

December 9, 1974

CONGRESSIONAL RECORD—HOUSE

H 11459

Mazzoli	Rose	Symms
Miller	Roush	Taylor, N.C.
Mitchell, N.Y.	Rousselot	Traxler
Mollohan	Runnels	Veysey
Montgomery	Satterfield	Waggonner
Moorhead,	Scherle	Walsh
Calif.	Shoup	Wampler
Murphy, Ill.	Shuster	White
Murtha	Skies	Whitehurst
Natcher	Skubltz	Whitten
Nichols	Slack	Wilson,
O'Brien	Snyder	Charles H.,
Parris	Spence	Calif.
Pettis	Staggers	Wolf
Peysner	Steed	Wyllie
Pike	Steele	Yatron
Randall	Steiger, Ariz.	Young, Fla.
Roberts	Stubblefield	Young, S.C.
Robinson, Va.	Stuckey	
Roe	Sullivan	

NOT VOTING—101

Alexander	Green, Oreg.	Nix
Andrews, N.C.	Griffiths	O'Hara
Arends	Grover	Passman
Ashbrook	Hanna	Podell
Badillo	Hansen, Wash.	Powell, Ohio
Beard	Hawkins	Price, Tex.
Bell	Hays	Rallsback
Blatnik	Hébert	Rangel
Boggs	Heckler, Mass.	Rarick
Boland	Heinz	Rodino
Brasco	Helstoski	Rogers
Broomfield	Hillis	Roncallo, Wyo.
Brotzman	Hollifield	Roncallo, N.Y.
Brown, Calif.	Horton	Rooney, N.Y.
Brown, Ohio	Howard	Rostenkowski
Broyhill, Va.	Jones, N.C.	Ruppe
Byron	King	Ryan
Carey, N.Y.	Kuykendall	Sandman
Chappell	Landrum	Schneebeli
Chisholm	Luken	Schroeder
Clancy	McFall	Shipley
Clark	McKinney	Sisk
Clawson, Del	McSpadden	Taylor, Mo.
Cohen	Macdonald	Teague
Cotter	Maraziti	Thornton
Cronin	Martin, Nebr.	Towell, Nev.
Donohue	Martin, N.C.	Ullman
Dorn	Mathias, Calif.	Vander Jagt
Eshleman	Meeds	Wyatt
Evans, Colo.	Mills	Wyman
Evins, Tenn.	Minshall, Ohio	Young, Alaska
Fisher	Mizell	Zion
Gialmo	Mosher	Zwach
Grasso	Murphy, N.Y.	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mrs. Boggs for, with Mr. Shipley against.
 Mr. Rostenkowski for, with Mr. Rogers against.
 Mr. McFall for, with Mr. Hébert against.
 Mr. Cotter for, with Mr. Passman against.
 Mrs. Chisholm for, with Mr. Rarick against.
 Mr. Horton for, with Mr. Byron against.
 Mr. Hawkins for, with Mr. Clark against.
 Mr. Badillo for, with Mr. Fisher against.
 Mr. Boland for, with Mr. Landrum against.
 Mr. Macdonald for, with Mr. Chappell against.
 Mr. Murphy of New York for, with Mr. against.
 Vander Jagt for, with Mr. Jones of Carolina against.
 Teague for, with Mr. Taylor of Missouri against.
 Mosher for, with Mr. Clancy against.
 Rodino for, with Mr. King against.
 Gialmo for, with Mr. Powell of Ohio against.
 Eshleman for, with Mr. Price of Texas against.
 Cronin for, with Mr. Broyhill of Virginia against.
 Broomfield for, with Del Clawson against.
 Heckler of Massachusetts for, with Mr. against.
 McKinney for, with Mr. Martin of Alaska against.
 Arends for, with Mr. Nix against.
 Heinz for, with Mr. Wyman against.
 Mr. Meeds for, with Mr. Zion against.
 Mr. Sisk for, with Mr. Maraziti against.

Mr. Rangel for, with Mr. Roncallo of New York against.
 Mr. Howard for, with Mr. Evins of Tennessee against.
 Mr. Hillis for, with Mr. Ashbrook against.

Until further notice:

Mr. Alexander with Mrs. Grasso.
 Mr. Andrews of North Carolina with Mr. Rooney of New York.
 Mr. Helstoski with Mr. Carey of New York.
 Mr. Bell with Mr. Beard.
 Mr. Brown of California with Mr. Blatnik.
 Mr. Brown of Ohio with Mr. Brotzman.
 Mr. Cohen with Mr. Donohue.
 Mr. Evans of Colorado with Mrs. Green of Oregon.
 Mr. Kuykendall with Mrs. Griffiths.
 Mrs. Hansen of Washington with Mr. Hanna.
 Mr. Martin of North Carolina with Mr. Hays.
 Mr. Mills with Mr. Hollifield.
 Mr. O'Hara with Mr. Luken.
 Mr. Minshall with Mr. Mathias of California.
 Mr. Rallsback with Mr. Mizell.
 Mr. Roncallo of Wyoming with Mr. Ruppe.
 Mr. Ryan with Mrs. Schroeder.
 Mr. Schneebell with Mr. Towell of Nevada.
 Mr. Thornton with Mr. Ullman.
 Mr. Sandman with Mr. Wyatt.
 Mr. Zwach with Mr. Young of Alaska.

The result of the vote was announced as above recorded. A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter, on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2193) to provide for increased participation by the United States in the Asian Development Bank, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the Senate bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Asian Development Bank Act, as amended (22 U.S.C. 285-285p), is further amended by adding at the end thereof the following new sections:

"Sec. 20. (a) The United States Governor of the Bank is authorized to subscribe on behalf of the United States to thirty thousand additional shares of the capital stock of the Bank in accordance with and subject to the terms and conditions of Resolution Numbered 46 adopted by the Bank's Board of Governors on November 30, 1971.

"(b) In order to pay for the increase in the United States subscription to the Bank provided for in this section, there is hereby authorized to be appropriated without fiscal year limitation \$361,904,726 for payment by the Secretary of the Treasury.

"Sec. 21. (a) The United States Governor of the Bank is hereby authorized to agree to contribute on behalf of the United States

\$50,000,000 to the special funds of the Bank. This contribution shall be made available to the Bank pursuant to the provisions of article 19 of the articles of agreement of the Bank.

"(b) In order to pay for the United States contribution to the special funds, there is hereby authorized to be appropriated without fiscal year limitation \$50,000,000 for payment by the Secretary of the Treasury."

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 11666) was laid on the table.

AUTHORIZING CLERK TO RECEIVE MESSAGES FROM THE SENATE AND SPEAKER TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS, NOTWITHSTANDING ADJOURNMENT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that, notwithstanding the adjournment of the House until tomorrow, the Clerk be authorized to receive messages from the Senate, and the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

FOREIGN AID AUTHORIZATION

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, the House is scheduled tomorrow to begin consideration of H.R. 17234, the foreign aid authorization bill.

I hope that Members of the House of Representatives will write into permanent law legislation to continue the suspension of U.S. military aid to Turkey until the President can certify that Turkey is in compliance with U.S. laws and until substantial progress is made by the principals on an agreement regarding military forces in Cyprus.

In this connection, Mr. Speaker, I ask unanimous consent to insert in the Record the text of an editorial entitled "Arms for Turkey," published yesterday, December 8, 1974, in the highly respected St. Louis Post-Dispatch, urging that the House reject any extension of the suspension of aid and vote an immediate cutoff of aid to Turkey.

The editorial follows:

ARMS FOR TURKEY

When the United States Senate threatened in October to cut military aid to Turkey, the White House pleaded for more time and eventually managed to win two compromises. The termination date was postponed until Dec. 10 and President Ford was authorized to continue military assistance after that date provided he found "substantial progress" had been made on the Cyprus issue. Not only has there been no progress, but it does not seem to be forthcoming. Turkey remains as adamant as ever about the maintenance of its occupation force on Cyprus.

Incredibly, the Senate voted Thursday in favor of yet another extension of the deadline,

to Feb. 15. The extension, if sustained by the House, would mean that Congress had failed on significant questions of principle and policy. The laws of this country stipulate that military assistance can be used by the recipient only for purposes of national defense. If there is a violation, as there certainly was in the instance of Turkey's invasion of a foreign country, then the White House should be bound to uphold the law and, at the very least, terminate military assistance. Secretary of State Kissinger has all but acknowledged that the law was violated yet he continues to insist that the principle of upholding the law should be overlooked in the national interest.

As for the question of policy, there is no virtue in rewarding an aggressor and in seeing the other ally in this conflict—Greece—driven further away from the Western alliance. It has now been confirmed not only that U.S. military aid to Turkey continued after the invasion of Cyprus, but also that it increased sharply. Missouri's two senators voted wisely to reject extension of the deadline on the assumption that if the Senate backed down again, the government of Turkey would no longer pay serious attention to warnings from Capitol Hill. If the House fails to eliminate the extension amendment from the foreign aid bill, then it too will have played the sorry role of actually postponing a solution to the conflict on Cyprus.

ACTIONS OF JOINT CHIEF OF STAFF AND SECRETARY OF AGRICULTURE WARRANT INSISTING UPON RESIGNATIONS

(Mr. WOLFF asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WOLFF. Mr. Speaker, on November 20 I introduced a resolution of inquiry, directed to the Secretary of Defense, requesting all factual information which formed the basis of Gen. George S. Brown's remarks and allegations at Duke University. I had intended today to bring up a motion to discharge the committee in order for the House to consider this resolution. Since the introduction of my resolution, however, General Brown has made certain statements which clearly indicate that the backup facts which I am seeking simply do not exist. To pursue my resolution of inquiry, therefore, would serve no useful purpose.

General Brown told his Duke University audience that the Jews in the United States control the banking industry, the newspapers and the Congress. It was, in the General's own words, an "unthinking" remark which deeply offended a large segment of the American population. In a graver sense, however, General Brown's "unthinking" comments threw into serious question his fitness for the position he holds as Chairman of our Joint Chiefs of Staff. In a statement made after his appearance at Duke University, General Brown admitted that he had "provided an unthinking shorthand answer," had "used inaccurate words," had since "learned a good deal about the corporate structure of banks and newspapers, and in addition, learned how little (he) previously knew about that subject."

By his own admission, General Brown has indicated that his remarks at Duke were unfounded and irresponsible. I ask

if we can continue to allow a man with so little judgment and solid information to act as the leader of our defense effort. The General's remarks go beyond their vulgar, disgraceful ethnic slur; they warrant more than official wristslapping. I believe, based on the General's own admissions, that his comments evidence a lack of judgment and responsibility which should require his removal from the position he holds. In the interests of national security, we cannot permit a man who has evidenced such error in judgment to serve as the Nation's second ranking military officer. I have conveyed this belief to the President and hope that he will recognize the gravity of this incident by insisting upon General Brown's resignation.

Mr. Speaker, unfortunately, General Brown is not the only high ranking administration official who has been making callous, unthinking remarks. In an "off the record" comment to the press, Secretary of Agriculture Butz managed to both ridicule the person of Pope Paul VI and offend millions of Roman Catholics throughout the world and many Italian Americans. Mr. Butz' vulgar "sneer", made at the expense of a large segment of the American people and the spiritual leader of 600 million individuals throughout the world, has no place in a responsible and concerned Government. The Roman Catholic Church has, for close to 2,000 years, embraced the cause of the poor, the hungry and the downtrodden. For a high ranking U.S. official to impugn its record of charity and concern for humanity is an outrage and a disgrace to the Government he represents.

I have called for Secretary Butz' removal from office before for his irresponsible actions and handling of American food policy. His recent slanderous remarks reinforce my feeling that this man does not belong in a position of responsibility and trust.

The incidents involving General Brown and Secretary Butz leave an impression of bigotry at the highest levels of our Government that is repugnant to the American and international communities. Even beyond that, they show a lack of judgment which we should question as injurious to our Nation and its security. For the President to clear the air, to restore a sense of decency and responsibility to his administration, he must insist upon the resignations of both officials in question.

TRIBUTE TO THE HONORABLE H. R. GROSS

The SPEAKER pro tempore (Mr. DINGELL). Under a previous order of the House, the gentleman from Iowa (Mr. SCHERLE) is recognized for 60 minutes.

Mr. SCHERLE. Mr. Speaker, one score and 6 years ago, the people of Iowa brought forth upon this great Congress a watchdog to help control the appetite of big spenders, H. R. GROSS. Today my colleagues and I from the Iowa delegation and Mr. BAUMAN from Maryland have requested this special order to commemorate the gentleman from Iowa's 26

memorable years of service to the House of Representatives and we are proud that so many Members have taken the time to express their personal sentiment to our beloved friend.

H. R. is a man of many notable qualities which Members who know him only on the House floor, might never have had the chance to experience. He is a man who builds warm and steady friendships, who puts guests at ease as quickly and calmly as he undermines his opponents' arguments. It may seem impossible to those who try to keep up with him during debates, but he is as dedicated a family man as he is a legislator. With his wife, Hazel, who rivals him in being well-informed, H. R. thoroughly reads and reviews every scheduled bill and conference report—a practice which usually absorbs his evenings and often his weekends. Despite the press of his duties and the rigors of over 13 campaigns, however, he is always tremendously thoughtful and considerate.

H. R. is a man devoted to traditional principles which form the bedrock of this country's greatness. He is best known as a champion of fiscal responsibility. This sometimes lonesome occupation has gained him a national constituency of taxpayers who know him only through his immutable attention to his work and his amazing ability to accurately prophesy the true cost of Federal projects and programs. His role as the "taxpayers guardian" has made him a thorn in the side of waste and extravagance but it has also earned him the respect and admiration of Members on both sides of the aisle.

Today we pay tribute not only to H. R. Gross, but to his principles as well. Some may suggest that a plaque or a statue be erected in his honor, but it would be far better if we all resolved to continue the same high standard of personal integrity that H. R. has always maintained.

H. R., we will all miss you, but your courage to back your convictions will always remain with us.

One final word to our friends in the media—earlier this year H. R. and his lovely wife, Hazel, were blessed with their second grandson, H. R. Gross, Jr. So pass the word to your children, that by the year 2000 there will be another H. R. Gross in the House, requesting a quorum call to keep that Congress on its toes.

Mr. GROSS. Mr. Speaker, before yielding to the gentleman from Iowa, will the gentleman yield to me?

Mr. SCHERLE. I will be glad to yield to my colleague, the gentleman from Iowa (Mr. GROSS).

PARLIAMENTARY INQUIRY

Mr. GROSS. Mr. Speaker, I have parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. GROSS. Mr. Speaker, we have had a long day. It is now 7:20 in the evening and I am reminded that under clause 1 of the rules a Member is prohibited from making a quorum call. I wonder if the Chair would be good enough to help me put a stop to this by granting me unanimous consent to waive clause VI.

5 3399
Wednesday, December 4, 1974

Daily Digest

HIGHLIGHTS

- Senate passed foreign aid authorizations bill.
- House cleared supplemental appropriations conference report and passed budget rescissions bill.
- House committee ordered reported Emergency Jobs Act.

Senate

Chamber Action

Routine Proceedings, pages S20449-S20517

Bills Introduced: Nine bills and three resolutions were introduced, as follows: S. 4205-4213; S.J. Res. 262; and S. Res. 441 and 442. Pages 5 20453-5 20454, 5 20471

Bills Reported: Reports were made as follows:

Conference report on H.R. 11929, to provide that expenditures by the Tennessee Valley Authority for certified pollution control equipment be credited against required payments to the Treasury (S. Rept. 93-1305). Filed during adjournment of the Senate.

H.R. 17026, relating to former Speakers of the House of Representatives (S. Rept. 93-1306).

S.J. Res. 262, authorizing the architect of the Capitol to permit certain work on the Capitol grounds in connection with the erection of an addition to a building on adjacent private property (S. Rept. 93-1307).

H.R. 6925, authorizing the Forest Service to exchange two sections of land within the Cibola National Forest, N. Mex., for two sections of land held in trust by the United States for the Pueblo of Acoma of New Mexico (S. Rept. 93-1308).

S. Res. 441, requesting an additional \$30,000 for expenses of Committee on Interior and Insular Affairs (without written report, referred to Committee on Rules and Administration).

H.R. 8824, authorizing the conveyance of certain land in Wisconsin to Mrs. Harriet La Pointe Vanderverter (S. Rept. 93-1309). Pages 5 20453, 5 20471

Bills Referred: Sundry House-passed bills were referred to appropriate Senate committees. Page 5 20453

Messages From the House: Senate received four messages from the House today. Pages 5 20452-5 20453

Amendments Submitted for Printing: Pages 5 20471-5 20472

Bills Passed:

Foreign aid authorizations: By 46 yeas to 45 nays, Senate passed S. 3394, authorizing funds for foreign aid programs for fiscal year 1975, after taking action on additional amendments proposed thereto, as follows:

Adopted:

(1) Nelson amendment No. 2002, requiring quarterly Presidential report to the Congress on sales to one country of \$25 million or more, or cumulative sales of \$50 million or more in 1 year; Page 5 20525

(2) Sparkman amendment extending from June 30, 1975 to June 30, 1976 military assistance programs for South Vietnam; Page 5 20530

(3) Eagleton amendment No. 2004, as amended, suspending military assistance to Turkey unless the President determines that that country is in compliance with the Foreign Assistance and Military Sales Acts; Page 5 20530

(4) By 55 yeas to 36 nays, Humphrey amendment (to Eagleton amendment No. 2004) making such suspension effective only until 30 days after convening of the 94th Congress and authorizing the President to suspend its provisions under certain circumstances; Page 5 20535

(5) Inouye amendment to delete section 20(a), which authorizes use of the balance of repayments on foreign assistance loans for fiscal year 1975 to be used for economic development programs, and reconstruction in drought-stricken nations of Africa, relief in Bangladesh, and Cyprus, and in certain other cases; Page 5 20537

(6) By 65 yeas to 27 nays, modified Harry F. Byrd, Jr. amendment No. 2001, establishing a ceiling of \$165 million on contributions authorized for the U.N. or any segment thereof (approximate \$21 million reduction); Page 5 20549

D 1323

(7) Church amendment providing for deposit in the Treasury as miscellaneous receipts those receipts from foreign assistance loans; Page 5 20580

(8) Kennedy amendment authorizing \$5 million and \$50 million for grants and loans, respectively, for assistance to Portugal and Portuguese colonies in Africa gaining independence; Page 5 20583

(9) Percy amendment calling for integration of women into international organizations; and Page 5 20586

(10) Humphrey amendment expressing policy of the Congress with respect to countries most seriously affected by food shortages. Page 5 20587

Rejected:

(1) By 39 yeas to 53 nays, Church amendment, as modified by Bayh amendment, setting a ceiling of \$4.3 billion on fiscal year 1975 expenditures for foreign assistance programs (would provide approximate \$1.3 billion reduction); and Pages 5 20552, 5 20553

(2) By 43 yeas to 48 nays, Church amendment setting a ceiling of \$5 billion on fiscal year 1975 expenditures for foreign assistance programs (would provide approximate \$600 million reduction); and Page 5 20557

(3) By 44 yeas to 47 nays, McGovern amendment reducing from \$550 million to \$300 million funds for military assistance program, and from \$617 million to \$567 million funds for postwar reconstruction in Indochina. Page 5 20581
Pages 5 20524-5 20613

Robert L. Rausch: Senate took from calendar, passed without amendment, and sent to the House S. 2931, authorizing Robert L. Rausch to accept an office or position in a university maintained by the Government of Canada. Page 5 20620

U.S. coinage: Senate took from calendar, passed without amendment, and sent to the House S. 4204, authorizing the Secretary of the Treasury to continue through December 31, 1975, the minting of dollars, half-dollars, and quarter-dollars bearing the current design and coinage date. Page 5 20620

Export-Import Bank: Senate continued to debate conference report on H.R. 15977, to extend for 4 years the life of the Export-Import Bank, and to provide increases in its overall commitment authority, and, by 48 yeas to 44 nays, two-thirds of the Senators present and voting not having voted in the affirmative, Senate failed to agree to motion to close further debate thereon.

By 84 yeas to 8 nays, Senate agreed to motion to table this conference report, further insisted on its amendments, requested a conference with the House, and appointed as conferees Senators Sparkman, Williams, Proxmire, Cranston, Stevenson, McIntyre, Biden, Hathaway, Tower, Brooke, Packwood, Brock, Bennett, and Weicker. Pages 5 20517-5 20524

Tennessee Valley Authority: Senate agreed to the conference report on H.R. 11929, to provide that expenditures by the Tennessee Valley Authority for certified pollution control equipment be credited against required payments to the Treasury, thus clearing the measure for action of the House. Pages 5 20613-5 20614

San Carlos Mineral Strip: Senate agreed to the House amendment to the Senate amendment with an amendment to H.R. 7730, authorizing purchase of property located within the San Carlos, Ariz., mineral strip, thus clearing the measure for further action of the House. Page 5 20556

Presidential Message: Senate received a message from the President transmitting proposal for 37 new additions to the Wilderness System—referred to Committee on Interior and Insular Affairs. Pages 5 20450-5 20452

AEC Authorizations: By unanimous consent, it was agreed that when Senate takes up S. 4033, authorizing supplemental funds for the Atomic Energy Commission for fiscal year 1975, debate thereon be limited to 1 hour, with 30 minutes on any amendments. Page 5 20557

Senate Meeting Time: Leadership announced that beginning on Tuesday, December 10, and for the remainder of this session of the Senate, Senate will meet at 9 a.m. daily. Page 5 20614

Joint Referral of Nominations: By unanimous consent, the nomination of Robert C. Seamans, Jr., of Massachusetts, to be Administrator of Energy Research and Development, and the nomination of a Deputy Administrator (when received by the Senate) were jointly referred to Committee on Interior and Insular Affairs and Joint Committee on Atomic Energy, with certain stipulated understandings. Page 5 20619

Confirmation: Senate confirmed the nomination of Paul H. O'Neill, of Virginia, to be Deputy Director of the Office of Management and Budget. Page 5 20620

Nominations: Senate received the nomination of Dixy Lee Ray, of Washington, to be an Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs.

Also, Senate received the withdrawal and resubmittal of the nomination of William A. Anders, of Virginia, to be a member of the Nuclear Regulatory Commission. Page 5 20620

Quorum Call: One quorum call was taken today. Page 5 20523

Record Votes: Eight record votes were taken today. (Total—496.) Page 5 20523, 5 20524, 5 20537, 5 20551-5 20552, 5 20556, 5 20580, 5 20589, 5 20604

Program for Thursday: Senate met at 9:30 a.m. and adjourned at 6:47 p.m. until 10 a.m. on Thursday, De-

then, the Bank has operated on four continuing resolutions, the last one of which expired on Saturday.

Now, it serves no one's purpose to continue the Bank in this limbo and the time is running out in this session of the Congress. If the Congress is to act at all in this session, it must act soon and that requires another conference with the House and another chance to prepare a conference report which is acceptable to the Senate and more in line with the Senate-passed bill.

So, Mr. President, to seek one more chance to resolve the issues which are before us, and in this session of the Congress, I suggest a new conference with the House and to that end move to table the conference report.

I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. THURMOND. Mr. President, I reluctantly rise in opposition to the conference report on H.R. 15977, the Export-Import Bank Act Amendment. I have supported the Export-Import Bank in the past, and I hope I will be able to do so in the future, for I recognize the importance of Eximbank to the economy of the United States. Exports result in a more favorable balance of trade and add to our economic stability. Export sales supported by Eximbank mean jobs for American workers, revenues for the Federal Government as well as State and local governments, and foreign currency earnings to offset imports of needed goods and raw materials. During fiscal year 1974, Eximbank participated in nearly \$13 billion of United States export sales which sustained nearly 800,000 full-time U.S. jobs.

In addition, Eximbank does not receive annual appropriations, but rather finances its operations by borrowing from private capital markets and by making loans out of retained earnings. Eximbank is a unique Government agency in that it has been able to operate at a profit over the years while at the same time accomplishing its objective of stimulating exports.

Mr. President, I must, however, oppose this conference report. The Senate adopted an amendment requiring affirmative congressional approval of Eximbank financing of equipment and expertise for the exploration and production of fossil fuel energy resources in Communist countries. The conference committee deleted this amendment. I consider retention of this amendment necessary because the major constraint on rapid development of domestic oil and gas resources is a severe shortage of equipment and technical personnel. The Congress should be able to consider the question of subsidizing the transfer to the Soviet Union of capital and equipment which is needed here at home for Project Independence. We should not allow the attraction of increased exports to overshadow the danger of providing the Communist countries with aid at the expense of our citizens.

Mr. President, the Senate also adopted an amendment placing an overall ceiling of \$300 million on loans and guarantees to the Soviet Union. This provision was modified in conference to allow the Pres-

ident to raise this ceiling if he finds that it is in the National interest to do so. While I respect the authority of the executive branch in matters dealing with foreign affairs, I am convinced that congressional approval should be obtained prior to the \$300-million level being raised.

Mr. President, I hope this report will be sent back to conference and returned to the Senate in a form acceptable to a majority of the Members.

The PRESIDING OFFICER. The question is on the motion to table the conference report. The yeas and nays have been ordered. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. EASTLAND), the Senator from North Carolina (Mr. ERVIN), the Senator from Colorado (Mr. HASKELL), the Senator from Washington (Mr. MAGNUSON), and the Senator from Arkansas (Mr. FULBRIGHT) are necessarily absent.

I also announce that the Senator from Georgia (Mr. TALMADGE), is absent because of illness.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON), would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON) is necessarily absent.

I also announce that the Senator from Illinois (Mr. PERCY) is absent on official business.

The result was announced—yeas 84, nays 8, as follows:

[No. 516 Leg.]

