disasters.

Assistance under clauses (1) and (2) of this subsection shall be furnished no later than one year after the disaster or famine has ended.

(b) Assistance made available under this chapter shall be provided, to the maximum extent practicable, under the auspices of and by international organizations and the relief agencies or United States voluntary agencies.

SUPPORT OF VOLUNTARY ASSISTANCE

Sec. 3102. The Foundation is authorized to pay transportation charges from United States ports, or in the case of excess or surplus property supplied by the United States Government, from foreign ports, on shipments by the American Red Cross and United States voluntary agencies. Where practicable, the Foundation shall make arrangements with the receiving country for free entry of such shipments and for the making available by that country of local currencies to defray the transportation cost of such shipments from the port of entry of the receiving country or area to the designated shipping point of the consignee.

AUTHORIZATION OF APPROPRIATIONS

Sec. 3103. There are authorized to be appropriated to the Foundation, to carry out this chapter, not to exceed \$25,000,000 for each of the fiscal years 1974 and 1975.

PART V—INTERNATIONAL NARCOTICS CONTROL

CHAPTER 41—NARCOTICS CONTROL PROGRAM

AGREEMENTS ON CONTROLLING NARCOTICS

Sec. 4101. It is the sense of the Congress that effective international cooperation is necessary to put an end to the illicit production, smuggling, trafficking in, and abuse of dangerous drugs. In order to promote such cooperation, the Secretary of State, under the direction of the President, is authorized to conclude agreements with other countries to facilitate control of the production, processing, transportation, and distribution of narcotic analgesics, including opium and its derivatives, other narcotic drugs and psychotropics, and other controlled substances as defined in the Comprehensive Drug Abuse Prevention and Control Act of 1970. Notwithstanding any other provision of law, the Secretary of State is authorized to furnish assistance to many country or international organization, on such terms and conditions as he may determine, for the control of the production of, or processing of, smuggling of, and traffic in narcotic and psychotropic drugs. The Secretary of State shall suspend assistance (including sales, credit sales, and guarantees) furnished under this or any other Act, and under title I of the Agricultural Trade Development and Assistance Act of 1954, with respect to any country when the Secretary of State determines that the government of such country has failed to take adequate steps to prevent narcotic drugs and other controlled substances (as defined by the Comprehensive Drug Abuse Prevention and Control Act of 1970) produced or processed, in whole or in part, in such country, or transported through such country, from being sold illegally within the jurisdiction of such country to United States Government personnel or their dependents, or from entering the United States unlawfully. Such suspension shall continue until the Secretary of State determines that the government of such country has taken adequate steps to carry out the purposes of this chapter.

AUTHORIZATION OF APPROPRIATIONS

Sec. 4102. There are authorized to be appropriated to the Secretary of State, to carry out this chapter, not to exceed \$25,000,000 for fiscal year 1974. Any amount appropriated under this section is authorized to remain available until expended.

PART VI—GENERAL LIMITATIONS AND MISCELLANEOUS PROVISIONS

CHAPTER 51—GENERAL LIMITATIONS

USE OF UNITED STATES ARMED FORCES

Sec. 5101. The furnishing of any assistance under this Act shall not be construed as creating a new commitment or as affecting any existing commitment to use Armed Forces of the United States for the defense of any foreign country.

FAILURE TO PROVIDE REQUESTED INFORMATION

Sec. 5102. (a) None of the funds made available pursuant to the provisions of this Act shall be used to carry out any project or activity after the expiration of the 35-day period which begins on the date the General Accounting Office or any committee of the Congress charged with considering legislation, appropriations, or expenditures under this Act has delivered to the office of the head of any agency of the United States Government carrying out such provision a written request that it be furnished any document, paper, communication, audit, review, finding, recommendation, report, or other material in its custody or control relating to the administration of such provision in such country or with respect to such project or activity, unless and until there has been furnished to the General Accounting Office, or to such committee, as the case may be, the document, paper, communication, audit, review, finding, recommendation, report, or other material so requested.

(b) The provisions of subsection (a) of this section shall not apply to any communication that is directed by the President to a particular officer or employee of any such agency or to any communication that is directed by any such officer or employee to the President.

PROCUREMENT

Sec. 5103. (a) Funds made available under this Act may be used for procurement outside the United States only if the President determines that such procurement will not result in adverse effects upon the economy of the United States or the industrial mobilization base, with special reference to any areas of labor surplus or to the net position of the United States in its balance of payments with the rest of the world, which outweigh the economic or other advantages to the United States of less costly procurement outside the United States, and only if the price of any commodity procured in bulk is lower than the market price prevailing in the United States at the time of procurement, adjusted for differences in the cost of transportation to destination, quality, and terms of payment.