YEAS—84

Abourezk	Eagleton	Metzenbaum
Alken	Fannin	Mondale
Allen	Goldwater	Montoya
Baker	Gravel	Moss
Bartlett	Griffin	Muskie
Bayh	Gurney	Nelson
Beall	Hansen	Nunn
Bentsen	Hart	Pastore
Bible	Hartke	Pearson
Biden	Hatfield	Pell
Brook	Helms	Proxmire
Brooke	Hollings	Randolph
Buckley	Hruska	Rifkin
Burdick	Huddleston	Rotun
Byrd,	Hughes	Schweiker
Harry F., Jr.	Humphrey	Scott
Byrd, Robert C.	Inouye	Scott
Cannon	Jackson	William L.
Case	Johnston	Spartan
Chiles	Kennedy	Stafford
Church	Long	Stennis
Clark	Mansfield	Stevens
Cook	Mathias	Stevenson
Cotton	McClellan	Symington
Cranston	McClure	Thurmond
Curtis	McGee	Tunney
Dole	McGovern	Weicker
Domenech	McIntyre	Young
Domnick	Metcalf	

NAYS—8

Bennett	Javits	Tower
Fong	Packwood	Williams
Hathaway	Taft	

NOT VOTING—8

Bellmon	Fulbright	Percy
Eastland	Haskell	Talmadge
Ervin	Magnuson	

So the motion to lay on the table was agreed to.

Mr. STEVENSON. Mr. President, I move that the Senate further insist upon its amendment and request a further conference with the House of Representatives on the disagreeing votes of the two

Houses thereon; and that the Chair be authorized to appoint the conferees on the part of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

Mr. ALLEN. Mr. President, I have a motion at the desk which I would like stated.

The PRESIDING OFFICER. The motion will be stated.

The legislative clerk read as follows:

I move that the Senate conferees on H.R. 15977, Export-Import Bank Act, be instructed to insist on the Senate amendments to the House bill.

The PRESIDING OFFICER (Mr. NELSON). The question is on agreeing to the motion of the Senator from Alabama.

Mr. STEVENSON. Mr. President, what is the motion?

The PRESIDING OFFICER. The instructions of the Senator from Alabama to the conferees.

The question is on agreeing to the motion.

The motion was agreed to, and the Presiding Officer (Mr. NELSON) appointed Mr. SPARKMAN, Mr. WILLIAMS, Mr. PROXMIRE, Mr. CRANSTON, Mr. STEVENSON, Mr. MCINTYRE, Mr. BIDEN, Mr. HATHAWAY, Mr. TOWER, Mr. BROOKE, Mr. PACKWOOD, Mr. BROCK, Mr. BENNETT, and Mr. WEICKER conferees on the part of the Senate.

Mr. SCHWEIKER. Mr. President, I commend the distinguished Senator from Illinois for moving to recommit the conference report. I was one of the strong opponents of this conference report. I think that the last vote on cloture, a nearly-even vote, plus the overwhelming vote to recommit the bill to conference, indicates that those of us who feel strongly against the conference report hope that the conferees will look closely at the 13 points on which we felt the Senate gave in to the House position, particularly the four key points, about which a number of us who are opposed to the conference report wrote a letter to our colleagues. I hope we can stand fast to the Senate position on these key points.

I commend the distinguished Senator from Illinois for his action in recommitting this report.

FOREIGN ASSISTANCE ACT OF 1974

The PRESIDING OFFICER (Mr. ABOUREZK). Under the previous order, the Senate will now resume consideration of S. 3394, which will be stated by title.

The legislative clerk read as follows:

A bill (S. 3394) to amend the Foreign Assistance Act of 1961, and for other purposes.

Mr. HUMPHREY. Mr. President, on October 2, the Senate recommitted the Foreign Assistance Act. Since that date, several members of the committee have been working with the administration on a compromise bill which we are offering here today.

This compromise is a reasonable one. It represents a workable solution to the impasse of October 2, I believe this leg-

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unanimous consent that Eleanor Bachrach be granted the privileges of the floor during the consideration of the conference report on the Export-Import Bank amendment.

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

Mr. STEVENSON. Mr. President, the issue before the Senate is not the merit of the conference report on the Eximbank amendment of 1974. The issue is whether the Senate will now be afforded an opportunity to vote on the merits of the conference report.

The subject of the Eximbank in this conference report has been fully debated. It was debated when the Senate passed its version of the Export-Import amendment of 1974. The issue has been discussed in connection with four continuing resolutions which have been approved by the Senate in order to keep the Eximbank in business. The subject has been fully debated.

It serves no good purpose to continue the bank in its present state of limbo. The time has come to resolve the issue one way or the other by voting on the conference report, and by closing off debate.

For those reasons, Mr. President, I urge my colleagues to vote in support of the cloture motion.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

CLOTURE MOTION

The PRESIDING OFFICER. The time for debate on the unanimous-consent agreement having expired, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the adoption of the conference report on H.R. 15977, the Export-Import Bank Act Amendment.

Bob Packwood, Robert P. Griffin, Lee Metcalf, Mike Mansfield, Hugh Scott, J. Glenn Beall, Jr., Joseph M. Montoya, Howard H. Baker, Jr., Frank E. Moss, Wallace F. Bennett, Robert T. Stafford, Edmund S. Muskie, John Tower, Thomas J. McIntyre, Lowell P. Weicker, Jr., Harold E. Hughes, Bill Brock.

CALL OF THE ROLL

The PRESIDING OFFICER. Pursuant to rule XXII, the Chair now directs the clerk to call the roll to ascertain the presence of a quorum.

The second assistant legislative clerk called the roll, and the following Senators answered to their names:

[No. 514 Leg.]
 Allen Gurney Pastore
 Brock Hatfield Ribicoff
 Byrd Hathaway Schweiker
 Harry F., Jr. Jackson Stennis
 Byrd, Robert C. Mansfield Stevenson
 Cannon McIntyre Symington
 Chiles Moss

The PRESIDING OFFICER (Mr. HATHAWAY). A quorum is not present.

Mr. ROBERT C. BYRD. Mr. President, I move that the Sergeant at Arms be directed to request the presence of absent Senators.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After some delay, the following Senators entered the Chamber and answered to their names:

Abourezk Fong Mondale
 Alken Goldwater Montoya
 Baker Hatfield Muskie
 Beall Gravel Nelson
 Bennett Griffin Nunn
 Biden Hansen Packwood
 Brock Hart Pearson
 Brooke Hartke
 Byrd, Robert C. Helms
 Clark Hoegs Proxmire
 Cook Hruska Randolph
 Curtis Huddleston Roth
 Dole Hughes Scott, Hugh
 Domenici Humphreys Scott,
 Fannin Inouye William L.
 Griffin Sparkman
 Hatfield Stafford
 Hollings Stevens
 Huddleston Mansfield
 Hughes Mathias
 Humphreys McGee
 Inouye McGovern
 Javits Sparkman
 Johnston Stafford
 Kennedy Stevens
 Long Taft
 Mathias Thurmond
 McClellan Tupper
 McClure Turley
 McGee Weicker
 McGovern Williams
 Metcalf Young
 Metzenbaum

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. EASTLAND), the Senator from North Carolina (Mr. ERVIN), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Colorado (Mr. HASKELL), and the Senator from Washington (Mr. MAGNUSON), are necessarily absent.

I also announce that the Senator from Georgia (Mr. TALMADGE) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON) is necessarily absent.

I also announce that the Senator from Illinois (Mr. PERCY) is absent on official business.

The PRESIDING OFFICER. A quorum is present.

VOTE

The PRESIDING OFFICER (Mr. HATHAWAY). The question is, is it the sense of the Senate that debate on the conference report on the bill H.R. 15977 to amend the Export-Import Bank Act of 1945, and for other purposes, shall be brought to a close?

The yeas and nays are mandatory under the rule.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce

that the Senator from Mississippi (Mr. EASTLAND), the Senator from North Carolina (Mr. ERVIN), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Colorado (Mr. HASKELL), and the Senator from Washington (Mr. MAGNUSON) are necessarily absent.

I also announce that the Senator from Georgia (Mr. TALMADGE) is absent because of illness.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON) is necessarily absent.

I also announce that the Senator from Illinois (Mr. PERCY) is absent on official business.

The yeas and nays resulted—yeas 48, nays 44, as follows:

[No. 515 Leg.]
 YEAS—48

Alken Hart Montoya
 Baker Hatfield Moss
 Beall Hathaway Muskie
 Bennett Hollings Packwood
 Biden Huddleston Pastore
 Brock Hughes Pearson
 Brooke Humphrey Pell
 Byrd, Robert C. Inouye Scott, Hugh
 Clark Javits Stafford
 Cook Kennedy Stevens
 Curtis Mansfield Stevenson
 Dole Mathias Taft
 Domenici McGee Tower
 Fannin McGovern Tunney
 Griffin Metzenbaum Weicker
 Hatfield Mondale Williams

NAYS—44

Abourezk Dominick Nelson
 Allen Eagleton Nunn
 Bartlett Goldwater Proxmire
 Bayh Gravel Randolph
 Bentsen Gurney Ribicoff
 Bible Hansen Roth
 Buckley Hartke Schweiker
 Burdick Helms Scott,
 Byrd, Hruska William L.
 Cannon Jackson Sparkman
 Case Johnston Stennis
 Chiles Long Symington
 Church McClure Thurmond
 Cotton McIntyre Young
 Cranston Metcalf

NOT VOTING—8

Bellmon Fulbright Percy
 Eastland Haskell Talmadge
 Ervin Magnuson

The PRESIDING OFFICER. On this vote there are 48 yeas and 44 nays. Two-thirds of the Senators present and voting not having voted in the affirmative, the cloture motion is not agreed to.

Mr. STEVENSON. Mr. President, Members may want to remain in the Chamber because it is likely there will be another rollcall within a matter of minutes. I intend, in a few minutes, to move to table the conference report.

The purpose of this motion is not to kill Eximbank legislation in this session of the Congress, but instead to save it and to improve it.

The only way to do that is to go back to conference with the other body, and the only way that we can go back to conference with the House is, in the present circumstances, to table this conference report and then move for a new conference, which is what I now intend to do.

The Bank's permanent authorizing legislation expired on June 30. Since

Congress after the date on which the statement is transmitted, Congress adopts a concurrent resolution disapproving the sale, credit sale, or guaranty with respect to which the statement is made.

“(3) For purposes of paragraph (2) of this subsection—

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

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

“(c) The provisions of paragraph (2) of subsection (b) of this section shall not apply if the President transmits to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a statement of waiver in the national security interests of the United States.

“(d) Subsections (e) through (m) 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 the House in the case of resolutions described by 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.

“(e) For purposes of subsections (d) through (m) of this section, “resolution” means only a concurrent resolution, the matter after the resolving clause of which is as follows: “That the Congress does not approve the (agreement, contract) for

and explained in the statement transmitted to Congress by the President on . . . 19 . . .”, the appropriate word within the parentheses being selected, the first blank space therein being filled with the name of the foreign country on whose behalf the sale, credit sale, or guaranty is made, and the other blank space therein being appropriately filled with the date of the transmittal of the statement; but does not include a resolution specifying more than one sale, credit sale, or guaranty.

“(f) If the committee, to which has been referred a resolution disapproving a sale, credit sale, or guaranty, has not reported the resolution at the end of ten 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 same sale, credit sale, or guaranty which has been referred to the committee.

“(g) 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 sale, credit sale, or guaranty), and debate thereon is 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.

“(h) 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 sale, credit sale, or guaranty.

“(i) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to a sale, credit sale, or guaranty, 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.

“(j) Debate on the resolution is limited to not more than two hours, to 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.

“(k) Motions to postpone, made with respect to the discharge from committee, or the consideration of, a resolution with respect to a sale, credit sale, or guaranty, and motions to proceed to the consideration of other business, are decided without debate.

“(l) 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 a sale, credit sale, or guaranty are decided without debate.

“(m) If, prior to the passage by one House of a concurrent resolution of that House, that House receives from the other House a concurrent resolution of such other House, then—

“(1) the procedure with respect to the concurrent resolution of the first House shall be the same as if no concurrent resolution from the other House had been received; but

“(2) on any vote on final passage of the concurrent resolution of the first House the concurrent resolution from the other House shall be automatically substituted.”

“(B) Section 35(b) of such Act is repealed.”

On page 62, line 6, strike out “(7)” and insert in lieu thereof “(3)”.

Mr. NELSON. Mr. President, this amendment has twice passed the Senate—on October 2, 1974 and June 25, 1973. It provides that whenever there is a military sale by the Government of the United States of \$25 million or more, or whenever there are cumulative sales to one country in 1 year of \$50 million or more, the President must submit to Congress a statement of his plan to make such sales. By concurrent resolution of both Houses, the President's planned sale could then be vetoed.

Not only has the Senate twice voted for this amendment. The House Foreign Affairs Committee this year also reported its own version of the Foreign Assistance Act which includes language requiring reports on major arms transfers and providing for a congressional veto by concurrent resolution of both Houses.

Each time this provision has been offered, the Senate has endorsed it. The latest Senate action made the amendment—No. 1929—part of S. 3394, the Foreign Assistance Act, which was re-committed to the Foreign Relations Committee. However, last week the committee reported out a new version of S. 3394 without amendment No. 1929.

Failure to include this provision, in my opinion, was a grave mistake and a

serious oversight of clearly expressed and twice indicated Senate direction.

I am asking the Senate today to indicate once again its desire for this legislation. This legislation now known as amendment No. 2002 is vital if we are to move this country closer to responsible, public deliberation of one of the most vital areas of American foreign policy making—arms transfers overseas. Congress has come a long way in righting an imbalance whereby the executive branch of this Nation can and does involve the United States in military situations overseas without congressional and public debate, discussion, or deliberation. A great deal still remains to be done to correct this imbalance however. This is the reason for this amendment.

Huge sales of military hardware have a significant impact on foreign policy. In fact, the circumstances which warranted the amendment's consideration and Senate passage last year have grown even more serious in the interval.

When I offered my amendment last June 25, 1973, I said that:

It is difficult these days to open the newspaper without coming across unexpected reports of another U.S. multi-million dollar arms deal with another small nation somewhere.

Ironically this year, not only have the sums, which were already vast, grown astronomically but the newspaper accounts now relate State Department and Defense Department internal criticism of the policy of pushing arms sales overseas. Our foreign policy experts have come to question the wisdom of some of these massive deals. Had this amendment become public law, Congress and the public would have had a role in reviewing the highly significant foreign policy implications of these sales before the sales were finalized and before the potential damage had been precipitated.

Clearly foreign military sales has become a major instrument of U.S. foreign policy. The executive branch of this Nation involves the United States in military situations throughout the world without congressional and public debate, discussions, or deliberation.

The bare statistics and figures for the FMS—foreign military sales—program tell much of the story. By DOD's account, the United States has sold over \$21 billion worth of military goods in the years between 1950 and 1973.

Last year when I offered this amendment, available data showed that the FMS program was estimated to rise from \$3.5 billion in 1972 to \$3.8 billion in 1973. Fiscal year 1974 sales had been estimated to be in the neighborhood of \$3.9 billion. The latest figures now available, however, reveal that the forecasts of all the experts in and out of the Government were frightfully off. The United States in fiscal year 1974, in fact, sold \$5.9 billion in arms—a huge increase over the previous fiscal year and much more than had been anticipated. When credit sales and guarantees are added in, the FMS program in fact totals a phenomenal \$8.5 billion.

This is practically double the arms sales for the previous year and almost

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islation fairly reflects the sentiment of the Foreign Relations Committee and of the Senate as a whole that this body regain greater control over the expenditure of billions of dollars of taxpayers' money devoted to the foreign assistance budget.

This bill represents a significant and substantial reduction in the amount requested by the executive branch. The President originally requested \$3.25 billion for the programs included in this legislation. The committee has cut that request by 18 percent or \$579 million.

The committee was mindful of our domestic economic situation. The legislation before us recognizes the condition of the American economy as well as our responsibility to aid those in need. The bill was approved by a vote of 12 to 0 in the Foreign Relations Committee, with one member voting "present."

Now, Mr. President, let me briefly review the major spending reductions made in the bill:

The administration requested \$985 million for worldwide military assistance. The committee cut that amount by \$435 million and now recommends \$550 million. The committee also eliminated the "drawdown authority," which in the past provided the President with the ability to supply a nation with up to \$250 million worth of military supplies.

The Foreign Relations Committee reduced economic assistance to Indochina from the proposed level of \$940 million to a level of \$617 million. This represents a cut of 34 percent.

The committee also included in the Indochina section very detailed spending limitations and policy guidance as to how the money shall be spent.

In the Middle East, the committee provided the President with his requested \$100 million special requirements fund. We also added to that provision a method by which the Congress would have right to veto proposed uses of this money. Cognizant of the dire economic straits of the Israeli economy, the Foreign Relations Committee increased economic aid to Israel by \$89.5 million, bringing the total in supporting assistance funds for Israel to \$339.5 million. There is also \$300 million worth of military credit sales to Israel, of which \$100 million shall be in grant assistance. The committee also provided \$250 million in economic assistance to Egypt.

As a result of the World Food Conference, and the commitment of the administration to development assistance projects which will increase agricultural production in the developing world, the committee proposes that \$230 million worth of new obligational authority be added to last year's food and nutrition account in the 2-year authorization. I need not remind my colleagues how important greater agricultural self-sufficiency is for nations of the developing world.

In summary, this bill demonstrates both restraint and responsibility on the part of the Foreign Relations Committee. I urge its passage in the name of a modest but responsible world role for the United States.

In security supporting assistance the bill contains a \$339.5 million program for Israel. The committee had earlier voted an additional \$200 million above the amount requested but in view of Israel's weakening foreign exchange position, the committee believed that an additional \$289.5 million was justified.

It must be emphasized that this aid program is designed to assist Israel in purchasing U.S. goods and services and the expansion of the program is not intended to preclude or replace the traditional U.S. assistance for Israel in purchasing essential agricultural commodities under Public Law 480 or any other ongoing U.S. assistance program. Despite 19 years of mutual cooperation under Public Law 480, regrettably the administration plans a program for Israel totaling only \$8 million this year and there has been no commitment to date for 1975. It is hoped that a decision will soon be made to provide Israel with the amounts of Public Law 480 assistance commensurate with her current needs and proportionate to quantities allocated in the past.

Since 1972, Congress has approved \$50 million annually in supporting assistance for Israel to facilitate a commodity import program under AID regulations. Supporting assistance is used to purchase mainly electronic equipment, tractors, and to finance shipping of U.S.-flag vessels. Under current AID regulations, however, it is not possible to expand the commodity import program to encompass the increased supporting assistance in this bill. Thus, it is essential that a substantial proportion of this aid be allocated to Israel as cash budgetary assistance. This is justified by both logic and precedent. Because AID requires copious documentation on each item purchased under the commodity import plan, it would be impossible for the Government of Israel to fully document the purchases under an expanded program.

The task alone would require the establishment of a complex bureaucracy and would be counterproductive to the constructive aims of this assistance program designed to help Israel meet her present financial burdens. It must be noted that much of Israel's purchases are made via small importers with thousands of orders.

Supporting assistance allocated as a cash budgetary grant would unquestionably be utilized to purchase goods exclusively in the United States since today Israel already imports more than \$700 million annually of American nonmilitary items.

This would not be the first time that our Government has found it most practical to supply supporting assistance in the form of cash budgetary aid in the Middle East. In fact Jordan has received most of its supporting assistance in this way.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum. I ask unanimous consent that the time not be charged to either side.

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

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 2002

Mr. NELSON. Mr. President, I call up my amendment No. 2002.

The PRESIDING OFFICER. The clerk will report.

The LEGISLATIVE CLERK. The Senator from Wisconsin (Mr. NELSON), for himself and others, proposes amendment No. 2002.

The amendment is as follows:

On page 62, between lines 5 and 6, insert the following new paragraph:

"(7) (A) At the end of chapter 1 add the following new section:

"SEC. 25. QUARTERLY REPORTS; CONGRESSIONAL APPROVAL.—(a) Not later than fifteen days after the end of each quarter, the President shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report setting forth the total amount of cash sales from stock under section 21, contracts for the procurement of defense articles or defense services under section 22, credit sales under section 23 of this Act, and guaranties under section 24 of this Act made during the preceding quarter, and the country or international organization to which such sale, credit sale, or guaranty is made or expected to be made.

"(b) (1) The President shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate on the same day a written statement giving a complete explanation with respect to any agreement or contract to sell or to extend credit or guaranties if—

"(A) the amount of such sale, credit sale, or guaranty exceeds \$25,000,000; or

"(B) the amount of such sale, credit sale, or guaranty, when added to the amount of all the sales, credit sales, and guaranties made to that country or international organization in that fiscal year (including the amount of any sale, credit sale, and guaranty made to that country or international organization under a statement of waiver in accordance with subsection (c) of this section), causes the total amount of sales, credit sales, and guaranties made to that country in that year to exceed \$50,000,000 for the first time.

Each such statement shall include an explanation relating to only one agreement or contract to sell or to extend credit or guaranties, and shall set forth—

"(i) the country or international organization to which the sale, credit sale, or guaranty is made;

"(ii) the amount of the sale, credit sale, or guaranty;

"(iii) in the case of a sale, a description of the defense article or service provided;

"(iv) the department, agency, or branch of the United States Armed Forces entering into such contract or agreement; and

"(v) the date of such agreement or contract.

"(2) (A) No sale, credit sale, or guaranty may be made under such agreement or contract until the end of the first period of thirty calendar days of continuous session of Congress after the date on which the statement is transmitted.

"(B) The President may make such sale, credit sale, or guaranty thirty days after the statement has been so transmitted unless, before the end of the first period of thirty calendar days of continuous session of

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\$2 billion more than all the arms sold or given away by all nations 3 years ago. In 4 short years, the program has grown sixfold. Fifty-eight nations participate in the FMS government-to-government sales program.

Clearly we are in need of a review process to keep up with the galloping growth of this program. Congress must have the necessary information on and oversight authority over proposed foreign military sales to exercise its responsibility in this crucial area. Legislation which the Senate has twice perceived a need for is even more crucial today.

Foreign military sales constitute major foreign policy decisions involving the United States in military activities without sufficient deliberation. This has gotten us into trouble in the past and could easily do so again.

Despite the serious policy issues raised by this tremendous increase in Government arms sales, these transactions are made with little regard for congressional or public opinion. The Department of Defense is consulted. The manufacturers of weapons and the providers of military services are consulted. The foreign purchasers are involved. But Congress is hardly informed of these transactions, much less consulted as to their propriety. As it stands now, the executive branch of the Government simply presents Congress and the public with the accomplished facts.

The lack of required reporting to Congress, coupled with the traditional secrecy surrounding international arms transactions, frequently results in Congress learning about arms sales only as a result of the diligent efforts of the press. Thus, ironically, the American public learned of the 1973 sales to Persian Gulf countries only after the American media picked up an Agence France-Presse report and pressed the State Department spokesman to officially confirm the fact that we had an agreement in principle to sell Phantoms to Saudi Arabia and that we were negotiating a giant deal for arms to Kuwait.

So, too, the American public learned about negotiations for the sale of jets to Brazil last year from a report originating in Brazil. And this summer the Washington Post correspondent in Quito, Ecuador—not Capitol Hill, Washington—reported U.S. intentions to resume military sales to Ecuador after a 3-year ban. Ecuador, which has been involved in the so-called tuna war with the United States, resulting in seizure of U.S. tuna boats and expulsion of U.S. military mission to Quito, reportedly had a long shopping list including 12 T-33 trainer jets, basic infantry equipment, and large quantities of engineering equipment.

Congressional reliance on the press for hard data on U.S. Government arms sales abroad, however, is not the most serious deficiency in the decisionmaking system governing such sales. At this time there is no formal procedure by which Congress can participate in determining the merits of these arms deals before they are finalized. Nor is there any

way for Congress to exert effective oversight authority and monitor the impact of these deals after they are negotiated.

When this amendment was first introduced, I pointed out the press reports of burgeoning U.S. arms sales to the Persian Gulf nations, including Saudi Arabia, Kuwait, and Iran, and to Latin America. Apparently those sales were only the tip of the iceberg.

PERSIAN GULF

An article in the Christian Science Monitor based on interviews with officials of the State and Defense Departments estimated that the size of arms sales to Persian Gulf countries in fiscal year 1975 alone could total \$4 to \$5 billion. These prospective sales deserve particular attention in the light of heavy U.S. sales in the past 2 years.

IRAN

In fiscal year 1973 Iran contracted to buy \$2 billion worth of U.S. military equipment. In the past year, according to the Wall Street Journal, the Shah's "purchases totaled a staggering \$3.5 billion, several times the amounts of 2 years before." And the New York Times on September 19 reported a possible \$10 billion sale to Iran of communications equipment, including satellites.

Wall Street Journal staff reporter Richard J. Levine stated in an August 29, 1974, dispatch that Defense Department officials have:

Allowed and even encouraged (the Shah) to purchase some of the most sophisticated weapons in U.S. arsenals, including Grumman's swing-wing F14 fighter (the Navy's newest warplane) McDonnell Douglas' F4 fighter, Lockheed's C130 transport and Hughes Aircraft's TOW antitank missile. In the case of Bell's AH1J attack helicopter, the Shah is getting a whirlybird more advanced than any used by the American Army. His future purchases are likely to include Litton's DD963 destroyer and a lightweight fighter still under development.

More significantly, the usually reliable and generally unhysterical Wall Street Journal reports that:

It is increasingly uncertain whether U.S. policy has promoted stability and U.S. access to Mideast Oil, or, rather, has fueled a Persian Gulf Arms race that is heightening regional tensions and spurring the oil-producing states to raise oil prices to pay for expensive weapons.

It reveals that some experts in Government consider our policy "at least self-defeating and at most highly dangerous." One top State Department official worried publicly that weapons sales to Iran "achieved a magnitude people didn't anticipate without benefit of consideration of the long-term consequences."

Selling to Iran means more than just a fast buck for U.S. defense contractors or a shot in the arm for U.S. trade balance. It means we are deeply involving U.S. policy in the military future of Iran—a nation to which under a 1959 agreement, the United States is committed to "take such appropriate action, including the use of armed forces, as may be mutually agreed upon." We are pouring rivers of sophisticated arms into a nation whose dubious military adventures include the occupation in 1971 of

three small strategically located islands at the entrance to the Persian Gulf, which the Arabs in the area also claim.

THE ARAB NATIONS IN THE PERSIAN GULF

Moreover, in an incredible policy which attempts to be "even-handed" in the Middle East but which boggles the mind for its shortsightedness, the same policymakers in our Government who approve sales to Iran are also pushing sales to the Arab powers in the Persian Gulf region—Saudi Arabia and Kuwait—thus fueling an arms race.

SAUDI ARABIA

Saudi Arabia, which last year ordered a total of between 150 to 200 F-5 fighters, signed a \$355 million agreement in April for the modernization of the Saudi National Guard. The agreement includes the purchase of American armored vehicles, antitank weapons, and artillery batteries. In the year ending June 30, Saudi purchases totaled a little over half a billion dollars.

Recently, two high ranking military experts visited Saudi Arabia in a move that the New York Times says illustrates growing United States military involvement which stops "just short of a mutual defense pact, which would oblige the United States to resist a foreign attack on the country."

In the words of one U.S. military official:

I do not know of anything that is non-nuclear that we would not give the Saudis.

On September 11, 1974, New York Times listed examples of these massive sales:

Raytheon Corp.—Hawk missiles, a \$265 million purchase program for advanced Hawk ground-to-air missile batteries for the Saudi air defense system, and the stationing of 450 Raytheon technicians to service the missiles;

The Northrup Corp.—F-5E jet fighters, pilot training and development of personnel and facilities;

Lockheed Corp.—C-130 cargo planes with pilot training and ground personnel;

Bendix.—track and armored vehicles for the Saudi Army;

The United States has entered into a \$250 million arms and training contract with the National Guard, the Saudi internal security force;

The United States maintains a training mission for the Saudi army, air force and navy;

The Corps of Engineers has supervised the construction of the two big army bases at Tofuk, near the northwest border with Jordan, and at Khamis Mushait, in the South near Yemen and Southern Yemen; and

The United States is also involved in a 10-year program to improve the Saudi navy by selling patrol craft and building bases.

These deals, reports a September 19, 1974 New York Times article, are arranged by means of newly established joint commissions with Iran and Saudi Arabia, Secretary of State Kissinger regards these arrangements as "less than a formal alliance and more than bilateral talks," thus "sidestepping congressional

concerns about treaty commitments" an making it possible to give permanence to negotiations."

The magnitude of the sales and the means by which they are instrumented should, it seems to me, be a source of alarm to every single Member of Congress. Unless Congress acts soon, its will shall continue to erode as the administration continues to concoct hybrids such as joint commissions. The amendment which I am offering today is an appropriate form of congressional oversight. Congress failure to act now would serve as a sign of further abdication of power to the executive branch.

KUWAIT

Saudi Arabia is not the only Arab country in the Persian Gulf taking part in this massive arms race fueled by products made in the United States. Kuwait, according to a September 18 Washington Post dispatch from Beirut, is about to sign a contract worth \$450 million for American arms and equipment including advanced design Hawk surface-to-air missiles. It will shortly open final negotiations for American fighter bombers. The Post reports:

The Kuwaiti purchases and large-scale buying of aircraft by Saudi Arabia form part of a heated arms-buying campaign that is turning the Persian Gulf into a gigantic armory. Strong reaction from Israel and its supporters in Washington can be expected if the Arab desires (for more sophisticated fighters with greater range and firepower) are met. And there are American hints that a large arms package deal would imply a strengthening of American-Kuwaiti defenses and a willingness to offer large aircraft.

The Post also reports:

American planes under discussion are the McDonnell-Douglas Phantom F-4, one of the mainstays of the Israeli air force, and the more recent longer-range Ling-Temco-Vought A-7 Corsair. The Corsair, a U.S. Navy light attack bomber, is capable of reaching the borders of Israel from Kuwait.

Kuwait has reportedly opted for a defense plan that will have its air force scattered at four or five locations in Kuwait and in neighboring Arab states.

This indicates to me, at least, that a massive sale to Kuwait will not only imply strengthening ties between the United States and Kuwait. It may also have the direct effect of arming other Arab nations more directly involved in the Arab-Israeli conflict.

CONCERN EXPRESSED

Both the regional and East-West implications of these large weapons sales is beginning to worry some Government officials and recognized experts in the field. Former Secretary of Defense Melvin Laird has publicly echoed this concern in the introduction to an American Enterprise Institute study titled "Arms in the Persian Gulf." Mr. Laird suggests that while providing armaments to third world countries might be a positive short-term measure, it should be accompanied by diplomatic activity so that weapons sales do not become a standard long-term U.S. policy. He also raises important questions about the implications of such sales for future peace and accommodation in the region.

In another forum, Laird recently stated in a Forbes Magazine interview:

To me the most important agreement that can be worked out in the next four or five years is to involve the Soviet Union, the United States, and all other arms-producing countries to limit the sale and delivery of conventional military equipment into the Middle East, Southeast Asia, Latin America, and Africa.

These are serious issues—issues that deserve to be debated by both the Congress and the executive branch. Without this amendment offered today, Congress will be totally ill equipped to debate them. It will not have adequate information. Nor will it have the necessary formal procedure to make its voice heard.

LATIN AMERICA

Similar questions concerning sales in the Persian Gulf might well be raised about recent and potential sales of jet aircraft to Latin American countries. In 1973 the administration authorized sales of F-5E international fighters to Argentina, Brazil, Chile, Colombia, and Venezuela, ending in one sweep a 3-year ban on the sale of sophisticated military equipment to underdeveloped countries. As of December 1973, Brazil had ordered 42 aircraft. Potential orders from Chile, Peru, and Venezuela could total 90 aircraft. At a cost of \$2.5 million per plane, jet aircraft sales to Latin America could amount to \$300 to \$400 million over the next few years. And, as previously noted, the United States plans to sell arms to Ecuador as a result of the truce in the 3-year tuna war with the United States.

Perhaps these transactions—in the Persian Gulf, in Latin America, anywhere—have merit. Perhaps they do not. Without debating the merits of these sales, it seems to me that they represent such a qualitative change in our involvement in the Persian Gulf area and such a significant turn in our Latin American relations, that Congress must be afforded the opportunity to deliberate on these matters as well as on all other significant sales agreements entered into by the U.S. Government.

INADEQUACY OF PRESENT REPORTING REQUIREMENT

This amendment fills a vacuum in information available to the Congress. There is no statutory requirement to insure that Congress receives up-to-date information on U.S. Government foreign military sales. The various required reports either provide information on last year's sales or provide detailed information on only a small part of total American arms sales abroad. Thus, the report required by 657(a)(1) of the Foreign Assistance Act lists only the total amount of U.S. Government sales by country for the past fiscal year. The report contains information on the dollar value of U.S. Government arms grants and sales to each foreign country. It provides no specific information on the type or quantity of weapons ordered. More importantly the report, which covers the preceding fiscal year, is issued 6 to 9 months after the end of that fiscal year. Thus the commitment to transfer weapons could have been made up to 18 months before the release of the report.

Government-to-government arms sales do not require export licenses. Therefore, the portion of the section 657 report titled "Export of Arms, Ammunition, and Implements of War," providing past fiscal year data only on commercial sales, which are approximately one-eighth of total American arms sales abroad is of little use. Moreover, since the information when it is reported, deals with arms deliveries during the preceding fiscal year, it is released up to 18 months after the delivery of equipment identified in the report.

The 657(a)(4) report on "Exports of Significant Defense Articles on the U.S. Munitions List" was formerly required by section 36 of the Foreign Military Sales Act. That requirement was made a part of the section 657 report in 1973. To date no reports have been issued pursuant to section 657(a)(4). The report will cover all categories of arms transfers, but by definition it will not provide information on all weapons transfers abroad. Again, the report will probably be released approximately 9 months after the end of the fiscal year and contain data on exports made up to 18 months previously.

Similarly, the more current reports on munition lists exports totaling more than \$100,000, required under another commercial sales reporting provision sponsored last year by Senator HATHAWAY, contain no data on the majority of U.S. arms sales—the government-to-government sales in which the U.S. acts as an intermediary between an American munitions firm and a foreign country.

Section 35(b) of the Foreign Military Sales Act calls for semiannual reports on a country-by-country basis of "forecasts of sales and of guarantees and credit applications and anticipated guaranty and credit extensions to economically less-developed countries for the current fiscal year." However, since the approval of the Foreign Military Sales Act in October 1968, the House Foreign Affairs Committee Calendar lists only three reports submitted pursuant to the section 35(b) requirement whereas approximately 12 reports should have been received to date. And as the report title describes, the reports only contain data on sales to less-developed countries—thus leaving out highly relevant information concerning sales made elsewhere. The three reports thus far filed were issued in April, January, and February respectively. The annual presentation document, which the Defense Department claims contains data submitted in lieu of a second semi-annual report, is also transmitted to the Congress sometime during March or April. In effect, therefore, Congress is receiving what are supposed to be two different reports at approximately the same time.

As for the presentation material, a detailed justification of the administration's military aid program, it contains an estimate on a country-by-country basis of the dollar value of cash, credit, and guaranty weapons sales. In recent years, however, actual sales have far exceeded the original DOD estimates. An example which bears repeating is the

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original DOD estimate for cash sales in fiscal year 1974—\$3.678 billion. Actual cash sales during fiscal year 1974 on the other hand totaled \$5.9 billion.

In summary, two facts should be kept in mind about the information currently submitted to Congress. First, a great deal of the information is on arms transfer that have already taken place. Second, none of these reports contain procedures by which Congress may reject arms sales which it does not feel are in the national interest.

The purpose of this amendment is to correct this situation and to give Congress the opportunity to consider—and if necessary—reject foreign military sales according to prescribed conditions.

ADMINISTERING THE AMENDMENT

The enactment of this provision should place no significant administrative burden on the executive branch. Neither Congress nor the executive branch will be inundated in paperwork as a result of the adoption of this amendment. The total number of statements that would have been submitted for congressional consideration in fiscal year 1973 had the Nelson amendment been in effect is approximately 30.

Nor should the 30-day congressional review period prior to consummation of sale provide any serious interference with normal procedures. Under normal circumstances the negotiation of a sales agreement can take months and the delivery period for such purchases may extend over a period of several years. Moreover, once an offer of sale is accepted by a foreign country there is a second period of negotiations on a production contract. Only then is a final price agreed to.

The negotiation of a production contract pursuant to the offer and acceptance takes anywhere from 3 weeks to 9 months. This timelag is in addition to the timelag of from 90 to 120 days, which a foreign country is given to accept or reject a letter of offer. Even when the acceptance simply involves material ordered from U.S. defense stocks, there is still bound to be a bureaucratic timelag before the implementation of the acceptance.

The contract—form 1513 of the DOD—allows for delays, changes in conditions, or even cancellation by both the seller and purchaser. Thus the fact that the acceptance is considered legally binding on both parties does not prevent either the United States or the foreign government from canceling the agreement. Section A(6) of the explanatory "Conditions" accompanying the letter of offer—form 1513—specifically reserves the right of the U.S. Government to cancel the order "under unusual and compelling circumstances when the best interests of the United States require it." Similarly, a foreign government may at any time terminate the acceptance. If the order is canceled before the final negotiation of a production contract—which can take from 3 weeks to 9 months after the signing of the acceptance—it does so at no cost to itself.

Mr. President, one last point should be made concerning the administration

of this proposal. A purchasing country's decision to buy U.S.-produced military equipment is made primarily on the basis of the high technical quality of American weapons and only secondarily on the basis of the price and delivery schedule. Iran, for example, negotiated the purchase of F-14's for more than a year and reportedly paid more than double the price that the U.S. Navy paid for the same plane. Their delivery is not expected to be completed before 1977. A 30-day congressional review period, therefore, would not cause any significant delay nor lose the sale.

EMERGENCY WAIVER

In an emergency situation, the amendment provides a special waiver to cover circumstances such as occurred during the October conflict in the Middle East.

There are an increasing number of precedents for the legislative approach employed in the amendment—congressional veto of proposed actions by the executive branch. Some of them are:

War Power Act—Public Law 93-148—concurrent resolution can terminate commitment of U.S. Forces to hostilities abroad.

Rail Reorganization Act—Public Law 93-236—final reorganization plan for Nation's railroads will be accepted unless either House or Senate passes a resolution rejecting it.

Budget and Impoundment Control Act—Public Law 93-344—either House of Congress can disapprove Presidential proposal to defer expenditure of funds; both Houses must approve any proposed rescission of appropriated funds within 45 days.

District of Columbia Self Government Act—Public Law 93-198—either House of Congress can disapprove acts of the D.C. City Council within 30 days.

More significantly, the Committee on Foreign Relations has adopted a provision in the bill we are presently debating requiring that Congress be told in advance how the President proposes to use funds under section 903, the special requirements fund. Congress is then allowed a period of 30 days within which it could by passage of a concurrent resolution, disapprove the proposal.

Mr. President, the Congressional Research Service prepared a study on the constitutionality of the so-called legislative veto, embodied in the original Nelson amendment. That study finds that the proposed amendment is constitutional. It closely parallels the analogous provisions of the Executive Reorganization Act, the constitutionality of which has not been challenged by the executive branch. Moreover, the amendment would serve a useful function in assuring that the congressional policy origination power is not abdicated to the executive branch.

Mr. President, there is no question that if the one House veto is constitutional then the concurrent resolution, or two House veto, would be subject to even less question.

THE REVISED AMENDMENT

To repeat, the revised provision would require that the President report to Congress whenever he intends to finalize an

agreement to sell or extend credits or guarantees for the sale of U.S. military goods and services for \$25 million. The amendment further requires a report whenever sales, credits, or guarantees extended to one country in 1 year amount to \$50 million. If, after Congress has examined these sales plans for 30 days and both Houses of Congress have not voted disapproval in the form of a concurrent resolution, the President's sales plans may be finalized.

The provision has been slightly revised from last year's amendment to meet some procedural and administrative difficulties which the Department of Defense found with the amendment. And the amendment which I am asking the Senate to reapprove today also has been revised to meet the legitimate procedural problems which the Foreign Relations Committee perceived when it first considered S. 3394 in October 1974.

The revisions will:

Cut down on the number of statements which must be submitted to Congress;

Grant the President a waiver on any single report whenever the President certifies to Congress that there was an emergency affecting the interest of the United States;

Clarify a semantic issue which troubled the Department of Defense. The term "proposed sale" has been changed in this amendment to the term "agreement or contract to sell," thus making it clear that Congress shall receive statements on U.S. offers to sell that have been accepted by foreign governments; and

Employ a concurrent resolution instead of a one-House veto.

In closing, let me reemphasize the importance of these foreign military sales by citing a Washington Post article by Andrew Hamilton, a former National Security Council assistant to Henry Kissinger, who discussed five major aspects of the burgeoning arms sales program of the United States:

(1) Much of the new wealth of developing nations is paying for non-productive military equipment at inflated prices at a time when more than a billion people face starvation because of inadequate food supply and distribution.

(2) The sales have created new regional arms races, thus boosting demand for more arms and contributing to the risks of war—and of great power confrontation—in unstable areas like the Persian Gulf.

(3) For the first time, the United States is selling its most advanced, most expensive, and most highly classified conventional weaponry and electronics technology.

(4) The danger exists that the buyers, to pay for U.S. and other modern weapons, will be tempted to further increase raw material prices, which in the long run could wipe out any advantage from arms sales and intensify worldwide inflation.

(5) Despite the diplomatic and economic risks involved, the key decisions behind the new rise in U.S. arms exports were made by President Nixon without consulting or even informing Congress.

I am pleased to note that the Defense Appropriations Subcommittee has also expressed its concern about burgeoning U.S. arms sales. Incorporated in its report passed by the Senate, is language closely paralleling my amendment which

requires prior notice to the Defense Subcommittee of certain future cash sales of military equipment to foreign governments. The distinguished chairman of the committee and I had a colloquy on this subject in which he stated that:

The committee does not in any way mean to preclude his (the Nelson) amendment to the Foreign Military Sales Act.

Mr. President, in closing, let me repeat my firm belief that this Government—including both Congress and the executive branch—have the responsibility to its own citizens and to the international community to give very careful consideration to weapons sales of such magnitude. This amendment would provide both the essential information and the necessary procedure for congressional review.

Mr. President, all this amendment does, as I stated previously, is require the President to submit to both Houses of Congress for approval or disapproval under the Reorganization Act, sales of \$25 million or more, or cumulative sales in 1 year to one country of \$50 million or more. Therefore, Congress will have the opportunity to debate the wisdom of making the sale and its impact on foreign policy. It will have an opportunity to vote approval or disapproval.

There is one additional provision. That is a provision that, in case of emergency such as the Middle East situation a year ago, the President does not need to submit the sale to Congress for its approval or disapproval, but he must report in writing to Congress why he is waiving the congressional veto requirement. He must delineate and explain the sale and what the emergency is.

That covers the amendment.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. NELSON. I yield.

Mr. HUMPHREY. Mr. President, this amendment has been before the Senate on two other occasions. It is an amendment which has been overwhelmingly approved by the Senate.

I have spoken to the distinguished Senator from Wisconsin about it. I see no reason not to accept this amendment even though I feel this bill should not be amended appreciably, because it has been worked on very hard by people of both political parties in the administration, and between the Senate and the administration. This particular amendment, I think, does no injustice to the purposes of the bill and, if the Senator is prepared, I am prepared to yield back my time and accept the amendment.

Mr. NELSON. Mr. President, I thank the distinguished Senator from Minnesota. As the Senator knows, in this current bill, as a matter of fact, the Middle East funds are controlled under exactly the same device by concurrent resolution.

Mr. HUMPHREY. That is correct.

Mr. NELSON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The amendment was agreed to.

Mr. SPARKMAN. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

On page 17, line 3, strike out "June 30, 1975," and insert in lieu thereof "June 30, 1976."

Mr. HUMPHREY. Mr. President, would the Senator explain that amendment?

Mr. SPARKMAN. Mr. President, the amendment simply extends by 1 year the funding of military assistance to Vietnam through the Defense Department budget.

Let me say that this is done at the request of the President. He invited me to come down yesterday afternoon to talk with him and this is what we did.

Mr. HUMPHREY. Mr. President, I should say that I have also spoken to the ranking minority member, and my colleagues on the Senate Committee on Foreign Relations, Senator CASE and Senator JAVITS, about this.

While I have to make note of the fact that the Senate has, in the past, insisted on the Committee on Foreign Relations taking over the jurisdiction on this program, I shall take this amendment, but I wish to say to the Senator that I think we ought to discuss it, after having taken it, when we go to the conference with the distinguished chairman of the Committee on Armed Services (Mr. STENNIS).

Mr. SPARKMAN. I say to the Senator that I have discussed this particular amendment with Mr. STENNIS. He will support it.

Mr. HUMPHREY. Mr. President, we are ready for a vote on this amendment.

The PRESIDING OFFICER (Mr. NELSON). Do both Senators yield back their time?

Mr. HUMPHREY. I yield back my time, Mr. President.

Mr. SPARKMAN. I yield back my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SPARKMAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TIME LIMITATION OF 30 MINUTES ON AMENDMENTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that time on any amendment, excepting the Eagleton amendment, be limited to 30 minutes rather than 1 hour.

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

Mr. EAGLETON. Mr. President, I take it that there is a 1-hour time limit on this amendment?

Mr. HUMPHREY. That is correct.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. EAGLETON. Mr. President, I have an amendment at the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

On page 27, between lines 8 and 9, insert the following new section:

"SUSPENSION OF MILITARY ASSISTANCE TO TURKEY

"SEC. 18. Section 620 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

"(x) All military assistance, all sales of defense articles and services (whether for cash or by credit, guarantee, or any other means), and all licenses with respect to the transportation of arms, ammunitions, and implements of war (including technical data relating thereto) to the Government of Turkey shall be suspended on the date of enactment of this subsection unless and until the President determines and certifies to the Congress that the Government of Turkey is in compliance with the Foreign Assistance Act of 1961, the Foreign Military Sales Act, and any agreement entered into under such Acts, and that substantial progress toward agreement has been made regarding military forces in Cyprus."

On page 27, line 10, strike out "Sec. 18" and insert in lieu thereof "Sec. 19".

On page 27, line 13, strike out "Sec. 19" and insert in lieu thereof "Sec. 20".

On page 27, line 23, strike out "Sec. 20" and insert in lieu thereof "Sec. 21".

On page 30, line 4, strike out "Sec. 21" and insert in lieu thereof "Sec. 22".

On page 30, line 25, strike out "Sec. 22" and insert in lieu thereof "Sec. 23".

On page 31, line 1, strike out "section 21 (a)" and insert in lieu thereof "section 22(a)".

On page 32, line 6, strike out "Sec. 23" and insert in lieu thereof "Sec. 24".

On page 32, line 7, strike out "sections 21 (a) and 22" and insert in lieu thereof "sections 22(a) and 23".

On page 33, line 24, strike out "Sec. 25" and insert in lieu thereof "Sec. 26".

On page 36, line 4, strike out "Sec. 26" and insert in lieu thereof "Sec. 27".

On page 38, line 2, strike out "Sec. 27" and insert in lieu thereof "Sec. 28".

On page 39, line 6, strike out "Sec. 28" and insert in lieu thereof "Sec. 29".

On page 39, line 18, strike out "Sec. 29" and insert in lieu thereof "Sec. 30".

On page 45, line 19, strike out "Sec. 30" and insert in lieu thereof "Sec. 31".

On page 45, line 20, strike out "section 29" and insert in lieu thereof "section 30".

On page 49, line 20, strike out "Sec. 31" and insert in lieu thereof "Sec. 32".

On page 49, line 21, strike out "sections 29 and 30(a)" and insert in lieu thereof "sections 30 and 31(a)".

On page 52, line 16, strike out "Sec. 32" and insert in lieu thereof "Sec. 33".

On page 52, line 17, strike out "sections 29, 30(a), and 31" and insert in lieu thereof "sections 30, 31(a), and 32".

On page 53, line 5, strike out "Sec. 33" and insert in lieu thereof "Sec. 34".

On page 53, line 6, strike out "sections 29, 30(a), 31 and 32" and insert in lieu thereof "sections 30, 31(a), 32, and 33".

On page 53, line 19, strike out "Sec. 34" and insert in lieu thereof "Sec. 35".

On page 59, line 10, strike out "Sec. 35" and insert in lieu thereof "Sec. 36".

On page 63, line 11, strike out "Sec. 36" and insert in lieu thereof "Sec. 37".

On page 63, line 19, strike out "Sec. 37" and insert in lieu thereof "Sec. 38".

On page 64, line 3, strike out "Sec. 38" and insert in lieu thereof "Sec. 39".

On page 64, line 25, strike out "Sec. 39" and insert in lieu thereof "Sec. 40".

On page 65, line 22, strike out "Sec. 40" and insert in lieu thereof "Sec. 41".

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On page 68, line 18, strike out "Sec. 41" and insert in lieu thereof "Sec. 42".

On page 69, line 18, strike out "Sec. 42" and insert in lieu thereof "Sec. 43".

On page 70, line 13, strike out "Sec. 43" and insert in lieu thereof "Sec. 44".

AID TO TURKEY SHOULD BE CUT OFF

Mr. EAGLETON. Mr. President, the amendment I offer today has been before the Senate in one form or another on at least eight occasions. It was necessitated by the refusal of the State Department to acknowledge the legal requirement to terminate the shipment of American arms to Turkey after that nation used our weapons to invade and occupy Cyprus.

After a number of votes by both Houses calling for an immediate cutoff, a compromise was worked out whereby the provisions of the Foreign Assistance and Foreign Military Sales Acts were waived until December 10. As part of that compromise, no American "implements of war" could be transhipped from Turkey to Cyprus.

It is important to emphasize that the laws governing our military aid and the sale of arms to foreign nations require that recipient nations violating our terms are to become "immediately ineligible" for further assistance. When the administration refused to terminate aid, Congress sought to effect the immediate cutoff required by law. But because the President chose to veto the legislation requiring him to live up to his legal obligation, an impasse was reached. I feel that the resultant compromise went a long way toward preserving the integrity of the controls we have placed over the export of American arms. But it is now necessary to make that principle part of permanent law.

The General Accounting Office, in an excellent legal opinion on this question, strongly admonished the State Department for its failure to make the required determination on Turkey's eligibility. GAO made the following observation:

... section 505(d) of the Foreign Assistance Act and section 3(c) of the Foreign Military Sales Act—in view of their express terms (particularly the references to "immediate" ineligibility) . . . place a specific duty upon cognizant officials to expeditiously consider, and make appropriate determinations concerning the applicability of such provisions in circumstances which clearly suggest potential substantial violations.

What action is being taken by "cognizant officials" at the State Department to assure that legal responsibilities are met? The answer to that question came to me recently in a November 22 letter from the State Department explaining the administration's failure to act:

... The Administration decided that it was impossible publicly to express a legal conclusion on the issue of Turkey's eligibility for further assistance and sales without undermining our foreign policy objective of persuading Turkey and Greece to enter into direct negotiations for a solution to the Cyprus problem.

Mr. President, not long ago the White House used the phrase "national security," now it is "foreign policy objective." But the meaning is the same—that the personal concepts of men in power can,

especially in crisis situations, replace the dictates of law. That is a dangerous proposition.

Now the administration apparently wants to give yet another meaning to the word "immediate." The right conditions for meaningful negotiations have not come about, it is argued. More time is needed to work out a settlement. Now, after the administration has ignored the law for over 4 months to facilitate its brand of diplomacy, December 10 is thought to be too "immediate."