(b) No funds made available under this Act shall be used for the purchase in bulk of any commodities at prices higher than the market price prevailing in the United States at the time of purchase, adjusted for differences in the cost of transportation to destination, quality, and terms of payment.

(c) In providing for the procurement of any agricultural commodity or product thereof available for disposition under the Agricultural Trade Development and Assistance Act of 1954, for transfer by grant under this Act to any recipient country in accordance with its requirements, the President shall, insofar as practicable and when in furtherance of the purposes of this Act, authorize the procurement of such agricultural commodity only within the United States except to the extent that such agricultural commodity is not available in the United States in sufficient quantities to supply emergency requirements of recipients under this Act.

(d) In providing assistance in the procurement of commodities in the United States, the United States dollars shall be made available for marine insurance on such com-

modities where such insurance is placed on a competitive basis in accordance with normal trade practice prevailing prior to the outbreak of World War II, except that in the event a participating country by statutes, decree, rule, or regulation, discriminates against any marine insurance company authorized to do business in any State of the United States, then commodities purchased with funds provided hereunder and destined for such country shall be insured in the United States against marine risk with a company or companies authorized to do a marine insurance business in any State of the United States.

(e) No funds made available under this Act shall be used for the procurement of any agricultural commodity or product thereof outside the United States when the domestic price of such commodity is less than parity.

(f) The President shall take all appropriate steps to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars. Dollar funds made available under this Act shall not be expended for goods and services when United States-owned foreign currencies are available for such purposes unless the administrative official approving the voucher certifies as to the reason for the use of dollars in each case. The President shall also take all appropriate steps to assure that, to the maximum extent possible, countries receiving assistance under this Act contribute local currencies to meet the cost of contractual and other services rendered in conjunction with such assistance.

SMALL BUSINESS

SEC. 5104. Insofar as practicable and to the maximum extent consistent with the accomplishment of the purposes of this Act, American small business shall be assisted in participating equitably in the furnishing of commodities, articles, and services financed with funds made available under this Act—

(1) by causing to be made available to suppliers in the United States, and particularly to small independent enterprises, information, as far in advance as possible, with respect to purchases proposed to be financed with such funds;

(2) by causing to be made available to prospective purchasers in the countries and areas receiving assistance under this Act information as to such commodities, articles, and services produced by small independent enterprises in the United States; and

(3) by providing for additional services to give small business better opportunities to participate in the furnishing of such commodities, articles, and services financed with such funds.

SHIPPING ON UNITED STATES VESSELS

SEC. 5105. The ocean transportation between foreign countries of commodities and defense articles purchased with foreign currencies made available or derived from funds made available under this Act or the Agricultural Trade Development and Assistance Act of 1954 shall not be governed by the provisions of section 901(b) of the Merchant Marine Act of 1936 or any other law relating to the ocean transportation of commodities on United States-flag vessels.

TERMINATION OF ASSISTANCE

SEC. 5106. Assistance furnished under any provision of this Act may, unless sooner terminated by the President or the head of the agency of the United States Government responsible for carrying out such provision, be terminated by concurrent resolution of Congress.

CHAPTER 53—MISCELLANEOUS PROVISIONS

HOUSING GUARANTIES

SEC. 5301. Title III of chapter 2 of part I of the Foreign Assistance Act of 1961 is amended as follows:

(1) In section 221, strike out "President" and insert in lieu thereof "Overseas Private Investment Corporation established under title IV of this chapter (hereafter referred to in this title as the 'Corporation')."

(2) In section 222—

(A) in subsection (a), strike out "President" and insert in lieu thereof "Corporation"; and

(B) in subsection (b), strike out "President" and "he" and insert in lieu thereof "Corporation" and "it", respectively.

(3) In section 223—

(A) in subsections (a) and (e), strike out the word "President" wherever it appears and insert in lieu thereof "Corporation";

(B) in subsection (f), strike out "agency primarily responsible for administering part I" and "agency" and insert in lieu thereof "Corporation" each time; and

(C) in subsection (1), strike out "June 30, 1974" and insert in lieu thereof "June 30, 1975".

PRIOR FOREIGN ASSISTANCE LOAN LEGISLATION BALANCES

SEC. 5302. Any repayments on loans made under prior foreign assistance loan legislation, which are not needed to carry out sections 1301 and 1303 and chapters 15 and 23 of this Act, shall be covered into the Treasury as miscellaneous receipts.