Mr. President, it is true that there is only a caretaker government in Turkey. But we must ask whether the ultimate goal of the Turkish people is a Cypriot solution to the problems of Cyprus, or a Turkish solution.

If Turkey is truly concerned about the Turkish Cypriot minority, then it will allow the leader of that minority, Mr. Denktash, freely to negotiate a settlement. Surely Mr. Denktash is in the best possible position to understand the problems of his people on Cyprus.

To say, therefore, that a resolution of the Cyprus problem is not possible until there is a strong Turkish government is to say that the ultimate solution has little to do with the fate of the Turkish Cypriot minority.

The reality is that as each day passes the possibility of a final solution on Cyprus becomes more remote. Each day Turkey becomes more entrenched. Turkish citizens are taken from the mainland to run Cypriot businesses. Defense fortifications are being built. A political infrastructure with strong ties to the mainland is being formed. A special Turkish postage stamp has even been issued.

By simply following our law and stopping the shipment of any additional U.S. arms we can transmit a message of urgency to Turkey that the entrenchment process must be reversed. We can express in clearly comprehensible terms the attitude of the United States that the status quo on Cyprus is unacceptable.

The stakes are high, Mr. President. If Turkey's occupation of Cyprus becomes so intractable that a meaningful diplomatic solution is impossible, NATO will be worth nothing in the Eastern Mediterranean. Greece and Turkey will be permanent antagonists and Cyprus will be a battlefield for the guerrilla warfare that has characterized other artificially partitioned nations. We must make Turkey recognize that while the United States values her friendship and appreciates her importance to NATO, we cannot tolerate the status quo as it pertains to Cyprus today.

Certainly, there are risks in whatever course we pursue, but none are greater than those inherent in the status quo. It is not a time to ignore our laws in favor of what has been an obsequious posture toward Turkey. Our past failure to exert tangible pressure bought us only the invasion of Cyprus and the eventual takeover of 40 per cent of that island. And if we fail now to exert meaningful pressure, we will be buying a permanent condition of instability on NATO's southern flank.

Mr. President, while we can safely assume that a cutoff of arms will enter the Turkish Government's decisionmaking process, we cannot be sure that it alone will lead ultimately to a settlement. It would be wrong to claim that a single action, no matter how significant, will help our diplomats work miracles. But whether or not the cutoff provides Turkey with an important incentive to negotiate as I believe it will, at least it will terminate indirect U.S. participation in the occupation of Cyprus. It cannot be in our national interest to actively engage in the deterioration of an important part of NATO by providing the arms to make that deterioration complete.

Finally, Mr. President, Congress' involvement in the Cyprus matter—the State Department would call it interference—has thus far had one very beneficial effect. The Greek election results on November 17 reflected only a minimum of anti-Americanism. This contrasted greatly to the situation in the summer when adverse public reaction to our Cyprus policy threatened to push Greek leaders toward closing U.S. home port facilities. That process has now been reversed.

Mr. President, our Government's policy has been to urge the parties to the Cyprus conflict to begin negotiations toward a meaningful settlement. We have publicly acknowledged that no settlement is possible unless Turkey agrees to major concessions including the removal of its forces from Cyprus. The United States recently joined with the Soviet Union in the Vladivostok communique in urging the parties to resolve their differences and in stating "firm support for the independence, sovereignty and territorial integrity of Cyprus." The United States joined other members of the United Nations Security Council in adopting two U.N. Resolutions demanding "an immediate end to foreign military intervention in the Republic of Cyprus" and recording the formal disapproval of the U.N. "of the unilateral military actions undertaken against the Republic of Cyprus."

It is time now to add tangible meaning to our policy pronouncements on this critical problem. If we fail to do all in our power to provide incentive to the parties to negotiate, then we risk the possibility that the southern flank of NATO will be permanently crippled. I urge my colleagues to vote to support the laws which require an immediate cutoff of military sales and assistance to Turkey. Such action is not only sound law, it is sound diplomacy in a difficult situation.

Mr. President, I reserve the remainder of my time.

Mr. BROOKE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Missouri yield time to the Senator from Massachusetts?

Mr. EAGLETON. Does the Senator intend to speak in support of the amendment? How much time does the Senator require?

Mr. BROOKE. Just 7 minutes. I have seven pages.

Mr. HUMPHREY. I am happy to yield 10 minutes to the distinguished Senator

from Massachusetts out of the time on this amendment.

Mr. BROOKE. Do I correctly understand there is an hour on the amendment?

Mr. HUMPHREY. Yes; 30 minutes on each side. I have yielded 10 minutes to the Senator.

Mr. BROOKE. I thank the Senator.

Mr. President, on December 10, 1974, the temporary suspension of the various laws requiring a cutoff of U.S. military assistance to Turkey because of that country's military actions on Cyprus will terminate. If significant progress is not achieved in the next week toward an agreement that will lead to the immediate withdrawal of Turkish armed forces from the island, an extremely unlikely possibility, the United States must suspend all military aid to Turkey until such progress occurs.

In October of this year various Members of the Senate, including myself, believed that a cutoff of military aid to Turkey should be avoided for a time in order to enhance the chances for meaningful negotiations. It was not unjustified at that time to hope that such negotiations were imminent. Nor was it untenable or unwise to believe that every effort should be made to avoid the danger of provoking Turkish intransigence through a precipitous cutoff of military assistance so long as the possibility of an immediate agreement on the withdrawal of Turkish forces from the island existed. Hence, the compromise finally agreed to, suspending the effect of the various legal provisions conditioning the giving of military aid, was a prudent course of action.

Unfortunately, the hopes that motivated that action have yet to be fulfilled. Meaningful negotiations have not occurred.

Turkey has not exhibited, in any marked degree, a willingness to withdraw its forces from Cyprus in the near future. Indeed, there are disturbing indications that Turkey is buttressing its military positions in such a way as to permit it the option to partition Cyprus permanently if it chooses to do so. Moreover, some observers have noted that Turkey seems intent on insisting that the Turkish Cypriots receive far more of the productive land in any settlement than their percentage of total population would justify. In addition, the lack of a stable government in Turkey increases the likelihood that such tendencies will not be altered in the immediate future. In light of these developments, a continued suspension of the legal requirements after December 10, 1974, would be unjustified.

Even though the United States must suspend military aid to Turkey until significant progress takes place, U.S. efforts to encourage moderation on both sides should not abate. Our primary objective must be to avoid a situation where the intransigence of either Greece or Turkey leads to a permanent alienation of the United States from either country. Such alienation would do irreparable harm to the NATO Alliance and thus to the vital interests of the United States. Hence, great prudence and pa-

tience will be required as we continue our efforts to promote a solution to the crisis; patience that reflects a continuing attempt to balance the need to exert maximum influence on Ankara to abandon its reliance on military force to protect its interests with the opposing requirement of avoiding unnecessary provocations that increase Turkish intransigence and hence make an equitable settlement more difficult to achieve. At the same time, U.S. policy must recognize and promote the just expectations of the Greeks and Greek Cypriots regarding their legitimate aspirations for Cyprus. Although the lack of progress toward a settlement and the continued obstinacy of the Turkish government regarding the removal of its forces from Cyprus has seriously undermined the efforts by the United States and others to achieve the desired balance between these competing objectives, the search for such a balance should not be abandoned.

It is in our interest to promote a Cyprus solution that is something more than a pause between shooting wars. While it would be presumptuous to claim one has such a solution, several basic objectives can be identified that must be met if a stable situation is to evolve. First, Cyprus must remain an independent unified state. Second, a new constitutional arrangement will have to be evolved that will insure adequate security for the various ethnic communities while at the same time permitting effective functioning of a central government in areas where diffused authority is unworkable.

Suggestions emphasizing a cantonal arrangement on the Swiss model are worth consideration but it must be recognized that it is the ethnic groups on Cyprus who must effect a workable arrangement if further conflict is to be avoided.

In the process of achieving the above, several initiatives will be necessary. Demilitarization of the island must occur if all the involved parties are eventually to achieve the confidence in each other's intentions necessary for peace. There is precedence for such demilitarization in the area in the 1923 Treaty of Lausanne which provided for the demilitarization of several Greek islands.

Some form of international guarantees of the independence of Cyprus and the right of the Cypriot communities to equitable treatment within a unified state will have to be evolved if Greece and Turkey are to forego the option of intervening unilaterally in the future. Since the prior arrangement whereby guarantees were given by Turkey, Greece, and the the United Kingdom has proved inadequate, consideration should be given to some form of general U.N. guarantee.

Mr. HUMPHREY. Mr. President, I yield another 5 minutes to the Senator from Massachusetts.

Mr. BROOKE. I thank my distinguished colleague.

The PRESIDING OFFICER. The Senator may proceed.

Mr. BROOKE. Given the broad goals that should be the focus of American policy that I have suggested here, what must occur immediately if the possibility

of their achievement is to be enhanced? First, an immediate withdrawal of Turkish forces deployed on Cyprus is needed to encourage those in Greece and on Cyprus who believe that accommodation is possible and desirable. This is especially the case in view of the overwhelming show of support for the moderate Caramanlis government in the recent Greek elections. The Greek people exhibited wisdom in giving that government a clear vote of confidence in its attempts to pursue an enlightened nonbelligerent course of action regarding Cyprus. I believe that the present Greek government is willing to support negotiations which seek to meet the just demands of all concerned parties. An immediate withdrawal of Turkish forces from Cyprus would be a strong indication that Ankara is committed to a similar course of action.

Every effort must also be made to arrest the drift toward acceptance by many of the present demarcation lines as being permanent in nature. It is inconceivable that any just settlement can be reached if the Turkish Cypriots and their supporters insist on retaining life most productive 36 to 40 percent of the island under their control even though they constitute only 18 percent of the population. An equitable sharing of land and resources in some form of rough proportion to population breakdown is crucial to any lasting settlement of the crisis.

Compounding the difficulties involved in the territorial aspect of the crisis is the fact that many Greek Cypriots were displaced and their homes and lands confiscated during the Turkish military offensives. Unless some form of equitable restitution is found for those so displaced, continued strife rather than non-violent accommodation will likely ensue in the future.

Finally, immediate and increased attention must be given to meeting the pressing needs of the refugees who face the prospect of a cold winter without adequate shelter, clothing, or food. The United States, in cooperation with others, must provide the temporary relief these people need over the next several months if the Cyprus tragedy is not to deepen by several magnitudes. We can do so, not only by direct monetary contributions, but also by helping the thousands of concerned Americans who have privately collected foodstuffs, clothing, and medical supplies for Cyprus. I expect our government to do everything possible to facilitate the delivery of these goods.

In conclusion, the time for intelligent decisions by all concerned parties is now. Failure to achieve significant progress in the areas I have outlined during the next several months will only make more difficult the task of relieving the suffering of the Cypriot peoples and will greatly increase the danger that U.S. interests in the area will be permanently damaged.

Mr. EAGLETON. Mr. President, I suggest the absence of a quorum with the time to be charged equally to both sides.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will call the roll.

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The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. CASE. Mr. President, I ask unanimous consent that during the consideration of the bill that my assistant Stephen Bryen be permitted the privileges of the floor.

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

Mr. CASE. Mr. President, I suggest the absence of a quorum.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. EAGLETON. Mr. President, I yield 5 minutes to the distinguished Senator from Illinois.

Mr. STEVENSON. Mr. President, on 11 occasions in recent months the Senate and House declared overwhelmingly that the laws governing military assistance must be obeyed.

It is now almost 5 months since Turkey violated its military assistance agreements with the United States by invading Cyprus. During that time, the United States has unlawfully continued to ship military equipment to Turkey. In fact, it appears that the United States increased arms shipments to Turkey after its invasion of Cyprus, despite the lack of any progress in the Cyprus negotiations.

I join with Senator EAGLETON in this amendment because it is past time the Congress insured that the laws of the United States are observed and respected by the executive branch and by those foreign countries which benefit from our laws and agree to their provisions.

This amendment makes it clear that the Senate intends for the laws of the United States to be obeyed. It signals Senate disapproval of a policy which rewards aggressors and nations which breach the terms upon which they accept U.S. assistance.

The folly of indiscriminately lavishing food, arms, nuclear reactors, and cash on nations throughout the world in the expectation of some reciprocated good will has been demonstrated again in the eastern Mediterranean. The legitimate government of President Makarios in Cyprus has been toppled. Turkey has invaded Cyprus. Greece has effectively left NATO, leaving NATO's southern flank exposed.

Tens of thousands of Cypriot citizens are homeless and hungry. Our relations with Greece have been strained. And now the administration, the architect of this tragedy commenced by its support of the Greek Junta, suggests that the Congress should have more confidence in it and permit further transgressions against the law and the Nation's best principles by permitting it to rearm the aggressor. To lavish still more arms upon Turkey.

Secretary Kissinger contends that it is "ineffective and counterproductive" to cut off U.S. military aid to Turkey. He argues that "it will have very adverse foreign relations consequences for an important ally."

Mr. President, it will have "adverse foreign relations consequences" to continue support for politically repressive, militarily aggressive regimes at the expense of popular, democratic governments and old allies, such as Greece. Such support only isolates the United States in the world and undermines its security as recent history, in the eastern Mediterranean and in south Asia and southeast Asia, makes painfully obvious.

As far as the exigencies of the situation in the eastern Mediterranean are concerned, stalling the military aid cut-off required by law, has only encouraged Turkish intransigence. Instead of negotiating, Turkey occupied a third of Cyprus.

The Turkish Government recently proposed a 50-percent increase in its defense budget. Under the Foreign Assistance Act now pending before the Senate, Turkey is scheduled to receive \$205 million in military aid from the United States. For the United States to reward such transparent violations of the terms upon which its aid is accepted will only encourage others to act with an expectation of similar rewards—and impunity.

It is time for the United States to use its influence to bring peace to the people of Cyprus. And it is time for the United States to repair its relations with Greece. It is also time—long past time—for the United States to align its actions in the world with its principles. The place to begin is in Cyprus. And the way to do so is simply to obey the law—to cut off all further U.S. military assistance and sales to Turkey. Such an action is dictated by Turkey, not by any unilateral or vindictive action of the United States.

This amendment does not undercut the flexibility the Secretary of State needs to help negotiate a settlement between Cyprus, Greece, and Turkey. If the President certifies that Turkey is in compliance with the provisions of the Foreign Assistance and Military Sales Act and "substantial progress" is made toward agreement regarding military forces in Cyprus, the United States can resume shipping arms to Turkey.

By approving this amendment the Senate sends a message to the people of Cyprus, to the new government of Greece, and to Turkey. It says that the United States intends to act now to observe its laws and help restore peace and independence to the citizens of Cyprus—Turkish and Greek alike. It is a message the United States should send to the world. I urge the Senate to adopt the Eagleton-Stevenson amendment.

The PRESIDING OFFICER. Who yields time?

Mr. HUMPHREY. Mr. President, what is my time on this amendment?

The PRESIDING OFFICER. The Senator has 16 minutes remaining.

Mr. HUMPHREY. Mr. President, will the Senator yield 6 minutes of that time? Mr. EAGLETON. I yield.

Mr. HUMPHREY. Mr. President, the amendment that is offered today by the distinguished Senator from Missouri and the distinguished Senator from Illinois is one, of course, that has been voted upon here in the Senate and I have voted for it on every occasion.

As we know, it ended up in a deadlock with the executive branch of the Government. The President and the Secretary of State felt this amendment would not be helpful and, in fact, would make it exceedingly difficult for the conduct of our foreign policy in that part of Europe, particularly because of the delicate political situation in Greece.

As a result of the controversy between the Congress and the executive branch, a compromise was reached in the continuing resolution which was adopted by the two Houses of Congress.

That compromise stated what is the substance of the Eagleton-Stevenson amendment and then added the proviso that the President is authorized to suspend the provisions of this section if he determines that such suspension will further negotiations for a peaceful solution of the Cyprus conflict. Any such suspension shall be effective only until December 10, 1974, and only if during that time Turkey shall observe the ceasefire and shall neither increase its forces on Cyprus nor transfer to Cyprus any U.S.-supplied implements of war.

Now, Mr. President, the December 10 date is arriving and the problem that the President and the Secretary of State face is that there is really no government with which to presently negotiate.

I take this time just to mention these things because the whole Turkish question today is of the utmost importance to the Government of the United States.

There are large supplies of weapons of all kinds and natures in Turkey. The stability of the Turkish governmental system itself is a matter of concern to the United States, and to others.

I have spoken to the distinguished Senator from Missouri. He knows that my heart is with him. I am not sure that my judgment should be.

As I see it, it would be more suitable for our national security interests, and it would be preferable, if it were possible for the Congress to extend the time from December 10 to a later date to give the President and the Secretary of State again the opportunity to engage in negotiations.

Mr. MATHIAS. Will the Senator yield for a question?

Mr. HUMPHREY. Yes, I yield to the Senator from Maryland.

Mr. MATHIAS. The Senator refers to a later date.

Mr. HUMPHREY. Yes.

Mr. MATHIAS. Is the Senator thinking in terms of days or weeks?

Mr. HUMPHREY. I was thinking in terms of the date of March 1 or March 15, that is, a date that would allow for the establishment of an effective and responsible government in Turkey that has the

power to negotiate. The present government does not have that power.

Mr. MATHIAS. They do not have a fully empowered government to negotiate at all.

Mr. HUMPHREY. That is correct. It is an interim government, a caretaker government.

That is why it appears to me that it might be better to go over to a period like March 1 or 15.

I have discussed this matter with a number of our colleagues on the Foreign Relations Committee—Senator AIKEN, Senator JAVITS, and Senator MUSKIE.

As the Senator will recall, we discussed it with Senator MUSKIE and Senator MCGEE, and also with Senator SPARKMAN, who is now in the Chamber. We also discussed it with Senator SCOTT.

I have not yet had a chance to discuss this with Senator CASE. The people I have mentioned it to have indicated that they thought that at least we should try to find some language that would not be quite as exacting as that of the Senator from Missouri and the Senator from Illinois, but yet would accomplish the ultimate purpose.

I have to be frank with my colleagues. I understand the feelings that are held so sincerely by our two colleagues from Missouri and Illinois. The Turkish representatives have not been at all cooperative in these matters. They have a political crisis in their country. One crisis has been resolved in Greece, which makes it possible for the Greek Government to be a much more forthright and effective government for negotiation.

I am hopeful that the same thing will prevail in Turkey.

I believe what I am saying here, and what I am asking, is for a little more patience, recognizing that our patience runs pretty thin because of the tragedy of the circumstances in Cyprus. I think what has happened in Cyprus is an outrage. Needless to say, in the past I have supported very vigorously the efforts that have been made to bring Turkey to some understanding of her responsibilities, and also, more importantly, to see that the United States did not aid and abet what was going on in Cyprus by our infusion of arms into that area.

All that I am asking is to see whether there is some meeting of the minds possible here in the Senate to extend the time under the continuing resolution which was, after a long and arduous struggle, agreed to, and to make that date somewhere very near in the future. I do not have an ironclad time. It could be, as I said, March 1 or March 15. I believe we need at least that much time in the new year.

The Senator from Maryland was discussing this with me.

Mr. MATHIAS. I am sure that the distinguished Senator has also considered the effect of this on a subject that every one of us is interested in, the stability of the new democratic regime in Greece, for which we all have high hopes, and in which we are all very much interested.

The PRESIDING OFFICER (Mr. BIDEN). The Senator's 6 minutes have expired.

Mr. HUMPHREY. I yield myself another 5 minutes.

Mr. MATHIAS. Does the Senator have reason to believe that this extension for a very limited period of time would have any adverse effect on the new regime in Greece? Would an extension of time promote stability in the area which would give a greater chance for the new Greek Government to take over?

Mr. HUMPHREY. I must say that the responsible officials in our Government feel that this extension would not be injurious at all to the Greek Government. To the contrary, it might be welcomed.

Mr. MATHIAS. May I inquire of the Senator as a member of the Foreign Relations Committee? It is my understanding that the U.S. Ambassador to Greece is presently in Washington, and the same is true of the U.S. Ambassador to Turkey. It would be extremely helpful to us in the Senate to have the views of these informed representatives before we took action on this, if we are going to vote upon the basis of the best and fullest information on this whole question.

Mr. HUMPHREY. I am afraid that we will not have a chance, in the time that we have, to receive their recommendations or their counsel. The Secretary of State obviously does receive reports from these Ambassadors. It has been the hope that we could have some extension.

Let me just lay it on the line: I have discussed this with the executive branch of the Government in private conversations. I told them first of all, when there was no desire to have the Eagleton amendment brought back again:

You are just living in a dream world. The amendment will be back, and something will be done about it.

I said this privately to the Senator from Missouri.

It is my judgment that what the Eagleton amendment seeks to do is what we would like to do. In other words, what the Eagleton amendment seeks to do is to cut off aid and bring about a peaceful resolution of the problems in Cyprus and the withdrawal of the Turkish forces.

The continuing resolution that we adopted just before the recess did that, but it gave the date of December 10 as the time frame in which, hopefully, there could be negotiations.

The fact of the matter is that there was a Greek election which took place in the interim which brought democracy back to Greece. For this action, we in this body should express our gratification.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. HUMPHREY. I yield myself an additional 2 minutes.

Second, during this period of time, the government in Turkey was dissolved. So we have the problem of trying to find a government in Turkey with which this country can negotiate. What I am saying is that the United States feels a moral responsibility to try to bring about a resolution of the problem in Cyprus. We could wash our hands of it and say, "Well, it is no affair of ours. After all, why should we be worried?"

But we cannot really do that as a moral country and as a people who like to have some degree of decency about us.

I would hope that we might proceed along the lines I have suggested here.

I yield to the Senator from Alabama.

Mr. CRANSTON. Will the Senator yield for a unanimous-consent request?

Mr. HUMPHREY. I yield.

Mr. CRANSTON. Mr. President, I ask unanimous consent that Ellen Frost, Everett Engstrom and Murray Flander of my staff have the privilege of the floor during the consideration of this matter.

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

Mr. SPARKMAN. The Senator knows that the Secretary of State has been with the Foreign Relations Committee all morning and is very much concerned about this. He wants to see a situation that will allow him to continue negotiating. He believes, and I think the Senator will agree with me, he can negotiate a satisfactory settlement to the problem.

Mr. HUMPHREY. That is the fact. I was not able to be there all the time. May I say that the Secretary of State was hopeful that we can allow some flexibility in the final bill that is passed.

Mr. SPARKMAN. That is correct.

Mr. HUMPHREY. I know that the Senate could go ahead and accept the Eagleton amendment because, after all, it has been adopted 3 or 4 times, and the House could act, and there might be some adjustments in conference. However, if I were a member of the conference—and after handling this bill today—I would be pledged to support the Senate position. I believe in keeping my word.

However, if the Senate adopts the Eagleton amendment as prepared and stated, and the House does the same, then there is no maneuverability at all, and you cannot negotiate something in conference when there is no disagreement.

Therefore, I am just asking for the opportunity for some flexibility on our part.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HUMPHREY. I think we have 2 more minutes.

Mr. SPARKMAN. Mr. President, the matter of negotiating the Cyprus situation is ticklish. I was in London, attending the NATO meeting, and the Turkish Ambassador invited our entire delegation to have breakfast with him. I told him, in so many words, that I felt that when they moved into Cyprus, they were too aggressive and went too far. I will not say that they admitted it; they did not deny it. They said that they would be willing to work out that situation.

I believe that if Secretary Kissinger is given the time he needs, he can work this out satisfactorily. I hope we do not impede him too much in this effort.

Mr. EAGLETON. Mr. President, I have listened with great interest to the remarks of the distinguished Senator from Minnesota and the exchanges between himself and the distinguished Senator from Maryland and the distinguished Senator from Alabama (Mr. SPARKMAN).

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In a sense, we are replaying the debate of last October. The law on this matter is very clear, and the State Department acknowledges that the law is clear: when a government—in this instance, Turkey—uses our military assistance to commit an aggressive act against a neutral or sovereign nation, aid shall be terminated immediately. So there is no dispute about the law.

Back in October, this body, on several occasions, adhered to the rule of law and said that the law should be enforced and that aid should be terminated. The House did likewise, in a series of votes.

But an impasse was reached with respect to the continuing resolution which affected several vital agencies of government. In order to resolve that impasse, the December 10 cutoff date was agreed to—reluctantly, I might add, by many in this body and in the other body. It was thought that during that period, negotiations could go forward that would result in a meaningful settlement, but that has not occurred.

What is now being suggested by my good and distinguished colleague, the Senator from Minnesota, is that, once again, we go the extension route, perhaps to March 1 or March 15. He said that his feet are not in cement as to the specific date. Once again, if we were to go that route, which I cannot agree to, we would be back here early next year, seeking a further extension.

The truth is, Mr. President, that with the passage of each day, the Turkish forces in Cyprus become more entrenched. The 40 percent of the island that is occupied by Turkish forces becomes more separate, more isolated from the ultimate future of an integrated Cyprus. If this activity is prolonged—indeed, encourage it by further extensions—we will reach the point in the not-too-distant future when any meaningful negotiation as to an integrated, unified Cyprus will be impossible. That 40 percent will be so dominated by Turkish forces that, for all practical purposes, it will have been severed from the island of Cyprus.

The question, then, really boils down to the requirements of our law. And by following our law we can encourage negotiations between the respective parties. The respective parties, I hasten to add, include Mr. Denktash on the island of Cyprus, who, were he given the authority by the Turkish military, could negotiate a settlement.

In my opinion, and in the opinion of many others who are experts in the foreign policy area, the only way we can convince Turkey that it is in their interest to negotiate is to cut off military aid. The ephemeral threat that it might be cut off some day in the future, that it might have been cut off on December 10, that it might be cut off on March 15, that it might be cut off on June 15—that rather vague threat, which the Turkish Government must realize from recent experience the executive branch does not wish to fulfill—is not enough to induct the Government of Turkey to negotiate meaningfully.

What is meaningful is that, if and

when the aid is cut off, they know that the die is cast. I think that is an inducement, a strong inducement, to achieve some kind of rational settlement on Cyprus, with the interested parties involved participating—especially, I hasten to add, those representing the Greek Cypriot community and the Turkish Cypriot community, the people most deeply aggrieved and most deeply affected.

So I think that to go ahead with a postponement date would not be in the interest of a meaningful resolution on Cyprus. Quite to the contrary, I believe it would further freeze into a position of intransigence the Turkish occupation on Cyprus. By March 15, or whatever date might be suggested, the situation will have long passed the point of no return, in a sense that the "Turkification" of that northern portion of Cyprus would have been so intense, so complete, and so overwhelming that, for all practical purposes, partition will have occurred. The northern portion of the sovereign nation of Cyprus will have been severed from the main body itself.

Therefore, Mr. President, realizing the good intentions of the Senator from Minnesota, which are self-evident, I cannot support such a position, because I think it would be foredoomed to failure. It would be self-defeating insofar as a resolution of the Cyprus question is concerned. It would not be an inducement to a meaningful solution.

The PRESIDING OFFICER. Who yields time?

Mr. HUMPHREY. Mr. President, has all time on the amendment been used?

The PRESIDING OFFICER. The Senator from Minnesota has 1 minute remaining, and the Senator from Missouri has 5 minutes remaining. The time has not been yielded back.

Mr. EAGLETON. Mr. President, I yield back the remainder of my time.

Mr. HUMPHREY. I yield back the remainder of my time, and I call up the amendment for discussion.

The PRESIDING OFFICER. All time having been yielded back, the clerk will report the amendment of the Senator from Minnesota.

The ASSISTANT LEGISLATIVE CLERK. The Senator from Minnesota (Mr. HUMPHREY), on behalf of himself and others, proposes an amendment to the Eagleton amendment, No. 2004, as follows:

On page 2, between lines 9 and 10, insert the following:

Provided, That the President is authorized to suspend the provisions of this section and said acts if he determines that such suspension will further negotiations for a peaceful solution of the Cyprus conflict. Any such suspension shall be effective only until March 15, 1975 and only if, during that time, Turkey shall observe the ceasefire and shall neither increase its forces on Cyprus nor transfer to Cyprus any U.S. supplied implements of war.

Mr. HUMPHREY. Mr. President, a point of information: Do I correctly understand that under the previous unanimous consent agreement, this amendment is limited to 30 minutes, divided?

The PRESIDING OFFICER. That is

correct—30 minutes, divided equally between the Senator from Missouri and the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time be taken from the time on the bill.

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

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. HUMPHREY. Mr. President, I modify my amendment to read as follows:

Provided, That the President is authorized to suspend the provisions of this section and said acts if he determines that such suspension will further negotiations for a peaceful solution of the Cyprus conflict. Any such suspension shall be effective only until 30 days after the convening of the 94th Congress and only if, during that time, Turkey shall observe the ceasefire and shall neither increase its forces on Cyprus nor transfer to Cyprus any U.S. supplied implements of war.

Mr. President, this modification changes the date from what I had originally intended, March 15, to the date specified, 30 days after the convening of the 94th Congress.

I submit the amendment as modified and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be so modified. The clerk will state the modification.

Mr. HUMPHREY. I ask unanimous consent that the reading of the modification be dispensed with.

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

Mr. HUMPHREY's amendment, as modified, is as follows:

On page 2, between lines 9 and 10 insert the following:

Provided, That the President is authorized to suspend the provisions of this section and said acts if he determines that such suspension will further negotiations for a peaceful solution of the Cyprus conflict. Any such suspension shall be effective only until 30 days after the convening of the 94th Congress and only if, during that time, Turkey shall observe the ceasefire and shall neither increase its forces on Cyprus nor transfer to Cyprus any U.S. supplied implements of war.

Mr. HUMPHREY. The whole purpose of this amendment is to do what we were talking about earlier during the colloquy with the distinguished Senator from Maryland and the distinguished Senator from Alabama (Mr. SPARKMAN)—namely, to give the President and the Secretary of State a little more time in the hopes of being able to bring about some constructive results in the negotiations between the Governments of Greece and Turkey on the issue of Cyprus.

The present situation has been explained. There is one ray of good hope, and that is there is a new government in Greece, democratically elected, and a real omen for positive and good results.

The bad news, so to speak, is the fact there is only a caretaker government in

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Turkey. There is no government in Turkey at the present time that can engage in negotiations.

Now, we have to depend upon the President and the Secretary of State in these matters to protect our national security interests, with the advice and counsel of the Congress of the United States, and I am offering this amendment, as I said, not out of a sense of emotion and heart, because my heart and my emotions go with the Senator from Missouri, but my judgment tells me that this is a sensible and reasonable proposal, that it does not do injustice to the moral position that has been properly and so effectively taken by the distinguished Senator from Missouri and the distinguished Senator from Illinois.

What it does is just give a little more time, and it still leaves in the hands of Congress, by our action, a cutoff date. In other words, a cutoff date would be 30 days after the convening of the 94th Congress, and it will give the Secretary of State, Mr. Kissinger, and the President of the United States time to, hopefully, bring about some negotiations and a settlement in Cyprus.

I would hope that we might see the wisdom of this moderate course. It is not one that is entirely satisfactory, but I do believe it is one that makes sense, and I would hope that the Senator from Missouri would see the concerns that the Senator from Minnesota has. I have talked to him privately about this matter.

There is not much more that needs to be said, at least on this side. I know the Senator from Missouri may want to respond. We do not need to take any more time of the Senate. We all know how we are going to vote.

I yield to the Senator from Maryland (Mr. MATHIAS).

Mr. MATHIAS. Mr. President, I thank the Senator from Minnesota for yielding a few moments to raise some questions.

I have agreed completely with the distinguished Senator from Missouri in his approach to this problem and have voted in support of his proposals. I think he is to be very strongly commended for the tenacity and the adherence to the principles that he has expressed so eloquently to the whole country. He and I agree on the view that this question and any similar question must be resolved by Congress according to the process of law.

This is the Congress' constitutional responsibility and it cannot be delegated away. Congress has to make the decision. The process of law must be the process by which we resolve it.

But the pending amendments, the Humphrey amendment and the Eagleton amendment, raise very fundamental questions to which, very frankly, I do not think the Senate has all the answers. It does not have the facts necessary to come to an informed decision. I do not think we are really ready to vote intelligently.

I find it very difficult to say with any positive force that extra time will produce results, but I cannot say that more time will have adverse effects either.

It would be helpful and, in my view, essential to hear from the U.S. Ambassadors

to each country, Greece, Cyprus, and Turkey. We should also have the views of distinguished negotiators on the Cyprus question like former Secretary Vance. A review of those past negotiations would also be useful. I would hope that the Foreign Relations Committee would have hearings and report to the Senate on their findings, at the earliest opportunity. We need to know more before we can vote with confidence.

I must say, Mr. President, that there are echoes in this Chamber that are most disturbing when we talk about time extensions. We have served in this body during the Vietnam war when it was said by previous administrations, "Well, a little more time, a little more time, a little more time may buy us a solution." I hear those echoes, and those echoes are very disturbing to me. I have very serious problems with this.

I think we have to fully support the view of the Senator from Missouri that the validity of the law must be recognized, and that the only aid which can go to any NATO partner is that aid which is provided under law and by the NATO treaty—that is for defensive purposes only.

I think it is a fundamental principle that in any consideration of time extension that, as amendment of the Senator from Minnesota has provided, that there has to be an absolute commitment that there be no buildup of arms, and that there should be no transfer of arms from Turkey into Cyprus. These things have to be taken as fundamental and as a matter of course.

I recognize that we are dealing here not as in Vietnam with two nations, one friendly and one hostile; we are dealing with two friends, with Greece and with Turkey. This is a very different kind of situation. It is one in which I think we need to know far more than we now know. We are dealing with two friends, and in the absence of these vital facts the only way to give ourselves time to know the answers is to provide the flexibility which the Senator from Minnesota suggests to us, and that is the flexibility of giving the new Congress 30 days to consider the question. I believe that is the only reasonable way to properly inform ourselves on how we should act. I ask again that the Foreign Relations Committee hold hearings with the Ambassadors and such experts as Cyrus Vance and report to the Senate on this vital issue.

For this reason it is my view that a short-time extension would be the wisest course of action.

Mr. EAGLETON. Mr. President, I shall be brief. I addressed myself to this amendment even prior to its introduction.

One of the arguments made in support of the extended date, now to be somewhere presumably in mid-February, would be that there is no government with which to negotiate in Turkey. But according to State Department prognostications, the elections will not take place in Turkey until April. So, presumably, even between now and mid-February, if those prognostications are accurate, there would still only be an interim or

caretaker regime with which to negotiate.

I point out though that there is someone, Mr. President, with whom there should be negotiations. Mr. Denktash, the leader of the Turkish Cypriot community, the man primarily concerned with the future of his people and his nation, negotiations can go forward with him if what is sought is a Cypriot solution.

I repeat, Mr. President, I am very, very fearful that if we extend this waiver of our laws, the Turkish domination on that northern part of the island of Cyprus will be so complete, so embedded, so enmeshed politically, militarily, and in every conceivable way, that what we will be doing here, perhaps unwittingly, will be to permanently partition the island nation of Cyprus. And if that occurs, the NATO alliance will be permanently damaged in the Eastern Mediterranean.

By the time February 15 comes around the control in that area will be so complete, the flight of Greek Cypriots from that area, the introduction of the Turkish citizens from Mainland Turkey into the northern part of Cyprus will have gone on for so long that, indeed, there will be nothing much to negotiate about. It will be a penultimate fait accompli and, therefore, Mr. President, although I recognize the sincere good motives of the Senator from Minnesota in offering this amendment, and the sincerity of my distinguished colleague from Maryland in supporting it, I think that what we are doing here today in order to "buy some time" is foretelling the ultimate result.

We are, by prolonging the Turkish domination of the northern part of Cyprus, in effect, insuring that there will be a permanent division on Cyprus; that ultimately we will be destroying the integral sovereignty of the free nation of Cyprus. I think that is really what is involved in this reluctance to follow our laws and act now. We may well have crossed that point by now—who knows—but I am persuaded that if we extend it to mid-February we will have gone beyond the point of no return.

Mr. JACKSON. Mr. President, the Senate must once again consider the most appropriate response to the administration's continued calculated indifference to Turkey's illegal occupation of Cypriot territory. Since the last Senate debate on this subject, it has become apparent that the administration continues to pursue policies which are not only lacking in good sense, but are contrary to provisions of American law as well.

As many of my colleagues have pointed out, we have now learned that American military assistance to Turkey actually increased following the Turkish invasion of Cyprus. We have also learned that the State Department lawyers have indeed reached a conclusion as to the legality of these arms shipments, but the conclusion cannot be made public, the State Department says, "without undermining our foreign policy objective." This is a weak defense, indeed, of administration policy.

The fact is that the administration has precious little to show for its acqui-

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escence in Turkish adventurism. But more important, in my view, is the grim reality of conditions on Cyprus. Perhaps a third of the island's population now consists of refugees. Some of the island's most productive areas are in ruins. And, unhappily, the future of the island will remain bleak so long as arbitrary Turkish influence on Cyprus is not restrained.

Mr. President, the adoption of Senator EAGLETON's amendment is a pressing necessity. It offers the best hope that American policy in a strategically significant part of the world can be put back on a more sensible plane. I urge its adoption by my colleagues just as I continue to hope that the administration will abandon its misdirected and unprincipled course.

Mr. HUMPHREY. Is the Senator prepared to yield back his time?

Mr. EAGLETON. Yes, I am prepared to yield back my time.

Mr. HUMPHREY. I think the arguments have been made, and there is no necessity for using further time. I am prepared to yield back my time.

Mr. EAGLETON. I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back?

Mr. HUMPHREY. Mr. President, I gather the Senator wants the yeas and the nays on this amendment.

Mr. EAGLETON. Yes.

Mr. HUMPHREY. I ask for the yeas and the nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and the nays were ordered.

Mr. HUMPHREY. This is on agreeing to the amendment I proposed on behalf of myself and other Senators. This is an amendment to the Eagleton amendment.

The PRESIDING OFFICER. That is correct.

Mr. TOWER. An amendment in the nature of a substitute?

Mr. HUMPHREY. It is an amendment to the Eagleton amendment.

The PRESIDING OFFICER. The question is on agreeing to Mr. HUMPHREY's amendment to Mr. EAGLETON's amendment. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. EASTLAND), the Senator from North Carolina (Mr. ERVIN), the Senator from Colorado (Mr. HASKELL), the Senator from Washington (Mr. MAGNUSON), and the Senator from Arkansas (Mr. FULBRIGHT), are necessarily absent.

I also announce that the Senator from Georgia (Mr. TALMADGE), is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON) and the Senator from Nebraska (Mr. HRUSKA), are necessarily absent.

I also announce that the Senator from Illinois (Mr. PERCY), is absent on official business.

I further announce that, if present and voting, the Senator from Illinois (Mr. PERCY), would vote "nay."

The result was announced—yeas 55, nays 36, as follows:

[No. 517 Leg.]

YEAS—55

Aiken	Hansen	Metzenbaum
Baker	Hart	Mondale
Bartlett	Hatfield	Moss
Beall	Hathaway	Muskie
Bennett	Helms	Nunn
Brock	Hollings	Packwood
Cannon	Huddleston	Pearson
Case	Humphrey	Scott, Hugh
Chiles	Inouye	Sparkman
Church	Javits	Stafford
Cook	Johnston	Stennis
Curtis	Kennedy	Stevens
Domenici	Long	Taft
Domnick	Mansfield	Thurmond
Fannin	Mathias	Tower
Fong	McClellan	Weicker
Gravel	McClure	Young
Griffin	McGee	
Gurney	Metcalf	

NAYS—36

Abourezk	Cotton	Pell
Allen	Cranston	Proxmire
Bayh	Dole	Randolph
Bentsen	Eagleton	Ribicoff
Bible	Goldwater	Roth
Biden	Hartke	Schweiker
Brooke	Hughes	Scott
Buckley	Jackson	William L.
Burdick	McGovern	Stevenson
Byrd	McIntyre	Symington
Harry F., Jr.	Montoya	Tunney
Byrd, Robert C.	Nelson	Williams
Clark	Pastore	

NOT VOTING—9

Bellmon	Fulbright	Magnuson
Eastland	Haskell	Percy
Ervin	Hruska	Talmadge

So Mr. HUMPHREY's amendment to Mr. EAGLETON's amendment was agreed to.

Mr. MCGEE. Mr. President, I move to reconsider the vote by which the amendment, as modified, was agreed to.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question now recurs on the amendment of the Senator from Missouri, as amended.

Mr. HUMPHREY. Mr. President, I believe we can handle this by a voice vote now. Let us just have the vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Missouri, as amended. [Putting the question.]

The amendment of the Senator from Missouri, as amended, was agreed to.

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the amendment, as amended, was agreed to.

Mr. MCGEE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUE. Mr. President, I have an amendment at the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. Will the Members please take their seats?

The amendment will be stated.

The ASSISTANT LEGISLATIVE CLERK. The Senator from Hawaii proposes an amendment on behalf of himself and the Senator from Florida (Mr. CHILES).

The amendment is as follows:

On page 27, line 23, beginning with "(a) Section 203 of the Foreign Assistance Act of 1961", strike out through line 3 on page 28.

On page 28, line 4, strike out "(b)" and insert in lieu thereof "(a)".

On page 28, line 11, strike out "(c)" and insert in lieu thereof "(b)".

On page 29, line 6, strike out "(d)" and insert in lieu thereof "(c)".

On page 29, line 18, strike out "(e)" and insert in lieu thereof "(d)".

Mr. INOUE. Mr. President, I ask unanimous consent that the name of the Senator from Idaho (Mr. CHURCH) be added as a cosponsor of the amendment.

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

Mr. HUMPHREY. Mr. President, I cannot hear the Senator.

The PRESIDING OFFICER. Senators will please take their conversations to the cloakroom. The Senator from Hawaii cannot be heard by the Chair.

Mr. INOUE. Mr. President, over the past 28 years the United States has made almost \$200 billion in assistance to its friends and neighbors abroad. Over \$10.9 billion of this amount—exclusive of Public Law 480 and local currency loans—remains outstanding in the form of highly concessional loans which most often are repayable at no more than 3-percent interest over 40 years, with the first 10 years of this period designated as a grace period during which interest only is payable.

It is, therefore, understandable that repayments of these loans in the early years were relatively modest and almost without notice were authorized and re-appropriated—through language in the authorization and appropriations bills. In my opinion, this procedure has been properly termed a "backdoor" appropriation because these funds were never reflected in the bill as specific dollar amounts or as new obligational authority in the face of annual foreign assistance appropriations reports.

As the years passed, these repayments grew—even with past rollovers and renegotiations of tens of millions of dollars in loans with such nations as India and Pakistan—until this year—fiscal year 1975—when they were estimated at \$394 million—over one-third of a billion dollars. In fiscal year 1976, these repayments subject to future renegotiations will total \$455 million; in fiscal year 1977, \$140 million; in fiscal year 1978, \$573 million; and in fiscal year 1979, \$547 million. So they will continue to grow.

In the past these funds have been available for financing the Agency's overall program. It is of course true that the gross program was justified to the Congress, but it is also true that these "backdoor" funds were available for bolstering individual appropriations which might have been cut by specific committee action.

As an example, last year in fiscal year 1974, we appropriated a total of \$36,500,000 in new obligational authority for selected countries and organizations development assistance. When the administration decided, however, that the Congress had allowed less than the ad-

ministration desired for assistance to Indochina, we found that the agency's allocation of assistance in its official year budget—made up 30 days after enactment of an appropriation bill—a new \$60 million loan was proposed for Vietnam under the selected countries and organizations appropriation account. As was the case with an earlier \$50 million development loan, this loan was not contained in the original budget request and indeed was \$23 million more than the amount of new obligational authority appropriated for this category for the entire world. The committee strenuously objected to this proposed \$50 million new Vietnam loan and when additional funds for Vietnam were forthcoming in the fiscal 1974 second supplemental the agency decided against pressing the matter, and the loan was ultimately not made. The circumstances, however, serve to illustrate how congressional intent can be circumvented when the integrity of individual appropriation accounts is not maintained.

The Appropriations Committee first came to grips with this problem in fiscal year 1973 when it moved to eliminate all such "backdoor" moneys from the bill. I ask unanimous consent that an excerpt from page 16 of the committee's fiscal year 1973 report be printed at this point in the RECORD:

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

ACTION ELIMINATING "BACKDOOR" APPROPRIATION OF PRIOR YEAR LOAN REPAYMENTS, UNOBLIGATED BALANCES, AND RECOVERIES

The committee has carefully considered the budget estimate of new obligational authority for agencies and activities funded through this bill. It has also reviewed the request to continue the practice of reappropriating prior year loan repayments and prior year unobligated balances. In an effort to bring about improved controls over foreign assistance and a better public understanding of its true dimensions, however, the committee recommends that this practice be discontinued and has proposed bill language which would accomplish this. It would therefore follow that the full amount of the programs proposed for future fiscal years would be reflected in the requests of new obligational authority for that year.

This action is also consistent with the Legislative Reorganization Act of 1946 (Section 139(c)) which provides the following:

No general appropriation bill or amendment thereto shall be received or considered in either House if it contains a provision reappropriating unexpended balances of appropriations. . . .

Mr. INOUE. Mr. President, the committee thought that when the fiscal year 1973 authorization bill which included a two-step phaseout of these repayments—one-half of the repayments authorized to be made available in fiscal year 1975 and eliminated in fiscal year 1976—was enacted that this long and troublesome question had been resolved. Unfortunately, the bill before us would resurrect the entire problem.

My amendment would leave the matter as it was last year with one-half the projected repayments—estimated at \$193 million—authorized to be made available in fiscal year 1975 and none next year.

Mr. President, I, for one, have no ob-

jection to the authorization of \$110 million, or more if it can be justified, for reconstruction, relief, and rehabilitation funds for Bangladesh, the Sahel, and Cyprus, but I do believe these items should be brought in the frontdoor and dealt with on their own individual merits, in clear view, as new obligational authority. In all of our discussions on this matter, no one has given a single good reason why we deny the Senate an opportunity to look this \$100 million plus item full in the face.

I assure the Senate that we will continue to deal with urgent matters on an urgent basis; but if the Congress is to control appropriations, we must restore the integrity of appropriation accounts and eliminate these "backdoor" funding arrangements.

Mr. President, this amendment has much attraction because it speaks of the starving people in Bangladesh, in the Sahel, and in Cyprus.

It is well and good to talk about the need for assistance to Bangladesh, but are the Member of the Senate aware that the starving people there have not to this good day received the full benefit of the \$300 million in emergency assistance—\$200 million in Public Law 92-242, dated March 8, 1972, and \$100 million in Public Law 93-9, dated March 8, 1973—voted by the Senate some 2 to 3 years ago, and that \$83.3 million of this \$300 million is still unexpended?

Is the Senate aware that the starving people of the Sahel have yet to receive the full benefit of \$110 million appropriated in emergency assistance for the Sahel last year?

Is the Senate aware that when the Senate included an additional \$15 million availability—in the latest extension of the continuing resolution, Public Law 93-448, October 17, 1974—for new emergency assistance for Bangladesh, the Sahel and Cyprus, the \$4.1 million allocated for Bangladesh was used to reimburse earlier Bangladesh accounts for funds already used for Bengali assistance? Not one dime of new assistance was provided Bangladesh as a result of our urgent action through the difficult medium of an extension of the continuing resolution.

How will the additional moneys set forth in this proposal be used?

The Appropriations Committee has not received justification for any new program. I doubt that the Foreign Relations Committee has received any justification.

I would like to know the specifics of these needs and programs for which additional authorization is proposed.

I hope that the Senate will consider this matter seriously. I know that all of us are concerned about starving people, but I hope we will remember the large balances of the emergency funds we have appropriated which are yet to be expended.

Finally, I hope that the Senate will insist upon its own integrity by compiling all requests come through the front door. In that way all of us will have an opportunity to see and study each item and each justification and vote them up or down on their individual merit. I hope

we will put a stop to backdoor financing once and for all.

The PRESIDING OFFICER. Who yields time?

Mr. HUMPHREY. Mr. President, I yield time to the Senator from Massachusetts.

Mr. KENNEDY. I yield myself 10 minutes.

Mr. President, section 20 of the pending foreign assistance bill, "reconstruction, relief, and rehabilitation," results from an amendment I offered last October 2—with the support of the administration—which was cosponsored by Senators McGEE, HUMPHREY, MATHIAS, HASKELL, PELL, JAVITS, CRANSTON, HARTFIELD, and BROOKE. The amendment was adopted by the Senate in its previous consideration of the foreign aid bill. And, I am pleased that the Foreign Relations Committee, in its reconsideration of the foreign aid bill, saw fit to unanimously accept this amendment in the revised bill before us today.

Mr. President, this section simply authorizes the use of some \$110 million that will be available from the scheduled loan repayments administered by AID. These funds, 50 percent of the scheduled loan repayments, now revert to the Treasury. The other 50 percent are used, under the law, for new developmental loans. As we all know, at the end of this fiscal year, the entire scheduled loan repayment authorization will end.

My purpose in proposing section 20 was to find a way this year to use the 50 percent of the available loan repayments to meet extraordinary humanitarian emergencies which have developed this year—in Cyprus, in Bangladesh, in Africa, in Honduras, and in several other areas of the world. I believe these humanitarian emergencies require us to use all available funds.

Mr. President, let me stress what this section does and does not do.

First, it does not permanently authorize the use of scheduled loan repayments for the humanitarian purposes outlined in the section. It is not opened. It will be for this fiscal year only, because of the extraordinary humanitarian needs which have arisen this year.

Second, this section is not a loss of congressional control over appropriated moneys, rather it is an exercise of congressional control. There is no possibility that these funds could be used for a purpose other than those humanitarian purposes specified in the section.

Third, this section simply earmarks funds already available from an already established procedure. This is not a proposal for a new scheme of "back-door financing," but rather to exercise congressional control over a funding procedure long established, and which will end this fiscal year. I appreciate and share the concern of many Senators over the use of, and the congressional control over, scheduled loan repayments, and I support the purpose of the Church amendment, adopted 2 years ago, which mandated that this program end and be reviewed after fiscal year 1975. But until

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then I see no valid reason why Congress should not act to earmark and control these available funds—especially to meet urgent humanitarian needs.

Fourth, this section does not free other resources that could be used by the executive branch for other purposes. They cannot be used to fund already planned programs or activities, since this section earmarks funds for unforeseen problems which have arisen long after AID submitted its program and established its basic allocation of resources.

Finally, Mr. President, this section continues the long record of Congress and the American people in responding to humanitarian emergencies. Just last spring, Congress acted to meet famine needs in Africa and the disaster relief requirements in Pakistan and Nicaragua by enacting the Foreign Disaster Assistance Act. And last year, during consideration of the foreign aid bill, Congress enacted section 639B, which provided substantial famine and disaster relief to the African Sahel for the first time.

This section is a logical extension of these acts by Congress, and it continues our country's record of concern for our fellow man. It expands existing sections of the Foreign Assistance Act, and provides a short-term funding source for new disaster needs and unforeseen humanitarian requirements in the year ahead.

Mr. President, we have heard some comment that funds are already authorized and appropriated for some of the humanitarian needs contained in this section. That is, in part, true. But I believe the record will show that most, if not all, of these funds are already obligated or programmed.

But, more importantly, this section contains a provision to meet unanticipated humanitarian disasters to supplement the extremely inadequate contingency fund. Who could have anticipated this last summer, when this bill was originally drafted, and this past autumn when the Senate first began debate on it, that the situation in Cyprus would emerge as such an urgent humanitarian crisis, for which inadequate funding would be available?