AMENDMENTS AND REPEALS

SEC. 5303. (a) Title IV of chapter 2 of part I of the Foreign Assistance Act of 1961 is amended as follows:

(1) In section 231(j), strike out "agency primarily responsible for administering part I" and insert in lieu thereof "United States Foundation for International Development".

(2) In section 233(b)—

(A) strike out "including the Chairman,";

(B) strike out the second sentence; and

(C) insert at the end of the first full paragraph the following sentence: "The Board shall elect one of its Directors (other than the President) to serve as Chairman of the Board."

(3) In section 234(e), strike out "under the authority of section 632(a)" and insert in lieu thereof "from other agencies of the United States Government".

(4) In section 235—

(A) in subsection (a) (4), strike out "June 30, 1974" and insert in lieu thereof "June 30, 1975"; and

(B) in subsection (c), strike out "section 234 (e)" and insert in lieu thereof "section 235(e)".

(5) Subsection (e) of section 239 is amended to read as follows:

"(e) The Board shall provide for adequate internal financial control, including internal auditing."

(6) Strike out subsection (d) of section 240.

(b) Section 103(b) of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out "1961, as amended," and inserting in lieu thereof "1961 (as such section existed prior to its repeal by the International Development Act)".

(c) Section 5108(c) of title 5, United States Code, is amended—

(1) by striking out "and" at the end of the third subparagraph (10);

(2) by striking out the period at the end of the subparagraph (11) and inserting in lieu thereof a semicolon and the word "and"; and

(3) by adding at the end thereof the following:

"(12) the United States Foundation for International Development, without regard to this chapter (except section 5114), may place a total of 15 positions in the Foundation in GS-16, GS-17, and GS-18."

(d) (1) Section 5313(3) of title 5, United States Code, is amended to read as follows:

"(3) President, United States Foundation for International Development."

(2) Section 5314(15) of such title is amended to read as follows:

"(15) First Vice President, United States Foundation for International Development."

(3) Section 5315 of such title is amended—

(A) by striking out item 5 and inserting in lieu thereof the following:

"(5) Second Vice Presidents, United States Foundation for International Development (4)."; and

(B) by striking out items 6, 52, and 53.

(4) Section 5316 (78) and (128) of such title are repealed.

(e) Part IV of the Foreign Assistance Act of 1969 is repealed.

(f) Section 101 of the Government Corporation Control Act is amended by inserting immediately after "Overseas Private Investment Corporation;" the following: "United States Foundation for International Development";

(g) The following provisions of law are repealed:

(1) sections 2(c) and 7 of the Migration and Refugee Assistance Act of 1972;

(2) part I of the Foreign Assistance Act of 1961 (other than titles III and IV of chapter 2); and

(3) sections 601-633, 635-641, 643, 645-649, 651-653, and 658 of the Foreign Assistance Act of 1961.

(h) References in law to the Acts, or provisions of such Acts, repealed by subsection (a) of this section shall thereafter be deemed to be references to this Act or appropriate provisions of this Act.

(i) The repeal of Acts listed in this section shall not be deemed to affect amendments contained in such Acts to Acts not named in that subsection.

SAVINGS PROVISIONS

SEC. 5304. (a) Except as may be expressly provided to the contrary in this Act, all determinations, authorizations, regulations, orders, contracts, agreements, and other actions issued, undertaken, or entered into under authority of any provision of law repealed by section 5303 of this Act shall continue in full force and effect until modified by appropriate authority.

(b) Wherever provisions of this Act establish conditions which must be complied with before use may be made of authority contained in, or funds authorized by, this Act, compliance with, or satisfaction of, substantially similar conditions under Acts listed in section 5303 of this Act or Acts repealed by those Acts shall be deemed to constitute compliance with the conditions established by this Act.

(c) Funds made available under provisions of law repealed by section 5303 of this Act shall, unless otherwise authorized or provided by law, remain available for their original purposes in accordance with the provision of law originally applicable thereto, or in accordance with the provisions of law currently applicable to those purposes.

STATUTORY CONSTRUCTION

SEC. 5305. (a) If any provision of this Act, or the application of any provision to any circumstances or persons shall be held invalid, the validity of the remainder of this Act, and the applicability of such provision to other circumstances or persons shall not be affected thereby.

(b) No provision of this Act shall be construed as modifying in any way the provisions of the Atomic Energy Act of 1954.

EFFECTIVE DATES

SEC. 5306. (a) Except as provided in subsection (b) of this section, this Act is effective July 1, 1973.

(b) Section 5303(e) of this Act is effective July 1, 1974.

TRANSITIONAL PROVISION

Sec. 5307. Notwithstanding any other provision of this Act, the Agency for International Development shall continue to exist and carry out the provisions of the Act to be administered by the Foundation, and any functions the President of the United States may delegate to the Agency, until such time as the Board of the Foundation holds its first meeting. In no event, however, shall the Agency continue to exist and exercise authority under this section after December 31, 1973.