Some \$10 million has been allocated from other sources and from the nearly exhausted contingency fund to help meet humanitarian needs on Cyprus—but no funds have been proposed or will be readily available in the future beyond this \$10 million. And who here is prepared to say the humanitarian crisis will end by the end of this fiscal year?

In the case of Africa and Bangladesh, existing funding programs proposed by AID in its presentation are, I believe, inadequate, and fail to anticipate unforeseen needs. This was clearly established in hearings before the subcommittee on refugees, which I serve as chairman. On August 20 we held another in a series of hearings on the human disasters in these areas of the world, and it was clear to me that AID requests for funds, and the programs they had proposed to Congress, were inadequate in the face of the growing needs of these famine nations. This section will provide a necessary supple-

ment to the contingency fund, and to the already planned humanitarian programs in these areas.

We have heard some argue that this section should be deleted and delayed in order to make it a separate authorization and appropriation bill in the next Congress. I can only ask what will we do when the next Cyprus, or the next Bangladesh, or the next Honduras tragedy occurs somewhere in the world—as it surely will—and there are inadequate funds available? Will children be allowed to starve and die because we deleted a provision of a bill that provides for these unforeseen humanitarian emergencies, using funds already available?

Mr. President, there can be no question today as to the need for these funds. The current crisis in Cyprus, the hurricane in Honduras, the massive flooding and food needs in Bangladesh, and the continuing drought and famine in Africa, represent the latest links in the chain of ravaged populations which have circled the globe in recent years, and for which AID has made inadequate requests. Such humanitarian emergencies have always brought forth an immediate response from the American people—in fulfillment of our Nation's longstanding leadership in helping, to the extent we can, all people in need.

That is what section 20 of this bill does.

Mr. President, as I mentioned in my remarks, the existing contingency fund will virtually be exhausted with the rest of the obligated funds for this year. There was \$30 million authorized, I understand, \$15 million of which may be appropriated. All but approximately \$3 million of that will have been obligated if this bill is enacted.

We have more than 284,000 refugees in Cyprus alone. It is interesting to listen to the debate that we have heard on the floor this afternoon in the U.S. Senate about military aid and military assistance to Turkey and to think of the extraordinary amounts of money that are going to be involved in that particular undertaking, continuing at least until the midpart of February, to exercise our concern about the use of military equipment in that part of the world; then to have, back to back, an amendment to strike a humanitarian assistance provision which the supporters of this section attempted to write into law, with as careful use of the English language as was possible, with restrictions that the resources that would be available under this section would be designated and utilized solely for humanitarian purposes.

I do not think that that is really an abdication of congressional responsibility. I think what those who supported this section earlier this year were trying to indicate that there were going to be emergency humanitarian situations which would involve people in all parts of the world, and for which adequate funds would not be available. Certainly, the record of this past year, when we look at Nicaragua or Honduras or Pakistan, aside from the incidents which

readily spring to mind, such as Bangladesh or the Sahel, or Cyprus, indicate that there are going to be, as sure as we are standing here, some important humanitarian responsibilities that we are going to be facing as a country.

The PRESIDING OFFICER (Mr. STAFFORD). The Senator's time has expired.

Mr. KENNEDY. I yield myself 4 more minutes.

What we are attempting to do is set those resources aside and go firmly on record, we in the Congress of the United States, that the value of human beings, their survival, their ability to survive starvation, is a matter of great consequence and importance.

We are talking of approximately \$110 million here. We are not talking about the billions of dollars that we are going to be providing in military assistance, or the hundreds of millions of dollars that we are going to be providing in economic assistance. It seems to me, Mr. President, that this attempt that was made and later supported in the committee itself, was a legitimate, worthwhile, useful expression of congressional intent that we care about humanitarian problems and crises as they spring up throughout the world.

Finally, let me say, Mr. President, that I do not question for a moment the deep sense of compassion and concern of the proponent of this amendment. As one of the most active and dedicated members of the Committee on Appropriations, he has, on every occasion that I have spoken to him, been extremely sensitive to these humanitarian needs and has provided strong leadership in the Committee on Appropriations to make sure that the United States is prepared to meet its responsibilities.

So I want, as I make these comments, to have it very clearly understood that I think the distinguished Senator from Hawaii has shown by his activities as a member of the Appropriations Committee, and I think more importantly by his constant performance in this body, that he has a very deep sense of compassion for needy people throughout the world.

I wonder, as one who speaks with that sense of compassion, if he cannot bring to this discussion and debate some ideas on how he thinks we could meet the objectives of which he has spoken this afternoon, and also be sensitive to these ongoing and continuing responsibilities which we as humanitarian people must be wanting to undertake. I wonder if he can help to enlighten me as to what he thinks, given the reality of the limitation on appropriations which are available, and the recognition that we are not going to have an opportunity, realistically, through any legislative vehicle, to respond to the ongoing and unanticipated needs that we are going to be facing in Cyprus and other parts of the world, what he thinks we can do.

We are hopeful, as we have seen in the course of the recent debate, that there will be some political settlement in Cyprus so that Turkey and perhaps some day even Greece can be brought back into the alliance.

Obviously, a part of that settlement will require the rehabilitation of human beings, the thousands of Turkish refugees as well as the thousands of Greek refugees, and it seems to me that by accepting—

The PRESIDING OFFICER. The Senator's time has expired.

Mr. KENNEDY. May I have 3 more minutes?

The PRESIDING OFFICER. The Chair would inform the Senator that there is only 1 minute remaining on the amendment.

Mr. KENNEDY. Will the Senator yield me 3 or 4 minutes on the bill?

Mr. HUMPHREY. Yes, I yield the Senator 5 minutes on the bill.

The PRESIDING OFFICER. The Chair must inform the Senator that there is only 4 minutes remaining on the bill.

Mr. HUMPHREY. On the what?

The PRESIDING OFFICER. On the bill.

Mr. HUMPHREY. I thought there were 2 hours, under the agreement yesterday.

The PRESIDING OFFICER. The Chair is informed by the Parliamentarian that most of it was used yesterday.

Mr. HUMPHREY. Well, that is very good news.

Mr. KENNEDY. Could we use the Senator's time?

Mr. INOUE. I yield the Senator 2 minutes.

Mr. HUMPHREY. The Senator from Hawaii is a most generous man. He is prepared to yield some of his time. We will save the 4 minutes on the bill for words of profundity and wisdom later.

Mr. KENNEDY. The Senator knows the question I am interested in. I wonder what he would do.

Mr. INOUE. Mr. President, I thank the Senator from Massachusetts for his generous words.

I would like to make four points. First, as to the world "accountability," I think it is very important. The foreign aid bill has been, I think, well defined by one of our colleagues as the biggest can of worms in the U.S. Congress.

It has been a can of worms because we have not been able to explain the foreign aid picture to the people of the United States, and we will never be able to explain it properly if we insist upon providing funds through the "back door."

Point No. 2: Under the leadership of the distinguished Senator from Massachusetts, this Senate and this Congress have been very sensitive, extremely sensitive, to the humanitarian needs of those who are starving throughout the world. In every instance we have responded, whether it be Nicaragua, the Sahel, Bangladesh, or Cyprus.

As I pointed out in my opening remarks, at this moment we still have funds which are unexpended. In Bangladesh, over \$89 million of the emergency funds we appropriated some 2 to 3 years ago have not been expended and, therefore, have not come to grips with the problem to which they were enacted.

Third, I think it would be well to note that there was good reason for the Ap-

propriations Committee and the Senate of the United States to insist upon reducing the contingency account from \$30 million to \$10 million. If my colleagues will recall, the intent of the law creating this fund is pretty clear indicating that this fund will be used only for urgent and unforeseen matters, such as humanitarian needs arising from hurricanes, floods, et cetera. In the last 2 years, we have had at least two large items under the contingency fund which could not be justified as emergency, unforeseen or humanitarian in nature.

First, \$10 million was approved by AID for use in the Bahamas to assist that nation in starting a beef industry. I do not see any urgent or emergency humanitarian need there. Second, earlier this year the former President of the United States on his visit to Egypt, decided that he would like to make a gift, and so he presented to President Anwar Sadat a Presidential helicopter.

That helicopter should have been funded by the Department of Defense or the Department of State. Since both DOD and State put up their hands and refused to touch the matter, where do you think it went? AID picked it up in the contingency fund—the "Disposal," the garbage pile.

And so we find an act which is supposed to be used for hurricane victims and flood victims being used to pay for Presidential gifts of helicopters on long-term cattle development programs.

This is why I am afraid to give the agency too much of a blank check in the contingency fund for millions of dollars and have them administer it for humanitarian purposes. If the helicopter can be a humanitarian purpose, if spending \$10 million to start a beef industry in the Bahamas can qualify for humanitarian purposes, there is, indeed, no limit.

In closing, as my fourth point, let me with all sincerity assure the Senator from Massachusetts that when the agency comes before the committee, presents its case, and justifies a request for Bangladesh, the Sahel, Cyprus, or any other humanitarian need we will respond immediately to the limit of our ability.

Mr. HUMPHREY. Mr. President, we have 4 minutes remaining?

The PRESIDING OFFICER. The Chair is advised that there are 4 minutes remaining on the bill.

Mr. HUMPHREY. I yield the Senator from Massachusetts 1 minute.

Mr. KENNEDY. Mr. President, what I would like to do is to express my hope that the amendment of the Senator from Hawaii will be accepted, and that it will be understood that I intend to introduce as separate legislation this section of the bill, with the idea of being able to draft language as clear and precise as the English language is capable of, so that the funds are provided in this section will be only for humanitarian purposes. Then I would hope that the manager of the bill, who is a member of that committee, and perhaps the ranking minority member—I know they cannot commit themselves in advance as to the action that will be taken by the committee, but they are two of the important figures

on the committee—could give us some assurance of expeditious consideration of such separate legislation.

Mr. HUMPHREY. Mr. President, I assure the Senator from Massachusetts that that will be done. I will be happy to join with him in that effort, and hope Congress will readily agree to a decision on an amount that has been justified by testimony. The Senator has my assurance of that.

Mr. INOUE. Mr. President, if I may, I assure my colleague from Massachusetts that if he should author an amendment to this bill to authorize the sum of \$110 million in new obligational authority for use in Bangladesh, Cyprus, and the Sahel, he can include me as a cosponsor.

Mr. CASE. Mr. President, will the Senator yield to me the half minute he has left?

Mr. INOUE. Yes.

Mr. CASE. I want to join my colleague in the assurances which have been given to the Senator from Massachusetts.

As a member of the Committee on Foreign Relations, I will support such authorizations as I do, in substance, the purpose of which this one is sought for. As a member of the Appropriations Committee I shall support the Senator from Hawaii in supporting the appropriation based on such an authorization.

Mr. KENNEDY. Mr. President, let me say finally, this approach seems to me to make the most sense, rather than get a vote on something which may very well be interpreted as being a lack of sensitivity to real humanitarian needs. I want to indicate that I have every intention of introducing that legislation, either today or tomorrow, and to press for early enactment of it, hopefully before Congress adjourns.

The PRESIDING OFFICER. All time on the amendment has expired.

The question is on agreeing to the amendment of the Senator from Hawaii. [Putting the question].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

The Senator from California.

AMENDMENT NO. 2003

Mr. CRANSTON. Mr. President, I call up my amendment No. 2003, and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

Amendment No. 2003 proposed by Mr. CRANSTON.

Insert at the appropriate place in the bill the following new section:

"TERMINATION OF MILITARY ASSISTANCE AND SUBSIDIZED SALES TO MILITARY DICTATORSHIPS AND REPRESSIVE GOVERNMENTS

"SEC. . . Chapter 2 of part II of the Foreign Assistance Act of 1961, is further amended by adding at the end thereof the following new section:

"(SEC. . . .) TERMINATION OF MILITARY ASSISTANCE AND SALES TO REPRESSIVE GOVERNMENTS.—(a) Notwithstanding any other provision of law (except subsections (b) and (c) of this section)—

"(1) the amount of military assistance (including the value of any excess defense articles furnished) provided to any country under this chapter, credits (including partic-

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ipation in credits) extended to any country under the Foreign Military Sales Act, and guarantees made to any country under such Act shall not exceed—

“(A) during the fiscal year beginning July 1, 1974, an amount equal to 66½ per centum; and

“(B) during the fiscal year beginning July 1, 1975, an amount equal to 33½ per centum;

of the amount of such assistance provided, such credits extended, and such guaranties made, to such country during the fiscal year beginning July 1, 1973; and

“(2) on and after October 1, 1976, no such assistance may be provided under this chapter, and no such credits may be extended or such guaranties made under such Act, with respect to any country.

“(b) The provisions of subsection (a) of this section shall not apply with respect to a country for a fiscal year if—

“(1) upon the recommendation of the Secretary of State, the President transmits to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a certification that he proposes to provide such assistance, extend such credits, or make such guaranties to that country during that fiscal year, and that country is not, at the time such certification is transmitted, governed by a government which is a government which has recently engaged in a pattern of gross violations of internationally recognized human rights (including torture or cruel, inhuman, or degrading treatment or punishment), prolonged detention without charges, or other flagrant denials of the right to life, liberty, or the security of the person; and

“(2) that certification is not disapproved in accordance with subsection (e) of this section.

“(c) The provisions of subsections (a) and (b) of this section shall not apply with respect to a country for a fiscal year if, upon the recommendation of the Secretary of State, the President transmits to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a statement that, with respect to that country for that fiscal year—

“(1) he cannot make a certification pursuant to subsection (b) of this section;

“(2) such assistance, credits, or guaranties are essential to the security and defense of the United States;

“(3) such country is in a state of war and that hostilities on a significant scale have occurred in or involved such country within the two years immediately preceding the transmittal of such statement;

“(4) a clear and present danger exists that such hostilities will be resumed or escalated; and

“(5) such assistance, credits, or guaranties are essential to avoid substantial jeopardy to continuing peace negotiations to which such country is a principal party.

The President is not required to include in a statement, transmitted after the transmittal of a certification with respect to that country for that fiscal year, the matter set forth in paragraph (1) of this subsection.

“(d) Any certification transmitted under subsection (b) of this section or statement transmitted under subsection (c) of this section shall contain a full and complete statement of the reasons therefor and shall be published (except with respect to any portion classified pursuant to applicable law and regulation) in the Federal Register.

“(e) (1) The President may provide such assistance, extend such credits, or make such guaranties, pursuant to a certification made under subsection (b) of this section, ninety calendar days after the certification has been transmitted to Congress or any day after such ninetieth day during the fiscal year with respect to which the certification ap-

plies, unless, before the end of the first period of ninety calendar days of continuous session of Congress after such date on which such certification is transmitted, Congress adopts a concurrent resolution disapproving the assistance, credit, or guaranty with respect to which the certification is made.

“(2) For purposes of paragraph (1) of this subsection—

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

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

“(3) Paragraphs (4) through (12) of this subsection are enacted by Congress—

“(A) 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 the House in the case of resolutions described by this section; and they supersede other rules only to the extent that they are inconsistent therewith; and

“(B) 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.

“(4) For purposes of this subsection, “resolution” means only a concurrent resolution, the matter after the resolving clause of which is as follows: “That the Congress does not approve the (assistance, credits, guaranties) for _____ for fiscal year _____ and explained in the certification transmitted to Congress by the President on _____, 19—”, the appropriate word within the parentheses being selected, the first blank space therein being filled with the name of the country on whose behalf the assistance is provided, credits are extended, or guaranties are made, the second blank space therein being filled with the appropriate fiscal year, and the other blank space therein being appropriately filled with the date of the transmittal of the certification; but does not include a resolution specifying more than any one of the following for more than the fiscal year for which the certification is made of assistance, credit sales, or guaranties.

“(5) If the committee, to which has been referred a resolution of disapproval, has not reported the resolution at the end of ten 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 same assistance, credits, or guaranties which has been referred to the committee.

“(6) 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 assistance, credits, or guaranties) and debate thereon is 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.

“(7) 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 assistance, credits, or guaranties.

“(8) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to a sale, credit sale, or guaranty, 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.

“(9) Debate on the resolution is limited to not more than two hours, to 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.

“(10) Motions to postpone, made with respect to the discharge from committee, or the consideration of, a resolution of disapproval, and motions to proceed to the consideration of other business, are decided without debate.

“(11) 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 of disapproval are decided without debate.

“(12) If, prior to the passage by one House of a concurrent resolution of that House, that House receives from the other House a concurrent resolution of such other House, then—

“(A) the procedure with respect to the concurrent resolution of the first House shall be the same as if no concurrent resolution from the other House had been received; but

“(B) on any vote on final passage of the concurrent resolution of the first House the concurrent resolution from the other House shall be automatically substituted.”

Renumber all sections and references thereto as appropriate.

The PRESIDING OFFICER. Who yields time?

Mr. CRANSTON. Mr. President, earlier today President Ford submitted a request for a supplemental appropriation of \$813.7 million to cover the additional cost of the GI educational bill, which was passed again yesterday over a Presidential veto.

Instead of spending more money, if we made cuts along the lines I have suggested, we would have money to meet the needs of our veterans and have money left over.

Mr. President, on October 2 I submitted an amendment to the foreign aid bill which would have phased out, by the end of fiscal year 1976, all military assistance—including military sales and loans—to military dictatorships and governments which engage in gross violations of human rights.

Today I am proposing a similar amendment. I have changed certain phrases to satisfy the objections raised by several Senators during my earlier effort.

But the main target remains the same: Governments which have, and I quote:

Recently engaged in a pattern of gross violations of internationally recognized human rights (including torture or cruel, inhuman, or degrading treatment or punishment), prolonged detention without charges, or other flagrant denials of the right to life, liberty and the security of the person.”

This language is identical to a “sense of the Congress” provision contained in the House foreign aid bill. My amendment, however, adds teeth.

Under the terms of my amendment, all forms of military aid to repressive governments would be reduced by one-third in fiscal year 1975 and by another one-third in fiscal year 1976 before being terminated completely in fiscal year 1977. This would include long-term, low-interest loans; credit sales; and sales of excess defense articles as well as outright military grants. It would thus, eliminate any military aid that puts a burden on the American taxpayer.

Before any government could qualify for military assistance, the President would have to transmit to the Speaker of the House of Representatives and to the Committee on Foreign Relations of the Senate, a certification that the country in question has not recently engaged in a pattern of gross violations of basic human rights.

A congressional veto would be in order if Congress disagreed with the President's certification. Within 90 days, Congress could invalidate the certification by passing a concurrent resolution, and thereby removing a country in question from eligibility for military assistance.

I realize that there may be extraordinary circumstances which would require that a particular government be exempted from such ineligibility.

My amendment, therefore, provides for an exception designed to accommodate the basic conduct of foreign policy by the executive branch.

An exception could be made for any country in a state of war where there have been hostilities on a significant scale in the last 2 years; where there is a clear and present danger of resumed hostilities; and where such an exception is essential to the security and defense of the United States.

The President would provide for such an exception by submitting a full and complete statement of his reasons to the Speaker of the House and the Committee on Foreign Relations. The statement would be published in the Federal Register, and would not be subject to congressional veto.

Mr. President, I propose this amendment out of a strong conviction that American foreign policy must reflect greater concern for basic human rights.

Furthermore, I believe we must move beyond a "sense of the Congress" approach. All too often, the sense of the Congress has been ignored. We must begin to implement our beliefs with stronger provisions of law.

Together with 103 other Members of Congress, I recently signed a letter written by Congressman DONALD FRASER to Secretary Kissinger. That letter said in part:

Unless U.S. foreign aid policies—especially military assistance policies—more accurately reflect the traditional commitment of the American people to promote human rights, we will find it increasingly difficult to justify support for foreign aid legislation to our constituents. We cannot, in good conscience, associate ourselves with policies which lack active concern about the fate of people living under oppressive governments. While it may be beyond our power to alleviate the plight of those people, we can refuse to be identified with their oppressors.

Mr. President, those who oppose the kind of amendment I am offering seem to imply that you can not judge other governments. They seem to view this approach as "playing God," or at least as forcing other governments to conform to American standards.

To these people, Mr. President, I reply that the amendment does not dictate to other people what kind of government they should have. Clearly, repressive governments will continue to exist. It is not up to us to rush around the world trying to form other governments in our image.

Mr. President, I do not advocate that Congress eviscerate the entire foreign aid program.

But with a \$474 billion national debt, with 25 budget deficits in 26 years, and with double-digit inflation and deepening recession wracking our economy, I do maintain that it is long past time that we get the Federal budget into some sense of balance, reduce worthwhile but nonessential expenditures, and eliminate unnecessary, wasteful expenditures altogether.

I have grave reservations over the fact that in the record-busting \$305.4 billion Federal budget proposed for fiscal 1975, most of the \$5.1 billion in military and economic aid is slated to go to repressive, authoritarian regimes abroad.

I favor foreign aid for humanitarian purposes, but much of the \$47 billion in economic aid we have already given these countries since 1945 has ended up in the banks of the bureaucrats and the affluent instead of in the hands of the poverty stricken. I know that some of it has reached hungry, needy people—but too much has gone elsewhere.

Such aid should be closely supervised and given in cooperation with other nations—rather than direct handouts from Uncle Sam.

I favor military aid to help peace-loving nations defend themselves against aggression. But much of the \$81 billion we have already given these repressive governments has been used instead to terrorize and subjugate their own people.

Such governments are unreliable, unsteady foundations on which to base our security and the security of our allies.

A recent study indicates that throughout history, no wars have been fought between freely elected governments. Democracy, in other words, is essential not only to world progress—it is an important ingredient in the struggle for world peace.

We who are fortunate enough to be free must help those who still only aspire to be free. Instead we are, through our foreign aid program, helping their oppressors.

I do not propose to dictate to other countries the form of government they should have. But if theirs is an oppressive, authoritarian government, I say it must not be supported with American money.

I believe it is a perversion of American wealth and good will for billions of dollars in tax money from workers and businesses in the United States—a free society—to be used to help finance the

suppression of democracy overseas. This is a form of moral blindness and economic insanity that weakens, not strengthens, our Nation's economy and our national security.

While people may continue to suffer under authoritarian regimes abroad, we do not have to subsidize their oppression.

We do not have to pay for other peoples' dictatorships.

We do not have to identify ourselves with repression and torture. We do not have to arm everyone from generals to jailers.

We do not have to pay for other countries' bad political habits.

We cannot realistically expect all governments to achieve the full observance of full political rights as we know them in our own country—but we can at least demand that the governments to which we give military aid observe basic, fundamental human rights—including freedom from torture, arbitrary arrest and detention, and arbitrary curtailment of existing political rights.

Military power is directly associated with the exercise of governmental control over a civilian population.

By giving military aid to repressive governments we aid in and facilitate repression. We link the Government and people of America with the repression of people around the globe.

It seems to me that is an outrageous thing for us to do. How is the long-term U.S. foreign policy interest served by linking our Government with repressive governments? What do we gain by doing so?

Perhaps, as Secretary Kissinger or the Pentagon might answer, we do gain a short-term advantage, but I say that is not enough. There are no lasting military or political advantages to be gained by supporting governments which must rely on torture and imprisonment of their own citizens to stay in power.

Support for such governments is a complete perversion of the original intent of military assistance—to help free governments protect themselves from outside aggression—by authoritarian regimes.

I believe we must move to reform dramatically and fully our vast, far-flung program of military assistance.

Under the leadership of the distinguished members of the Foreign Relations Committee, we have begun to do that.

The present bill goes a long way in the right direction: By phasing out the grant military assistance program, by phasing out all forms of military assistance to Korea, by prohibiting military assistance to Chile, and by establishing other important provisions.

I am concerned, however, that our interest in human rights not focus solely on those few countries which merit the continued attention of the world's press.

The basic human rights of peoples in other less publicized situations should also be our concern.

Mr. President, I intend to vote for this foreign aid bill. It is an improvement over a continuing resolution, and demands the support of the Senate.

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But we have a long way to go. We must develop a logical and consistent format for our aid proposals. We must separate economic assistance from military assistance so that each can be consistent on its own merits.

And we must not relent in our efforts to humanize American foreign policy—and to insure that American tax dollars do not facilitate the repression of human rights around the globe.

Much has been accomplished. But much more remains to be done. It is in that spirit that I introduce my amendment.

Mr. President, I ask unanimous consent that certain tables and articles illustrating the purpose of the amendment be printed in the Record following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered. (See exhibit 1.)

Mr. CRANSTON. I have included a chart listing some 31 governments originally scheduled to receive some \$2.5 billion in U.S. military aid in fiscal year 1975. All have exerted various degrees of repression in restricting the liberties of their people. The list includes 16 governments which the State Department itself classifies as military dictatorships, and 15 others which have been persistently identified with gross violations of human rights and political freedom.

My amendment does not name these countries, and the final determination would be subject to the procedures which it describes. No country on this particular list would be automatically ineligible for military aid. The list is for illustrative purposes only, showing possible cuts that would be imposed by implementation of my amendment.

EXHIBIT 1

[From the Washington Post, May 17, 1974]
AIDING POLITICAL PRISONERS

(By Colman McCarthy)

News reports in recent weeks have told about the release of political prisoners in Portugal and Mozambique. In Lisbon, days after a half-century of dictatorship was ended by a coup, 99 political prisoners were released from jail, with thousands of relatives and friends joyously greeting them. In Laureano Marques, 550 political prisoners, mostly blacks, were freed. One news story told of a man who "had been in Machava (prison) for 10 years for political activity. He could scarcely believe he was free."

As encouraging as these scenes are, they are exceptions to a harsh rule that still prevails elsewhere among nations of five continents. Political imprisonment and torture are still relied on by large numbers of world governments as a prime way of silencing dissent. Unlike other criminals, political prisoners often may not be jailed for what they actually do but simply for what they think. The list of nonviolent political "crime" includes advocating national or cultural autonomy, practicing a minority religion, attempting to organize a political party in opposition to the one in power, performing actions the government or army considers insulting, refusing military service on grounds of conscience, organizing peaceful public rallies directed at a changing governmental policy. In the United States, it is generally acknowledged that such government lawlessness exists in Russia and China, but in fact it persists, in one or another form, in all parts of the globe: The Communist world is not free, for sure, but jails in "the free world"

can be just as brutal. Freedom to dissent—to think as one chooses—exists only in a few countries; when human rights collide with entrenched power, power seldom loses.

Aside from occasional moments of joy, as witnessed in Portugal and Mozambique, the work of releasing political prisoners is slow and demanding. But it is not entirely hopeless. Since May 1961, one group has persistently been at work: Amnesty International. With its influence and stature growing, Amnesty International recently received the unanimous support of the United Nations for its resolution to abolish torture. Realistically, it is unlikely that this new U.N. resolution will mean a sudden end to torture by means of tiger cages, electroshock, flogging, starvation or whatever. Such resolutions have been approved before and hailed by the jailers, and then totally ignored. But with this recognition from the U.N., Amnesty International is now less able to be dismissed by those governments which resent or resist its persistence.

To many of the governments that detain and torture citizens for what they say or think, Amnesty's methods must seem trifling: polite letters to authorities, picketing embassies, letters-to-the-editor, informal visits of inquiry or persuasion by lawyers, publicity or news stories. Yet, Amnesty's record of peaceful picklocking is impressive. During 1972, 842 prisoners were released and the causes of 1,580 new prisoners were taken up, respective increases of 15 percent and 25 percent over 1971. In the past two years, about \$200,000 were dispensed to aid prisoners and their families. In the United States, some 70 groups are now at work on behalf of 200 prisoners in 37 countries; worldwide, more than 32,000 AI members are at work in 62 countries. Despite the indifference they would feign, oppressing governments are fully aware of the organization's work, though in comically different ways. State newspapers in Brazil AI reports, have called its officials "instruments of Communist terrorism," while a Soviet pamphleteer said the "Amnesty International organization was founded in the first place to carry out anti-Soviet propaganda..." (Amnesty International's headquarters in this country is: 200 West 72d St., New York, N.Y. 10023).

The work of releasing prisoners is ongoing. One group in Portugal is released and then somewhere else in the world another group is jailed. Recent reports from South Korea stated that students, clergymen and intellectuals are being imprisoned for peacefully challenging President Park Chung Hee.

In January, he announced an "emergency measure" outlawing criticism of the constitution; the press was forbidden to discuss it. As for those he is jailing Park eloquently expressed the classic thought of oppressors (quoted in the New York Times, Feb. 14, 1974): "It is self-evident what they are aiming at by agitating the people with talk of democracy and freedoms."

Because many Americans are active in Amnesty International, it was encouraging that last year in the foreign aid bill all American "public safety advisers" (a term used by the Agency for International Development) to other governments were called home; previously it was an obvious conflict for the United States to condemn torture abroad while continuing to give aid and advice to foreign police forces that were engaged in torture. For now this conflict appears to be resolved, although it is only the minimum of what should be done.

In a March report from the subcommittee on International Organization and Movements of the House Foreign Affairs Committee, the dismal record of the U.S. government was noted. "The human rights factor is not accorded the high priority it deserves in our country's foreign policy... Unfortunately, the prevailing attitude has the U.S.

embracing governments which practice torture and unabashedly violate almost every human rights guarantee pronounced by the world community. Through foreign aid and occasional intervention—both covert and overt—the U.S. supports those governments. Our relations with the present governments of South Vietnam, Spain, Portugal, the Soviet Union, Brazil, Indonesia, Greece, the Philippines and Chile exemplify how we have disregarded human rights for the sake of other assumed interests." In blunter language, what the report means is that when it comes to making a choice in terms of lining up "power politics" and our supposed larger "security interests" we all too often find ourselves on the side of the world's tyrants at the expense of their victims. If official policy occasionally is strained by the brutality of another country, considerations of the investments of American corporations within that land is often enough to keep U.S. support intact. "International incidents" are to be avoided.

The work of releasing prisoners is one of unknowns: no one knows for certain how many there are, what the conditions of the prisons may be or how the sentences are set. The only certainty is that the work of Amnesty International has a meaning. A Statement of a prisoner released from Chi Hoa national prison in Saigon in December 1972 offers a powerful testament: "We could always tell when international protests were taking place. The food rations increased and the beatings inside the prison got less. Letters from abroad were translated and passed around from cell to cell, but when the letters stopped, the dirty food and the repression started again."

[From the Los Angeles Times, Nov. 27, 1974]

THE GREEKS GET A DEMOCRACY AND THE UNITED STATES GETS TOUGH

(By George Anne Geyer)

ATHENS.—If you don't care much for "Alice in Wonderland," please don't go ahead to read what the new U.S. policy is toward Greece.

For the last seven years of the Greek military dictatorship, Washington angrily defended its nourishing of the Greek junta on the ground that we must—absolutely must—have our bases in Greece.

The colonels were never even gently admonished for their often-cruel and always-inefficient ways. People like then Vice President Agnew got cramps in their shoulders from embracing the colonels in pictures that deeply embittered Greeks against Americans, whom they had considered their closest friends. And Americans who protested the situation were told they just did not understand all the tough real-politik about over-fights and underbellies.

And now that there is a democratic government in Greece? Well, now the line from Washington is that we don't really need those bases at all. Indeed, the line is that we are doing the Greeks a favor by staying here.

Greek officials are just beginning to become aware of the new policy line—which is that it is they who need the bases because they are so "exposed"—crouching, as they do, on the peripheries of Eastern Europe (forever destined to be the underbelly).

The Greeks are being treated correctly, but harshly. Washington seems to have some principle at work, at best elusive, to the effect that dictatorships should be codified but that democratic governments should be dealt with "toughly."

What, precisely, is going on? The most charitable explanation—and probably the major one—is that the new stance is merely a maximalist bargaining position designed to break down the Caramanlis government's will on the question of whether Greece will return to the North Atlantic

Treaty Organization, whose military arm she abandoned in anger last July after its members did not prevent the Turkish invasion of Cyprus.

But the men around newly elected Prime Minister Caramanlis already have made it clear in private that nothing will be done about NATO until the United States gives some gesture of goodwill in helping to resolve the Cyprus question.

But the "bargaining position" explanation is somehow not all of it. There is something curious, now as before, about the American attitude toward Greece. Washington really is not all that enthusiastic about a democratic government here, even though it is by all standards a strong and moderate one of mostly exemplary men.

The new Greek government's greatest weakness, which may eventually be a fatal one, is the fact that Secretary of State Henry A. Kissinger and his men really do not like to deal with parliaments and all that messy business; they prefer to deal with strongmen.

As one new member of parliament put it this week, "Now they cannot deal with one or two men under the table. Now they have to deal with a democracy, and everything will come out.

"Nor will Caramanlis be endlessly reasonable. He can get tough, too. And he has cards to play."

The biggest card is the huge U.S. Souda Bay airfield on Crete. What is little known is that the agreement governing that base expired eight months ago—a fact that gives the new government tremendous leverage over a highly important military installation.

The United States has made a miserable botch of its attempts to get along with the nations of the developing world. We keep mistaking the temporary "order" of strongmen for the genuine lasting inner order of societies constituted in some representative manner.

In Greece, we have a chance to start over. What's more, Greece, with its enormous historic store of goodwill toward the United States, needs only small gestures and acts of appreciation for its new democratic status in order to be thoroughly behind the United States again.

Why, then, our cynical new policy at such a pregnant moment? Why then, our "tough" act, unless it fulfills some strange inner need of our own?

[From the Los Angeles Times, Dec. 1, 1974]

CONFUSION, FEAR REIGN IN ETHIOPIA

(By Dial Torgerson)

"They are watching my house," said the colonel. "They probably followed me here. They may arrest me at any time. So why should I bother to take medicine for my cold?"

His brother was one of the 60 men who died by gunfire Nov. 23 at the orders of Ethiopia's military rulers. There are rumors of more executions yet to come.

So the colonel doesn't bother with cold tablets. He drinks strong tea, and waits, and wonders: Will he survive his cold?

ADDIS ABABA.—The United States is providing powerful new weapons to bolster a military government whose ruthlessness has shocked the world.

American officials admit they don't know who runs Ethiopia, or what the government intends to do with the modern weapons the United States is shipping here.

At Assab, on the Red Sea, a U.S. freighter is unloading a long row of armored personnel carriers. A consignment of M-60 tanks, America's best, has started to arrive.

Sixty-nine U.S. military men are assigned here, helping equip Ethiopia's 34,000-man army with the new hardware. U.S. military aid to Ethiopia has doubled in the past year, to \$223 million.

The reason: Ethiopia is the United States' friend on the Red Sea—an area of immense strategic importance because of the Arab oil lands, the Suez Canal and routes to the Indian Ocean.

On Nov. 23 the world got a sudden insight into the kind of men who had risen to the top in Ethiopia's nine-month military coup.

The military council which controls the army, executed without trial about 60 men who had been prominent in the overthrown government of Haile Selassie, prominent in the army, or in earlier versions of the council itself.

It was an orgy of bloodletting unseen in recent history. Machine guns fired for six hours as the men on the death list were brought to Addis Ababa's civil prison to die.

A general brought on a stretcher from a hospital, in coma from diabetic shock, died before he could be killed. Another man died of a heart attack on his way to the wall.

One of the slain was Endalkachew Makonnen, former prime minister and ambassador to the United Nations, who at one time was a leading candidate for secretary general of the United Nations. Another was Eskinder Desta, Haile Selassie's grandson. It is widely believed here that the soldiers made the 82-year-old ex-emperor watch Eskinder die.

The men who now dominate the Provisional Military Administrative Council—called *dirgue*, for *junta*, in Amharic—are believed to be mostly up-from-the-ranks officers or noncoms. It was intellectuals and aristocrats they killed.

One died with a weapon in his hand: Gen. Aman Mikael Adom, 51, one of Ethiopia's most distinguished soldiers, who fell from favor with the *dirgue* and resisted arrest when its troops came for him.

Gen. Aman had been chairman of the military council and Ethiopia's head of state. His presence had reassured U.S. officials directing millions of dollars in hardware into Ethiopian hands.

He had opposed continuing the decade-long battle against the Eritrean Liberation Front in the northernmost province of Eritrea. Only a political settlement could end the guerrilla warfare there, he said.

He also opposed executing the *dirgue*'s prisoners. He lost, and became the first to die.

The *dirgue* is now sending the imperial bodyguard, the Ethiopian 1st Division, to Eritrea, and a new outbreak of fighting is expected in an area largely pacified by Aman's efforts. The ELF is threatening to cut Ethiopia off from the Red Sea, if fighting resumes.

If U.S. authorities here are worried about the *dirgue*'s leadership or direction, they declined to say so. The U.S. Embassy declared as erroneous a report that the United States was halting aid for Ethiopia.

"The embassy has received no information regarding a cutoff in aid to Ethiopia," a spokesman said. A State Department official in Washington said that "no major decision would be made" on Ethiopian aid "pending a better understanding of the situation there."

Such a better understanding may be hard to come by. Diplomats who have been dealing with the *dirgue* by phone for months still do not know the name or rank of the man they contact. Said one diplomatic source:

"We are studying shadows through frosted glass."

The military council has a new chairman, Brig. Gen. Teferi Benti, 58, a slim, quiet-spoken man who wears starched fatigues and eats lunch alone in an out-of-the-way Addis Ababa hotel restaurant. He is an ex-enlisted man whose education is totally military.

He is believed to be a front man for other forces on the *dirgue*.

The uncertainties of government spread

the past week into the lives of the close to 1 million residents of Addis Ababa.

Tanks rumble through the streets at night. Heavily guarded prisoners are seen being moved from one place of detention to another; among them are 150 ex-officials and the ex-emperor himself.

Street crime is increasing. Mugger gangs have appeared in downtown squares once considered safe after dark. Knots of students try to halt cars on side roads to harangue occupants for money.

One big American firm is sending dependents from Ethiopia to Nairobi, in neighboring Kenya. Tourism, usually big in the golden, cloudless days of Ethiopia's fall, is down to near zero.

Few observers here hold out much hope for the success of the *dirgue* as now constituted.

"As a man who believes the camel is a horse designed by a committee, I can't see much hope for this government to make it all work," said an international banker, heading home with a negative report on Ethiopia's investment potential.

"It looks like collective leadership with a sergeant's mentality," said a diplomatic source. "They rule by expediency," said an official. "By improvisation," said another.

But on the streets, where tank guns survey traffic from what were once imperial lawns, it is clear how the *dirgue* rules: by force of arms, arms from the United States.

[From the Saturday Review, June 15, 1974]

THE GEOGRAPHY OF DISGRACE—A WORLD SURVEY OF POLITICAL PRISONERS

(By Robert Shelton)

LONDON.—One of the ugliest aspects of modern life is the fact that between one and two million people are at this moment in jail solely because of their political beliefs.

This political imprisonment takes various forms: internal exile—a kind of "house arrest" within the borders of a country; banishment to remote penal islands; and being locked up in concentration camps, city jails, national prisons, and other kinds of detention centers.

Conditions in these prisons are, needless to say, usually sub-human and insupportable: Torture, painful shackling, perennial semi-starvation, and carefully calculated breakdown of prisoner morale are the very grammar and rhetoric of political detention.

No matter that very few of these political prisoners are terrorists, guerrillas, bomb-throwers, or even philosophical advocates of violent change. The fact that their outlooks have in some way irritated the authorities is enough to brand them as "illegals," as dangerous, disruptive "elements."

To many readers of this article, the foregoing may seem a bit strong. Is it really true, you may well ask, that an Indonesian novelist has been shipped off to a malarial island and told he will never write again, never be free again? Is it true that a black Rhodesian nationalist has been in jail for ten years without trial? That a Yugoslav educator has been sentenced to five years' hard labor solely for corresponding with an American professor? That South Korean college students face death penalties for *any* protest activity? The answer, sad to say, is yes.

Most amazingly, the ninety countries known to hold political prisoners run across all sociopolitical lines. There is nearly as much use for the jailer of ideas in the "free world" as there is in the Communist bloc. The supposedly idealistic emergent group of Third World nations is not only not immune to the jailing fever but also is in fact heavily into the business of locking up dissenters. In many such nations, to paraphrase the German military theoretician Karl von Clausewitz, the imprisonment of dissenters

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is simply the continuation of state policy by other means.

Imprisonment is not the only way of silencing dissent. Amnesty International, an organization that monitors the political-prisoner situation, recently reported that torture of such prisoners is rampant in sixty countries. "Torture," the organization states, "is as unthinkable as slavery," but it is practiced widely. Amnesty International's blistering 224-page Report on Torture found that pain-inflicting techniques, "the ultimate corruption," have virtually "become a worldwide phenomenon" practiced "in an effort to retain political power."

Still another form of repression is the "extra-judicial persecution" that denies professional people and artists the right to pursue their occupations. This ploy has been developed to a high degree in Czechoslovakia, where countless scientists, historians, and writers have been reduced to doing menial labor—that is, they are serving life sentences outside jail.

Americans tend to take the "rule of law" for granted and to believe that the wheels of justice will, however slowly, ultimately free the innocent and imprison the guilty. But just what law is meant, when dictatorships of the Right, the Left, or of the nationalist center tailor the law to suit expediency? And of what value is even a facade of law in Guatemala or Brazil, where para-governmental death squads preempt the judicial process? A recent report to the Guardian stated: "There are no political prisoners in Guatemala. They are shot before there is time to register them in that category. The current estimate is that ten thousand have 'disappeared' since . . . 1970."

Although less prevalent than imprisonment, death and banishment for political "crimes" are still practiced. Iraq, Indonesia, Yemen, and Uganda still execute opponents of the regime. The number of executions in Iran has risen to 198 in the last three years. Banishment to remote parts of the Soviet Union, Rhodesia, and South Africa continues. Perhaps worse than banishment is the Soviet practice of sending dissenters to lunatic asylums. In such a climate, who is sane and who is really insane?

Political dissent has grown since the beginning of the century. Rising economic, social, and political expectations have led to more questioning and agitation for change. One might expect more repression in unstable regimes, but continuing clampdowns in the Soviet Union and South Africa belie that. Minority-ruled nations like Rhodesia and South Africa keep the black majority in check through rigorous imprisonment. One-party states, such as Spain, Libya, and Haiti, make punishment of oppositionists a staple of the governing system. When governments fall into the hands of the military, the officers, knowing little but orders and discipline, run their regimes by tribunals and decrees. The military tends to regard the democratic process as slow and inefficient. (One hopes that Portugal's April 26 takeover by avowedly pro-democratic military men will, over the long run, prove an exception to this rule.)

National patterns of political imprisonment differ, especially in regard to the jailer's role. Some repressive hands are bludgeons, while others work with a sophisticated cunning. Perforce, this survey touches on only a small number of the countries where political imprisonment flourishes. (Thanks to the writings of Solzhenitsyn, the Soviet Union has been omitted as obvious.)

The story of any given prisoner is a tale of personal and family tragedy that would constitute a lengthy drama or documentary by itself. Multiply each case by at least one million, and the scope of the problem can be envisaged. Numerical estimates of prisoners are a constant problem. Often, pris-

oners are not tried, their families are not notified, and the prisoner is virtually buried alive. In other cases, in which trials are held, transcripts are not available. For example, in China the whole picture of political imprisonment, before, during, and after the Cultural Revolution, is virtually unknown to the outside world. The interested reader might, however, consult with profit the recently issued, widely noted Prisoner of Mao, by Bao Ruowang (Jean Pasqualini) and Rudolph Chelminski, a work described by the publisher as "an eyewitness account of China's Forced Labor Camp System, by one of its few survivors [Bao Ruowang]." A twelve-page excerpt from this book appeared in the August 28, 1973, issue of this magazine.

The situation of the political prisoners in post-Allende Chile, so recently in the headlines, also is not easy to determine exactly. The junta has admitted that 3500 deaths have occurred during the 1973 overthrow of the pro-Marxist government. Hard figures are not easily come by, but the former Swedish ambassador to Chile has offered these startling figures: 10,000 to 15,000 killed; 30,000 children orphaned; . . . and 200,000 people who have lost their jobs for political reasons. Add to this some 8000 refugees, and we are talking less of a coup d'etat than of a holocaust!

Somewhat more is known, fortunately, about the outlook in that most youthful of the world's nations, Bangladesh. In 1972 the government issued a retroactive omnibus-powers decree aimed at citizens thought to have collaborated with the forces of West Pakistan during Bangladesh's 1971 war of independence. Between 40,000 and 50,000 persons were sentenced to jail under the decree; and though Sheikh Mujibur Rahman has declared amnesty for 30,000 of the prisoners, only 12,000 have so far been released.

Some hope glimmers also in Turkey, after a three-year military repression that may have detained a total of 15,000 political prisoners. There, a broad amnesty bill affecting 50,000 criminal and political prisoners has been debated for some time and may or may not be passed this year. These political maneuverings are, of course, cold comfort to political prisoners long since caught up in police dragnets and thrown into jail.

No glancing account of the political-police mind in action can convey in its full reach the terror and despair that such regimes inspire. The following sketches of life under seven representative police regimes may, however, prove indicative:

BRAZIL: "ORDER AND PROGRESS"

The ten-year-old military government that seized power from the reformer João Goulart flies the banner of "Order and Progress" and amazes the world with its story of Brazil's "economic miracle." Order and progress have been achieved by Draconian methods. The benefits of the country's rapid development go to the few, while poverty proliferates. The repression, jailing, torture, and censorship spew blood and dishonor on whatever gains have been achieved for Brazil's 100 million people.

The last fixed estimate of political prisoners, in 1972, was 12,000, but currently it may be anywhere from 500 to 5000. Reuters estimates the number of victims killed by Brazil's notorious death squads at 1300. At least 210 political prisoners and suspects are known to have died in police custody, mostly under mysterious circumstances. The documentation of torture and censorship can only evoke memories of the Nazis.

The army has long played a crucial role in Brazilian history, helping to end slavery in 1888 and to depose Emperor Pedro II the following year. But the tight military control that began in 1964 and was further intensified in late 1968 is without parallel in the country's history. Countering the repression

has been one major force, the Roman Catholic church, which is increasingly at odds with the regime, and a broad range of other oppositionists of varying political hues.

In a horrifying document, "Report on Allegations of Torture in Brazil," Amnesty International detailed the findings of a 1972 inquiry. Names of 1081 reported victims and their 472 torturers are listed. Eyewitness accounts are given. Details of physical, psychological, and electronic torture are stated. Brazilian authorities replied by banning from the press all Amnesty International statements on Brazil. (Index magazine, published by Writers and Scholars International, has also documented the staggering facts of censorship and press control in Brazil.)

Political prisoners in Brazil are mainly trade unionists, peasant leaders, university staff and students, journalists, progressive clergy, and politicians or military men who had supported the democratic regime, which was overthrown in 1964. It has been charged that the clergy, after radical students, have been the major target of oppression and torture. Priests have been expelled or refused re-entry after foreign trips. Others have been jailed. Some Catholic publications and radio stations have been closed down.

An inspirational symbol of church resistance to the regime is Dom Helder Camara, archbishop of Olinda and Recife, several times a Nobel Prize nominee. The Archbishop is not permitted to speak publicly, and the press cannot report his activities. An assistant of his was killed, apparently by rightist vigilantes, in 1969. Last year a number of lay workers associated with Dom Helder were jailed and tortured.

A few of Brazil's political prisoners:

Mafuel de Conceicao, thirty-seven-year-old peasants' leader who opposed government policies and was shot five times in the legs in 1968 before he was jailed. Released four days later, he had to have one leg amputated. During an army crackdown in 1969, he fled to the jungle but was captured in 1972, tortured at length (his fingernails were ripped out), and jailed for an unknown period. He has been hospitalized six times since 1972.

Vera Silva Araujo Magalhaes, a twenty-four-year-old Rio student, was arrested in 1970 for "distributing leaflets." She was subjected to brutal physical and psychological tortures, suspended helpless for seven hours, given electric shocks, beaten, and whipped. Her legs were left paralyzed. She was tried and released three months later and lives in exile.

Father François Jentel is a French-born priest who has been in Brazil twenty years, working in the Mato Grosso with Indians and peasants. He helped his village parish resist incursions of large landholders. When there was a shooting incident between his peasants and armed government men, Father Jentel, who was not involved, was held culpable on a dozen charges—including arming peasants and inciting them—which were palpably false. He is serving a ten-year sentence.

Last January Maria Nilde Mascellani, an educator and Catholic activist who had worked for Father Jentel's release, was arrested. A founder of vocational education in Brazil, Miss Mascellani was arrested one night, and her house and library were seized. She was released in mid-March.

INDONESIA: 55,000 "TAPOLS"

The dire human-rights situation in this archipelago is both chronic and tragic. Indonesia has a hard-core political-prisoner population of about 55,000. Few of these have been tried, and most of the jailings date back to detentions in the mid-Sixties.

In the autumn of 1965, an abortive left-wing army coup resulted in the assassination of six rightist generals. This led to a mass reign of terror against Communists, leftists, and suspected leftists that has been called "the most ruthless massacre since the days of Hitler." Estimates of the number killed

run from three hundred thousand to five hundred thousand, and of those jailed, to a quarter of a million. In the aftermath of the coup that failed, twenty-six massive organizations and twenty-three educational institutions were smashed.

Who are the 55,000 Tapols (for *tahanan politik*—"political prisoners")? A Dutch Amnesty International leader, writing in that organization's coruscating "Indonesia Special" report a year ago, stated: "Officially, all are described as committed Marxists and prominent members of the Communist movement . . . but [many] are prisoners of accident or victims of circumstance. . . ." For most of the 55,000, there have been no lawyers, no habeas-corpus protection, and no defense, because no case has been made.

Torture of political prisoners has been used as a matter of "routine" and is admitted by the Indonesian Grand Commissioner of Police. Two years ago a letter written by 800 Tapols complained that "we have been pushed into self-dug pits covered at the bottom with glass splinters. We have been given electric shocks, and cigarettes have been used to burn us. . . . Some among us have been shot through the mouth. . . ."

Staggering to the imagination is one isolation colony for politicals, Buru Island, a hot, fetid, and malarial piece of land in what used to be known as the Spice Islands, some 2000 miles from Djakarta. Here, 10,000 Tapols languish, forced to raise their own food. Medicines and clothes are also few, loneliness is extreme, and the sense of isolation is pervading. There is talk of bringing in prisoners' families and thereby raising Burus population to 50,000.

Stark as it is, Buru is only one of scores of resettlement areas, military prisons, labor camps, and interrogation centers throughout Indonesia.

The plight of three long-term Indonesian prisoners hints at the spectrum: Sugiyah was a thirteen-year-old schoolgirl when she happened to be found at the site where the generals were slain in 1965. An apolitical child, she has now spent more than one-third of her life in detention. Sitor Situmorang is a fifty-four-old writer who has been in Salemba Prison, Djakarta, since 1967. Charged with possessing writings "critical of the New Order," Siti Suratih, a nurse, forty-six, was arrested in 1966, presumably because her husband was a Communist. He has since died, but she was recently reclassified as a "dangerous" prisoner, apparently because the jailers want to keep her services as a nurse.

TANZANIA: THIRD-WORLD DILEMMAS

Africa may be flowering with emerging nations, but human rights lie parched in the hot glare of expediency, power struggles, and racism—white and black. Considering the inequities that allow white minorities to suppress black majorities in South Africa and Rhodesia, it may seem strange to focus on Tanzania, which is in many ways a model of judicious African self-rule.

President Julius Nyerere is, after all, a world statesman who has inspired his 14 million countrymen and others with his ideals of social justice. But even in his country, the existence of several hundred political detainees indicates the human-rights dilemmas of emerging nations born in revolution and hardened by the struggle for national identity.