SUMMARY OF THE MAJOR PROVISIONS OF THE INTERNATIONAL DEVELOPMENT ACT

I. BILATERAL ECONOMIC ASSISTANCE

1. The Agency for International Development would be abolished. It will be replaced by a United States Foundation for International Development which will be controlled by a nine member board of directors.

2. All A.I.D. missions in foreign countries would be phased out over a period of one year. Specific authorization would be required to establish foreign offices of the Foundation.

3. Bilateral assistance to foreign countries would be concentrated on providing technical assistance to the poorest countries for projects in the fields of education, health, population, control, and agriculture—areas which directly affect human welfare. A total of \$200,000,000 would be authorized for FY 1974 including use of loan repayments.

4. Foreign countries would be required to pay at least 25 percent of the costs of all technical assistance projects to insure that they have a vested interest in their success.

5. The bilateral development loan program would be terminated.

6. Foundation personnel, here and abroad, would be kept to a minimum and projects would be carried out to the maximum extent possible on a contract basis through private institutions.

7. Small projects administered by the local U.S. ambassador would be encouraged.

8. \$50,000,000 would be authorized for specialized and technical training of foreigners in FY 1974, financed out of loan repayments.

II. USE OF REPAYMENTS ON LOANS

1. The President would be authorized to enter into two-year agreements, which could be rejected by Congress, to use repayments on prior foreign assistance loans. An estimated \$323,000,000 will be available from loan repayments in FY 1974 increasing to \$488,000,000 in FY 1978. Agreements could be entered into for the following purposes:

a. For meeting U.S. expenses within the country;

b. As development grants to least-developed countries in conjunction with similar debt assisting arrangements by other creditor nations—up to \$100,000,000 a year authorized for FY 1974 and FY 1975;

c. For contributions to multilateral development organizations along with similar contributions by other countries, up to a maximum of 25 percent of all such voluntary contributions (\$100,000,000 authorized for FY 1974); and

d. For interest-free loans to multilateral development banks limited to 25 percent of the amount lent from all sources (\$75,000,000 authorized for FY 1974).

III. MULTILATERAL ASSISTANCE

1. The Foundation would have policy responsibility for U.S. multilateral assistance programs as well as bilateral programs, including contributions to United Nations' programs and the international development banks.

IV. ECONOMIC ASSISTANCE TO SOUTH VIETNAM, LAOS, AND CAMBODIA

1. Bilateral economic aid to South Vietnam, Laos, and Cambodia would be limited to relief and rehabilitation assistance; no general reconstruction program would be authorized at this time.

2. A total of \$240,000,000 would be authorized for the three countries compared with the \$632,000,000 requested by the Executive Branch.

3. Direct assistance through A.I.D. and government channels would be minimized.

4. Specific amounts would be earmarked for administration through international channels and private institutions.

V. MISCELLANEOUS PROVISIONS

1. A total of \$150,000,000 from all programs would be earmarked for population assistance programs.

2. \$25,000,000 would be authorized for disaster and refugee assistance.

3. \$25,000,000 would be authorized for the international narcotics control program.

4. The housing guaranty program would be transferred to the Overseas Private Investment Corporation.

5. The functions of the Inter-American Foundation would be transferred to the new Foundation.

COMPARATIVE DATA ON AUTHORIZATIONS IN THE INTERNATIONAL DEVELOPMENT ACT, THE EXECUTIVE BRANCH'S ECONOMIC AID REQUEST FOR FISCAL YEAR 1974, AND APPROPRIATIONS FOR FISCAL YEAR 1973

[In thousands]

	Appropriation Fiscal year 1973	Executive Branch request	International Development Act		Appropriation Fiscal year 1973	Executive Branch request	International Development Act
I. Bilateral economic assistance:				II. Multilateral assistance:			
1. Technical assistance grants.....	\$232,500	\$251,750	\$200,000	1. U.N. Development Program.....	\$70,612	\$90,000	\$90,000
2. Training.....	42,200	(2)	50,000	2. Voluntary contributions to other U.N. programs.....	34,388	44,800	49,000
3. American schools and hospitals abroad.....	25,500	10,000	10,000	3. Indus Basin:			
4. Development loans.....	597,609	645,550	(150,000)	(a) Grants.....	10,000	15,000	15,000
5. Population.....	100,000	116,000	240,000	(b) Loans.....	12,000	2,200	2,200
6. Incochina.....	444,700	632,000	240,000	4. Additional contributions to multilateral development institutions.....			100,000
(a) South Vietnam.....	(313,000)	(475,000)	(175,000)	5. Loans to multilateral development banks.....			75,000
(b) Laos.....	(45,000)	(55,000)	(30,000)				
(c) Cambodia.....	(68,000)	(75,000)	(35,000)	Total multilateral assistance.....	127,000	152,000	331,200
(d) Regional programs.....	(18,700)	(25,900)	(2)				
7. Administrative expenses.....	54,200	58,200	(2)	III. Humanitarian assistance:			
8. Bangladesh.....	100,000	(2)	(2)	1. Disaster and refugee relief.....	25,000	30,000	25,000
Total bilateral assistance.....	1,554,509	1,713,500	500,000	IV. International narcotics control.....	42,500	42,500	25,000
				Total all programs.....	1,749,009	1,938,000	881,200

* Includes \$100,000,000 obtained from repayments on prior loans under foreign assistance programs.

* Funded from other programs

* Financed from repayments on prior loans under foreign assistance programs. Total dollar

receipts from loan repayments are estimated at \$323,000,000 in fiscal year 1974 and \$368,000,000 in fiscal year 1975.

* Total program including use of certain loan repayments.

* Contingency fund.

FISCAL YEAR 1972 ECONOMIC AID PROGRAM

Country	Population	Overseas operating costs	Per capita cost	Country	Population	Overseas operating costs	Per capita cost
Africa:				Latin America:			
Ethiopia.....	21,200.0	\$1,540.0	\$0.06	Argentina.....	24,352.0	\$304.1	\$0.01
Ghana.....	9,030.0	850.6	.09	Bolivia.....	4,931.0	972.8	.20
Kenya.....	10,900.0	870.0	.08	Brazil.....	92,237.6	4,045.4	.04
Liberia.....	1,170.0	1,506.5	1.29	Chile.....	9,780.0	1,013.0	.11
Morocco.....	11,310.0	1,016.7	.05	Colombia.....	21,100.0	1,926.3	.09
Nigeria.....	66,174.0	4,581.5	.07	Costa Rica.....	1,800.0	442.1	.25
Tanzania.....	13,300.0	607.2	.05	Dominican Republic.....	4,325.0	1,106.0	.26
Tunisia.....	5,140.0	1,019.4	.20	Ecuador.....	6,093.0	1,313.6	.21
Uganda.....	9,760.0	672.0	.08	El Salvador.....	3,534.0	590.0	.17
Zaire.....	21,480.0	928.5	.04	Guatemala.....	5,189.0	1,041.0	.20
Asia:				Guyana.....	763.0	663.7	.87
Afghanistan.....	17,125.0	2,625.6	.25	Haiti.....	4,867.0	54.5	.01
Bangladesh.....	71,000.0	135.9	.002	Honduras.....	2,582.0	1,497.5	.58
India.....	547,000.0	1,599.3	.003	Jamaica.....	2,000.0	161.2	.09
Indonesia.....	121,230.0	1,751.0	.01	Mexico.....	48,313.0	97.8	.002
Korea.....	31,793.0	1,545.3	.05	Nicaragua.....	1,984.0	1,104.6	.56
Nepal.....	11,100.0	847.1	.08	Panama.....	1,464.0	1,610.2	1.10
Pakistan.....	60,000.0	2,729.0	.05	Paraguay.....	2,386.0	997.4	.42
Philippines.....	38,493.0	1,915.7	.05	Peru.....	13,586.0	1,353.7	.10
Sri Lanka.....	12,514.0	45.4	.004	Uruguay.....	2,890.0	534.9	.19
Turkey.....	37,230.0	1,068.3	.03	Venezuela.....	10,400.0	127.9	.01

Country	Fiscal year 1972 economic aid	Overseas operating costs	Percentage
Africa:			
Ethiopia	\$19,425	\$1,540.0	7.9
Ghana	17,440	850.6	4.9
Kenya	2,150	870.0	40.5
Liberia	4,710	1,506.5	32.0
Morocco	1,605	1,106.7	68.9
Nigeria	24,830	4,581.5	18.4
Tanzania	1,900	607.2	32.0
Tunisia	17,200	1,019.4	5.9
Uganda	5,355	672.0	12.5
Zaire	1,380	928.5	62.9
Asia:			
Afghanistan	26,560	2,625.6	9.8
Bangladesh		135.9	
India	9,575	1,599.3	16.7
Indonesia	121,140	1,751.0	1.4
Korea	25,325	1,545.3	6.1
Nepal	2,532	847.1	33.4
Pakistan	62,485	2,729.0	4.3
Philippines	29,400	1,915.7	6.5
Sri Lanka		45.4	
Turkey	58,945	1,068.3	1.8
Latin America:			
Argentina		304.1	
Bolivia	35,573	972.8	2.7
Brazil	9,350	4,044.4	43.2
Chile	1,022	1,013.0	99.1
Colombia	91,530	1,926.3	2.1
Costa Rica	1,655	448.1	27.1
Dominican Republic	6,815	1,106.0	16.2
Ecuador	4,596	1,313.6	28.3
El Salvador	8,958	590.0	6.6
Guatemala	13,400	1,041.0	7.7
ROCAP (Guatemala)	13,090	1,262.1	9.7
Guyana	12,500	685.7	5.3
Haiti	2,960	54.5	1.8
Honduras	5,325	1,497.5	28.1
Jamaica	1,218	161.2	13.2
Mexico		97.8	
Nicaragua	11,660	1,104.6	9.4
Panama	15,825	1,610.2	10.1
Paraguay	6,681	987.4	14.9
Peru	24,082	1,357.7	5.6
Uruguay	1,355	534.9	39.5
Venezuela	850	127.9	15.0

By Mr. HARTKE:

S. 2060. A bill to authorize the Secretary of Transportation to act to assure the continuance of rail service in the Northeastern United States, and for other purposes. Referred to the Committee on Commerce.

Mr. HARTKE. Mr. President, I introduce for appropriate reference a bill to authorize the Secretary of Transportation to act to assure the continuance of rail services in the Northeastern United States, and for other purposes.

The rail transportation problem in the 19 Northeastern States—already extremely serious—is rapidly approaching a potential national crisis. Depending upon what action is taken by Congress and the executive branch this month there is a grave possibility that the precariously balanced rail transportation system, so vital to the economic health and security of the Nation, could continue down the tortuous path to liquidation.

If one of the bankrupt railroads in the Northeast ceased operation, the consequences could be disastrous to the more than 100 million people living in the region and to the Nation as a whole. For example, a study has disclosed that if the Penn Central were to curtail activity for a period of 8 weeks economic activity in the Northeast would decline at a rate of 5.7 percent. Economic activity in the entire Nation would decline by a rate of 4 percent and the gross national product would decline by 2.7 percent.

These statistics do not convey the seriousness of the problem in human terms.

Not only would people be thrown out of jobs, many would go hungry because of the food shortages caused by inadequate transportation facilities in the northeast. The chaos that would afflict the northeast would bring swift economic and personal hardship to the rest of the country as well. To the farmers of the west and south, the lumbermen of the northwest, small and large companies in all States, the hundred million people in the 17 States would no longer be able to receive and consume their goods and services. Disaster—sheer, unmitigated disaster—is the only way to describe what would happen if the Penn Central and other roads of the northeast were to be forced to close down.

In my opinion we cannot let these railroad shut down. Some public officials might argue that no Federal funds should be spent in the short term or in the long term to solve this rail transportation crisis. They would argue that it is better to let the crisis occur and suffer a tremendous loss of Federal tax revenue than to spend a few dollars of taxpayers money to assure a continuing and viable economic system in this country. I for one cannot agree with that approach and am therefore offering today legislation that would assure emergency first aid for the northeast rail system while Congress works diligently to come up with a long-term solution.

The bill I am introducing amends the Emergency Rail Services Act of 1970 so as to authorize the Secretary of Transportation, in the case of an actual or anticipated cessation of essential transportation services by any railroad, to contract with the trustees of such railroad for the continued provision of essential services, or acquire by purchase, lease, or other transfer any equipment and facilities of such railroad and any operating rights over the tracks of such railroad. The present Emergency Rail Services Act authorizes the Secretary to take similar action with respect to those railroads which have accepted loans from the Federal Government. The amendment would broaden that authority to apply to any railroad which has actually ceased operation or is about to cease operations.

Any such service contract, or acquisition would be subject to the approval of the reorganization court and the Interstate Commerce Commission.

Funds to pay for such service contract or acquisition would be available under the provisions of the present Emergency Rail Services Act which authorizes the Secretary of Transportation to issue obligations. The present act authorizes such sums as may be necessary to pay the principal and interest on any obligations issued. The bill I am introducing today amends the existing act to place a ceiling of \$250 million on such authorization of appropriations.

In my opinion, it is absolutely essential that we have this kind of emergency backup to avoid the tragic consequences that would result from a significant curtailment of rail services in the northeast. I urge my colleagues to study the provisions of this proposed legislation carefully.

By Mr. HATFIELD (for himself, Mr. CASE, Mr. HUGHES, Mr. PACKARD, and Mr. KENNEDY):

S. 2062. A bill to prohibit the introduction into interstate commerce of non-returnable beverage containers. Referred to the Committee on Commerce.

NONRETURNABLE BEVERAGE CONTAINER PROHIBITION ACT

Mr. HATFIELD. Mr. President, I rise today to introduce the Nonreturnable Beverage Container Prohibition Act of 1973. I am pleased that the Senator from New Jersey (Mr. CASE), the Senator from Iowa (Mr. HUGHES) and the Senator from Massachusetts (Mr. KENNEDY) and my colleague from Oregon (Mr. PACKWOOD), are joining me in cosponsoring this legislation.

Mr. President, I have become increasingly concerned about what Dr. Barry Commoner, director of the Center for the Biology of Natural Systems at Washington University, has called a "counterecological growth pattern" behind our environmental crisis. In far too many cases, and particularly since World War II, we have adopted technologies which produce intense environmental impacts, displacing other activities with far less serious environmental impacts.

Transfer from returnable to non-returnable beverage containers is an outstanding example of a counterecological growth pattern. According to Dr. Commoner, the production of nonreturnable beer bottles increased 3,778 percent per capita during the period between 1946 and 1969. During the same period, production of returnable beer bottles decreased 64 percent per capita.

The result of this growth pattern, which has been accompanied by similar trends in soft drink packaging, has been an increased use of energy and increased litter along our highways and in our parks.

Looking first at the energy question, Dr. Bruce Hannon, assistant professor of general engineering and staff member with the Center for Advanced Computation at the University of Illinois at Urbana, has conducted an excellent study dealing with this topic. He concludes that the energy required to deliver a unit of beverage to the consumer is about three times more in a throwaway glass container than in returnable bottles. He estimates that 19,640 Btu's are necessary to bottle a gallon of beer in 12 ounce returnable bottles while 59,800 Btu's are necessary for nonreturnable bottles and 58,190 Btu's for cans. I found one of Dr. Hannon's statistics astounding:

If the beverage industry were converted entirely to returnable containers, the 1970 container system energy, which accounts for 0.48% of the total U.S. energy demand, would be reduced by about 40%. The energy savings in 1970 would have supplied the total electrical needs for Washington, D.C., Pittsburgh, San Francisco and Boston for about 5 months, or about 30 billion kilowatt hours.

It should be noted here that this figure includes the energy consumed in the milk container system, although the energy consumption of this system is slight when compared to soft drinks or beer, which constitute about one-half of all beverage and food containers.

June 25, 1973

As a consumer matter, it appears evident that a return to returnable beverage containers would be beneficial. The purchase price for soft drinks in throw-away glass is 30 percent more than when it is sold in returnable containers. When the consumer purchases a beverage in a returnable container and returns it he pays only a fraction of the cost of the container, whereas the nonreturnable container purchaser pays the entire cost of the container. To this must be added the cost of the disposal of the container, which is increased if it has been tossed out of a car along a highway.

An obvious but important environmental benefit to which I have alluded which would result from the prohibition of nonreturnable beverage containers is litter reduction. My State of Oregon adopted legislation banning nonreturnables last October; the legislation I introduce today is patterned after this bill. The effects of the bill have been followed closely by the Oregon State highway department and other various groups. In April of this year, the Environmental Protection Agency published a report on the progress of the Oregon law, drawing on the highway department data. According to this study, "the beverage container portion of litter decreased by at least 49 percent between the winter of 1971 to 1972 and the winter of 1972 to 1973." This is indeed significant in view of an earlier study by the State of Oregon indicating that beverage containers formed approximately 62 percent of the volume of litter.

Two other trends resulting from Oregon's bottle law were noted in the Environmental Protection Agency report:

- (1) Container usage has been dramatically altered by the law. Less than 1 percent of all soft drinks and 0.5 percent of all beer was being sold in cans as of March 1973, and
- (2) The enactment of the law has been attended by an initial loss of 142 jobs. A sizable number of new jobs may be created in the bottling industry to offset these losses.

This last statement is worthy of further comment. A study of the Employment Effects of the Mandatory Deposit Regulation by Dr. Hugh Folk, professor of economics at the University of Illinois at Urbana concludes that employment in Illinois would actually be increased by 6,500 jobs following a shift to nonreturnables. This is not to say that there would be no employment difficulties in the transition, and this is a matter which must receive careful review by the Congress, but the creation of new jobs is often ignored during discussions of legislation of this nature.

Mr. President, I believe it is past time that we reexamine the "no deposit-no return" philosophy which we can no longer afford from an environmental or an energy standpoint. Certainly the passage of this legislation would be a good beginning.

Very briefly, the legislation I am introducing today would ban the shipment and sale of nonreturnable beverage containers in interstate commerce and ban all "flip-top" cans. The law would be administered by the Environmental Protection Agency, which is directly to certify acceptable containers.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD following my remarks.

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

S. 2062

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Nonreturnable Beverage Container Prohibition Act".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that (1) litter composed of beverage containers is a major source of pollution in all areas of this Nation, (2) the collection and disposal of solid waste composed of such containers impose a great cost burden upon the States and their political subdivisions, (3) nonreturnable beverage containers on which no refundable money deposit is required from the consumer pose a threat to health, safety, and welfare of individuals and environment in the United States, and (4) such containers, representing as they do a high cost in the form of litter and solid waste management, should be banned from circulation within and among the several States.

(b) It is therefore the purpose of this Act to assist in solving this problem by preventing the use and circulation of the offending types of nonreturnable beverage containers by banning their shipment and sale in interstate commerce.

DEFINITIONS

SEC. 3. For the purpose of this Act the term—

(1) "Administrator" means the Administrator of the Environmental Protection Agency;

(2) "returnable beverage container" means a beverage container which—

(A) has a clear indication thereon, either by embossing or by a stamp, label, or other method securely affixed thereto, of the refund value of the container, or is a glass container designed for a beverage and having a brand name permanently marked thereon which on the date of enactment of this Act had a refund value of not less than 5 cents;

(B) has a refund value of not less than 5 cents or, if certified by the Administrator pursuant to section 4, has a refund value of not less than 2 cents; and

(C) is not a metal container so designed and constructed that a part of the container is detachable in opening the container without the aid of a can opener;

(3) "beverage" means beer or any other malt beverage, mineral water, or soda water or a carbonated soft drink of any variety in liquid form and intended for human consumption;

(4) "container" means a bottle, jar, can, or carton of glass, plastic, or metal, or any combination thereof, for use in packaging or marketing any beverage;

(5) "interstate commerce" means (A) commerce between any State or territory and any place outside thereof, and (B) commerce within the District of Columbia or within any other territory not organized with a legislative body;

(6) "territory" means any territory or possession of the United States, including the District of Columbia and excluding the Canal Zone.

CERTIFICATION

SEC. 4. (a) (1) To promote the use of returnable beverage containers of uniform design, and to facilitate the return of containers to manufacturers for reuse as a beverage container, the Administrator shall, upon application in accordance with regulations established by the Administrator not

later than ninety days after the date of enactment of this Act, certify beverage containers which satisfy the requirements of this section.

(2) A beverage container shall be certified if—

(a) it is reusable as a beverage container by more than one beverage manufacturer or bottler in the ordinary course of business; and

(b) more than one beverage manufacturer or bottler will in the ordinary course of business accept the beverage container for reuse as a beverage container and pay the refund value of the container.

(3) A beverage container shall not be certified under this section if by reason of its shape or design, or by reason of words or symbols permanently inscribed thereon, whether by engraving, embossing, painting, or other permanent method, it is reusable as a beverage container in the ordinary course of business only by a manufacturer or bottler of a beverage sold under a specific name.

(b) (1) Unless an application for certification under this section is denied by the Administrator within sixty days after the filing of the application in accordance with regulations of the Administrator, the beverage container shall be deemed certified.

(2) The Administrator may review at any time certification of a beverage container. If after such review, with written notice and hearing afforded to the applicant for certification under this section, the Administrator determines the container is no longer qualified for certification, he shall withdraw certification.

(3) Withdrawal of certification shall be effective not less than thirty days after written notice to such applicant and to all known manufacturers and bottlers using such container.

PROHIBITION

SEC. 5. (a) No person shall manufacture for sale, sell, offer for sale, or introduce or deliver for introduction in interstate commerce any beverage container other than a returnable beverage container.

(b) Whoever violates subsection (a) of this section shall be fined not more than \$1,000, or imprisoned for not more than six months, or both.

REGULATIONS

SEC. 6. The Administrator shall establish such regulations as are necessary for the purpose of this Act.

EFFECTIVE DATE

SEC. 7. The provisions of this Act shall be effective on the date of enactment of this Act, except that section 5 shall be effective after one hundred and eighty days following such date of enactment.

By Mr. MAGNUSON (for himself and Mr. COTTON) (by request):

S. 2063. A bill to amend the Criminal Code in order to extend protection to officers and employees of the Interstate Commerce Commission. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce by request, for appropriate reference, a bill to amend the Criminal Code in order to extend protection to officers and employees of the Interstate Commerce Commission, and ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 2063

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section