It must be made clear, however, that the locus of the problem here is not the large mainland mass that was Tanganyika, but rather the small islands that comprise Zanzibar, where only 350,000 live. Most victims are presumed to be opponents of the Afro-Shirazi party, which came to power by violent revolution in 1964. The Amnesty International torture report of 1973 states: "The torturers are the Zanzibari police and secret police, and some allegations have

stated that they are trained by police from the German Democratic Republic." In dealing with Zanzibar since Tanzania was united with it in 1964, Nyerere has made errors that resulted in tragedies. In 1969, when he sent two former Zanzibar Cabinet ministers back from the mainland under the promise of good treatment, they were executed in Zanzibar.

Tanzanian political prisoners fall into several well-defined categories. A Preventive Detention Act has, since 1962, been used to hold large numbers without trial. These included three from the revolution of 1964. Others are involved in mainland political squabbles, such as that of the Kambona family described below. Other prisoners include perhaps as many as 300 refugees from Mozambique, some of whom quit the Frelimo movement and are held in "preventive detention." Occasionally, there are arrests of Europeans or Asians suspected of spying or of economic crimes, which may border on political offenses. Two specimen cases:

Ali Muhsin Barwani was one of three former Zanzibar Cabinet ministers who fled to Tanzania in January 1964. Barwani and the two others had been detained for ten years without charge or trial. This fifty-five-year-old detainee hasn't seen his wife or six children since his arrest. In a 1971 communication with his Amnesty International adoption group in Norway, Barwani said his needs were: "Books, magazines, proteins, vitamins, and, above all, *freedom*." Barwani, the two other ex-ministers, and twenty-six additional detainees were released in late April.

The family of Oscar Kambona has suffered from the protracted enmity between the former Foreign Minister and President Nyerere. Kambona split with his leader in 1967 and went into voluntary exile. But many of his family and friends were jailed for treason. Some material witnesses for the trial were detained four years. Otili Kambona was a student leader, a national assemblyman, and a publisher who editorialized against detentions without trial. A month later, in December 1967, he himself was detained under the act. He and his prother Mattiya were released in February 1972 but were secretly re-detained in June 1972. Despite ill health, Otili Kambona had been held in a tiny cell in Ukonga Prison with three other prisoners. He is now in Butimba Prison in northern Tanzania.

SOUTH VIETNAM: CIVILIAN PRISONERS

Despite American withdrawal from the Vietnam war, the killing and suffering drag on. For ten years, TV and the press have dramatically documented the travail of Vietnamese civilians. Yet all too little is known of the widespread detention of civilians in South Vietnam for political reasons. The civilian prisoners are estimated to number upward of 100,000.

The Paris Ceasefire and Peace Agreement of January 1973 considered the civilian prisoner problem only cursorily. If anything, the focus on the military accords and the subsequent exchanges of prisoners of war have drawn attention away from the plight of the civilian detainees. In brief, thousands of men and women who supported neither warring side are still imprisoned, often under deplorable conditions and with the widespread use of torture.

Civilian prisoners held by Saigon (The Government of the Republic of Vietnam) in forty main detention centers and 500 lesser places fall into four general categories: (1) members of the National Liberation Front "infrastructure"; (2) those suspected of involvement with the NLF at a low level, including peasants, traders, and children; (3) non-Communist opponents of Saigon, which includes some two hundred leading non-Communist students and more than one thousand Buddhists; (4) those convicted of common criminal offenses. Saigon's practice of reclassifying many political prisoners as

criminals has made the top three groupings merge into the fourth.

Conditions at such main jails as Chi Hoa are abysmally bad, with lack of sanitation, overcrowding, and a diet of food that rots the skin and the teeth. The worst hellhole of all for civilians is the prison on Con Son Island, whose human "tiger cages" were denounced in 1970. After the attendant international outcry, the island commandant, Col. Nguyen Van Ve, was relieved but then reappointed in 1973! The shackling of Con Son prisoners has left them deformed paralytics.

Documentary evidence of all forms of torture of civilian prisoners held by Saigon is among the grisliest in the world. The Phoenix Program for uprooting the NFL infrastructure in South Vietnam claims 20,000 dead. It makes no claim to the number that were tortured, but the well-known practice of forcing confessions in a helicopter after one suspect has been dropped overboard is typical. A common expression among South Vietnam police and jailers is: "If you are not a Vietcong, we will beat you until you admit you are; and if you admit you are, we will beat you until you no longer dare to be one." No amount of proof of the bestiality of the Vietcong and the North Vietnamese can counter-balance the savagery of America's South Vietnamese allies.

A celebrated civilian prisoner of Saigon is Huynh Tan Mam, a student leader who has been a courageous critic of South Vietnam. His latest arrest, in 1972, seems to stem directly from his opposition to American policy in Indochina. He has been brutally beaten, given injections, and is said to be disabled, with paralyzed legs. Mam and his supporters say that they are part of a third political force, but Saigon insists he was a Communist. When the government tried to turn him over to the Vietcong in a prisoner exchange, Mam declined and remained in prison.

SPAIN: CHURCH VERSUS STATE

"Do you think Spain is still a Fascist country?" Peter Ustinov, the urbane writer-actor, says he is often asked that, and he replies: "Only in the winter, when the hotel rooms are empty." His mordant gibe reflects the fact that Franco's Spain is still the repressive state that the dictator set up in the Thirties during the civil war, at the cost of 1 million lives.

As reported in *Saturday Review/World* [March 9, 1974], Spain remains a nation where all political parties but the National Movement of Franco are banned by law, a nation where independent labor unions are illegal and where the jailers silence free expression.

The floating population of political prisoners may, at any given moment, be as many as 1,000, with many more awaiting trial. The prisoners include Socialists, Communists, anarchists, Basque and Catalan nationalists, priests, lawyers, students, professors, and writers. More than two hundred conscientious objectors are in jail, including many Jehovah's Witnesses, but a new law seems to be improving the situation for this group.

In the wake of the assassination last December 20 of the premier, Adm. Luis Carrero Blanco, there has been a flurry of crackdowns on Basque nationalists and leftists. But even before this episode, police brutality, censorship, torture, and general maltreatment of political prisoners have been endemic.

Perhaps the most fascinating development in Spain's benighted human-rights picture is the emergence of a split between the Roman Catholic Church and the regime. The church was once a pillar of Franco's authoritarianism, but now there is a fresh wind of progressivism sweeping the clergy. One leading clerical figure is the outspoken Bishop of Bilbao, whose espousal of Basque individuality led to his house arrest. There

are countless young "rebel" priests whose defense of labor and civil rights often outrages the right wing. A common practice is for Spanish secret police to join church congregations—and audiences and college classrooms—to spy on speakers. The list of priests fined and jailed for "offensive" sermons is growing daily.

A Spanish prisoner typical of the repressions of underground workers' leaders is fifty-seven-year-old Marcelino Camacho. Although he had already served five years for clandestine tradeunion activity, he was tried again for the same offenses and sentenced in December 1973 to twenty years. With nine other alleged leaders of the illegal workers' commissions, Camacho is now held in Carabanchel Prison.

Narcisco Julian Sanz, who was released in October 1972, had spent twenty-five of his sixty years in jail. A railway worker who fought for the republic in the civil war, he was sentenced to death but won a commutation. In 1946 he was released under a partial amnesty. Seven years later he was re-arrested on charges relating to his political and trade-union activities as a Communist. At his first trial he got twenty-one years, and at his third trial, in 1956, another twenty years. Various general pardons led to his release, but not before he had suffered from spinal arthritis and ulcers.

Ramon Llorca Lopez was sentenced to thirty years in September 1972 for activities, including alleged bombings, on behalf of a Catalan separatist organization. To get his "confession," the authorities subjected him to continual beatings and death threats. The beatings left him unable to walk without the support of his guards. A prison doctor prescribed vitamins and sleeping pills for his condition.

[From the New York Times, Aug. 4, 1974]

TORTURE, AN OFFICIAL WAY OF LIFE IN 30 COUNTRIES

(By Jean-Pierre Clavel)

Torture has now become a state institution in more than 30 countries, a rule of pain carried out by technicians, scientists, paramilitary officials, judges and cabinet ministers.

Documentation comes from the respected human rights agency Amnesty International, a private London-based group that seeks freedom for political prisoners and has offices in 32 nations. As the 25th anniversary of the United Nations' Universal Declaration of Human Rights approaches, Amnesty's London headquarters described in a 224-page report

allegations and evidence of torture in 64 countries in the last 10 years.

Most of what the agency calls a "cancerous" growth in torture has occurred in Latin America, spreading to 22 nations there in the 10-year period. Portugal and Northern Ireland are among the 10 European countries named, as are 14 nations in Africa, 7 in Asia and 8 in the Middle East.

The vast number of victims in urban areas are members of legitimate political organizations, trade unions and youth movements, professors, women's leaders, religious figures, lawyers and journalists. In rural situations, it is unarmed peasants, villagers and even children who are caught in the torture net. Contends Amnesty International, "it is apparent today that much of state torture is carried out by the military forces, usually elite or special units, who displace the civil police in matters of political security. Their military training and their exposure to post-World War II theories about 'unconventional war' make them particularly apt for the practice and enable them to apply the concept of 'war' to any situation of civil conflict no matter how mild."

In Latin America, it is possible to pinpoint the arrival of torture in nations such as Uruguay, Bolivia and Chile and to demonstrate the pattern in which torture has spread across the continent. Niall MacDermot, Secretary-General of the International Commission of Jurists, reported at the United Nations this June after a fact-finding mission that between 3,500 and 4,000 persons had been interrogated in Uruguay alone since July 1972, in an effort to stamp out the Tupamaros. Of these, at least 50 per cent are believed to have been tortured.

Secret steps were taken in Brazil in the early nineteen-sixties by a group of senior military and police officials to create a coordinated, autonomous torture and "death squad" network to crush political opposition. To train personnel, illustrated lectures and live demonstrations of torture were conducted, using political prisoners as guinea pigs, by *Operacao Bandeirantes*, once described as "a type of advanced school of torture." Subsequently, trained Brazilian torturers traveled to military academies in neighboring nations to conduct courses in what is euphemistically called "interrogation."

"Refinements" have resulted from technical and medical research designed to develop techniques of intensifying pain without causing death or irreversible damage. In North-

ern Ireland in 1971, security forces put "sensory deprivation" into action against Irish Republican Army suspects, using white noise, tactile obliteration, fatigue and starvation to force nervous systems to "torture themselves." Dr. Timothy Shallice of London's National Hospital has traced these methods to a clear line of private and government-sponsored research that began in the nineteen-fifties and intensified after the Korean War. "Torture which was once a craft," says Dr. Shallice, "has become a technology."

Further evidence of this trend was unearthed after the "liberation" of the DGS (political police) headquarters in Lisbon following the May coup in Portugal. Inside were found anatomy charts and films used to instruct novices in torture and detailed medical reports indicating that torture had become a medical science conducted under the supervision of doctors.

In the Soviet Union the abuse of psychiatry has led to the long-term incarceration of dissidents such as Grigorenko and Plyusch in execrable conditions inside special psychiatric hospitals on the ground that they had committed political offenses "while of unsound mind."

Amnesty has produced a unique portrait of a world which, like a Bosch phantasm, is panoramic, almost aloof, chronicling the ordeals and wasted lives of men and women trapped in the breakdown of the rule of law. It speaks for the countless victims sent to labor camps in the barren regions of the Soviet Union, for the fate of the 55,000 political detainees still held without charge or trial in the camps of Indonesia, for defendants sent to the torture cells beneath the courtrooms in central Lisbon, for the crippled Vietnamese inmates of the Tiger Cages of Con Son and their dead countrymen thrown from United States helicopters during the years of overt American military involvement in Indochina, for the unknown individuals who faced certain of the Red Guard factions in the violent street trials of the Cultural Revolution and for the personal victims of South Africa's Brigadier Swanepoel, Brazil's Sergio Fleury and Greece's Colonel Theophyloyannakos.

What distinguishes the present wave of torture from others is that where formerly it presented itself as a series of national crises (such as the unleashing of torture during the Algerian War beginning on Algerian patriots and eventually spreading to metropolitan France), today we confront an international network of Torture States exchanging expertise and equipment.

TOTAL MILITARY ASSISTANCE AND MILITARY CREDIT SALES TO SELECTED COUNTRIES

[Thousands of dollars]

Country	Proposed 1975	Actual 1974 (est.)	Cranston amendment			Total, 1945-73	Country	Proposed 1975	Actual 1974 (est.)	Cranston amendment			Total, 1945-73
			1975	1976	1977					1975	1976	1977	
Afghanistan.....	200	200	133	66	0	4,600	Pakistan.....	280	345	230	115	0	695,900
Bolivia.....	5,500	8,345	5,564	2,782	0	35,500	Panama.....	550	1,011	674	337	0	6,400
Brazil.....	60,800	56,480	37,654	18,826	0	430,200	Paraguay.....	2,350	2,733	1,822	911	0	16,900
Cambodia.....	363,750	335,367	223,578	111,789	0	608,700	Peru.....	21,300	16,037	10,692	5,346	0	142,900
Chile.....	21,300	16,487	10,992	5,496	0	184,400	Philippines.....	25,400	23,559	19,040	9,520	0	709,700
Colombia.....	70	40	27	13	0	300	Saudi Arabia.....	3,557	3,188	2,126	1,063	0	294,700
Ghana.....	2,350	3,598	2,398	1,199	0	30,300	Senegal.....	25	20	13	7	0	2,800
Guatemala.....	200	0	0	0	0	4,100	South Vietnam.....	1,450,000	1,100,000	733,534	366,767	0	14,618,700
Haiti.....	4,650	1,752	1,168	584	0	10,300	Spain.....	1,600	29,743	0	0	0	2,200
Honduras.....	28,900	25,717	17,144	8,572	0	159,600	Sudan.....	50	0	0	0	0	0
Indonesia.....	149,243	160,180	70,786	35,393	0	237,400	Taiwan.....	80,400	91,624	61,082	30,541	0	3,404,400
Jordan.....	234,300	161,850	107,900	53,950	0	6,041,600	Tunisia.....	3,900	4,046	2,698	1,349	0	46,800
Korea.....	600	508	338	169	0	11,600	Uruguay.....	4,700	6,261	4,174	2,087	0	59,800
Liberia.....	50	40	27	13	0	3,400	Zaire.....	3,800	4,247	2,832	1,416	0	49,700
Mali.....	14,860	13,246	8,830	4,415	0	112,400							
Morocco.....	35	25	17	8	0	1,900	Total.....	2,490,170	2,020,448	1,327,339	663,667	0	27,943,800
Nepal.....	4,450	2,799	1,866	933	0	16,600							
Nicaragua.....													

Note: Totals may not add due to rounding. Included: Grants, credit sales, and transfers from excess stocks.

Mr. BAYH. Will the Senator yield?

Mr. CRANSTON. I am delighted to yield to the Senator from Indiana.

Mr. BAYH. Mr. President, in the Senator's opinion would the definition in the measure proposed by my distinguished colleague from California cover the present situation that exists in the Philippines?

Mr. CRANSTON. The amendment does not specifically name any dictatorship. It leaves the decision to the process spelled out in the amendment. But clearly the Marcos dictatorship would be a prime candidate, since it seems to fall in the class of repressive governments at which the amendment is aimed.

Mr. BAYH. Will the Senator yield 1 or 2 moments?

Mr. CRANSTON. Certainly.

Mr. BAYH. Several of us in the Senate, including the distinguished Senator from California, the floor manager of this bill, and others, have taken the opportunity in a very quiet way to express their deep concern about what has been going on over a period of time in the Philippines.

I had prepared to make a rather extensive speech expressing my concern on this subject.

I feel that because of what I thought was a very positive conversation I had with the Philippine Ambassador yesterday, as well as some other information that has come to my attention, that perhaps President Marcos over this coming weekend is going to make an announcement that he recognizes some of the problems he has. Thus the Philippine Government may begin to take the initiative in meeting these problems and not be in the position of the United States telling them what to do.

I therefore felt it would be better for the Senator from Indiana not to initiate any direct attack on that problem at the moment, but I must say to my friend from California, I think the time has come for us to look directly at the question of repression which he discusses very eloquently here.

I feel a very strong sense of friendship with the Philippines. I would like for them to lead the way and show that they, as a Nation that has been very close to the United States and has had a very strong history of democracy, can recognize the shortcomings of what has been going on. I hope they will do this of their own volition and not have to respond to some initiative from the United States.

I appreciate the courtesy of my friend from California.

Mr. CRANSTON. I fully share the Senator's concern. If reforms do not occur in the Philippines, I will join with the Senator in an effort to end military aid to that government. Our aid should not be used to repress the Filipino people.

Mr. HUMPHREY. Mr. President, how much time is left on the amendment?

The PRESIDING OFFICER. The Senator has 15 minutes. The Senator from California has 1 minute remaining.

Mr. HUMPHREY. Mr. President, the amendment that has been offered here today by the able Senator from California is one that we had before our committee.

Might I say that this proposed amendment has had very singular effect. The Senator testified before the Foreign Relations Committee in a very eloquent and persuasive manner.

For example, in this bill no military assistance is provided at all for Chile. In this bill we have cut out the drawdown authority of the Department of Defense. We have reduced the overall military assistance by 45 percent.

Might I say that the Senator from California did a good deal toward seeing that accomplished, along with some of his colleagues who were associated with his effort here today.

So to the Senator of California let me say that much of what the Senator seeks to do in this amendment is underway, and I want the Senator to know that we are going to exercise a much more careful oversight from a committee point of view on the whole foreign aid program than we have in the past.

We have started this in the past year and we had staff members of our committee go abroad who then came back with reports.

Those reports were acted upon by the committee, which tightened up on foreign aid by requiring better accounting, by preventing transfers. I think there is a more direct accountability than we have ever had before.

I would hope that the Senator might not press his amendment today because the purpose that he seeks is the purpose that the manager of the bill here fully subscribes to, as does the distinguished ranking member here of the minority, the Senator from New Jersey (Mr. CASE).

We are in full sympathy with what the Senator is seeking to do and we believe we can better do it by our hearings and testimony, such as the Senator from California gave to us, by a very precise oversight operation on the aid program, and by looking at the program country by country to see what kind of funding goes on and what kind of programs are developed.

I, therefore, would urge upon the Senator, knowing of his deep commitment to this amendment, that he give us the chance to produce some results for him in the coming year and not press the amendment here to a vote.

Mr. CASE. Will the Senator yield?

Mr. HUMPHREY. Yes; I am happy to give time to the Senator from New Jersey.

Mr. CASE. Mr. President, I want to express my appreciation to the Senator from California for raising this issue and then to join my colleague from Minnesota in the hope that the Senator will find it appropriate on this occasion not to press it on this bill.

We in the committee are engaged in what I think is the first operation with the chance of success, getting a hold on this program. One of the requirements for doing that is to pass an authorization bill, not to have the matter go on as it did in the past on a continuing resolution.

We have in this bill, as I am sure the Senator appreciates, a rather consider-

able advance on earlier programs in the matter of controls, of oversight, of more sound provisions for budgeting, and as the Senator from Minnesota has pointed out, a reduction of the loose authority for transfers.

I think it is very important to stick close to the committee bill, as close as we can, because we have received the assurance we have not had before, that the administration will support us in these important matters that we are trying to accomplish.

I hope, therefore, the Senator will find it in his heart and in his mind to withdraw his amendment at this juncture, with the assurance that his objective is the same as ours, and he can produce it at any time in the future when he thinks it is useful.

Mr. CRANSTON. Will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. CRANSTON. I thank the two managers of the bill for their statement about my efforts. I am delighted that what I have done up to now has contributed to the cuts in military assistance, of which so much goes to repressive governments. I am delighted that there is a general agreement that we must go much further. I recognized the importance of getting away from a continuing resolution and on to an authorizing bill.

I know that there are many fine provisions in the pending authorization bill, including the phaseout of grant military assistance over a 3-year period.

I hope we can go further in cutting back all forms of military aid to dictatorial regimes, and that we will do so soon.

If the Senator can assure me that the oversight planned by the committee can and will include hearings on the specific issue of military aid to repressive governments, and can assure me that such hearings can be held by April, and will provide me a full opportunity to consult with the committee on those hearings and to suggest certain witnesses, I would be delighted to agree to his suggested approach.

I recognize that the amendment I have introduced is very complicated. It may not be the very best way to achieve the goals that we share. If it can be submitted to a full examination by the committee, I would accede to the request of the two managers of the bill.

Mr. HUMPHREY. May I respond to the Senator by saying that this request that he makes is entirely in line with our thinking.

As the Senator knows, I have spoken to Senator McGEE, who handled this bill yesterday. We are in full agreement. I am sure I speak for the Senator from New Jersey on this.

We will have hearings on the foreign aid bill. We will take up the Senator's amendment. The Senator will be invited as a witness to present testimony and to invite other witnesses.

The proposal advanced by the Senator is so significant and is so complex. The formula is very complex. I think that it does require, may I say respectfully,

very thoughtful consideration and a good deal of testimony.

If the Senator will accept our commitment as a word of honor, he can rest assured that we will proceed forthwith along the lines that he has indicated.

Mr. CRANSTON. Does that commitment include hearings on the specific subject of military aid to repressive governments, together with legislative proposals along the lines I have suggested?

Mr. HUMPHREY. That is correct. Absolutely. The Senator, I would hope, would want to introduce his amendment again in the 94th Congress so that we can have a specific piece of legislative language to relate the testimony to and on which to base our questions and investigation.

Mr. CRANSTON. And we can get to these hearings by April at the latest?

Mr. HUMPHREY. I am sure we can.

The Senator said April at the latest. Let me put it this way: We will get into it in the April and May period. The Senator knows how things go here in the Senate in the January, February, and March period. We often do not get down to our detailed annual legislative business until some time in the April-May period. I want to be precise and honest with the Senator.

Mr. CRANSTON. I would like to point out that we have to move faster next year because of the new budget process.

Mr. HUMPHREY. I hope we shall. We will do our best.

Mr. CRANSTON. I thank the two Senators very much.

With that understanding, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn. The bill is open to further amendment.

Mr. HARRY F. BYRD, JR. Mr. President, I call up my amendment No. 2001, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:
 At the end of the bill add a new section as follows:

Notwithstanding any other provisions of this Act, total contributions authorized herein to the United Nations or to any segment or subdivision of this world organization shall not exceed \$156,148,000.

Mr. HARRY F. BYRD, JR. Mr. President, under the foreign aid bill as it now stands before the Senate, it provides for a 24 percent increase in U.S. contributions to the United Nations. My amendment, Mr. President, would eliminate the increase and authorize the same amount as current estimates for 1974, namely, \$156,148,000.

If the amendment is adopted, the Senate would be voting to save the taxpayers \$37,552,000.

Mr. President, this Senate has been on record a number of times expressing the view that U.S. contributions to the United Nations should be brought down to 25 percent. It is well above that now.

This amendment, while it would not bring it down to 25 percent, would bring it down toward that figure.

Mr. President, the United States has been providing very substantial sums to the United Nations. Through the years,

I have been a supporter of the United Nations. I think it is desirable to have a world organization. But I think that the Senate and the Congress could help create some sense of responsibility in that world organization if it would take a harder stand on the amount of contributions which the American people put up.

Of the 138 members of the United Nations, 92 have an outstanding debt of \$204 million in back dues.

The Soviet Union and its two member republics owe \$110 million.

Mr. President, besides having a good effect, in my judgment, on the United Nations, in that it should bring about a greater sense of responsibility on the part of the other member nations, it would save the American taxpayers \$37,552,000.

Frankly, I do not see how Congress can justify increasing its contribution to the United Nations for this one program alone by 24 percent.

We are in a period of high inflation. We are supposed to be in a period when the President and the Congress have said that we need to put some brakes on spending.

Here is an opportunity to do that.

I do not propose that the United Nations be cut below what it previously had received. I just propose that the increase advocated by the Foreign Relations Committee be eliminated so that the figure would be that figure which is the current level for the 1974 funding.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. HUMPHREY. Mr. President, I have just one or two quick observations on the amendment of the Senator from Virginia.

The amount, of course, as he has indicated, is equivalent to what was made available in fiscal 1974.

I think we should note, however, that since fiscal 1974 there has been a considerable amount of inflation, and the value of that money has depreciated greatly, much to the sorrow of all of us.

Inflation has taken its toll on all of our resources.

The point that I believe should be made is that this is not money, as such, for the operation of the General Assembly or the Security Council of the United Nations. Actually, what you have here are funds made available by the United States to agencies of the United Nations which, in the main, have had a rather good record.

The United Nations development program is a good program. It is one that has gained the support and the commendation of not only our country but other countries as well.

One of the finest programs they have in the United Nations is the Children's Fund. It has great popular support all through the United States. How many times have we seen little children going door to door, raising money for the Children's Fund? It not only has funds of the treasury but a great deal of voluntary funds as well. There is an increase, I believe, of \$3 million provided for the Children's Fund.

A major amount of money that was ap-

proved by the committee was at the initiative of our distinguished colleague, Senator McGEE, who has been very active in the United Nations work relating to the U.N. development program. The reason for that increase was the changing of the bookkeeping, so to speak. We are going on a calendar year basis, I believe, for the U.N. contribution which picks up part of one fiscal year and then puts it in another, so to speak. In other words, we are trying to get the American contribution to the United Nations development program on a calendar year basis. So while the figure looks rather large—it is \$20 million—it really is not that amount in terms of increased funding.

The U.N. Relief and Works Agency has the sum of \$10 million. I would like to refer this matter to our expert on United Nations activities, the Senator from Wyoming. I yield to the Senator from Wyoming for his defense of what I think was a very legitimate request before the committee.

Mr. McGEE. Mr. President, I hate to have to take the time to repeat this, because the Senator from Virginia and I have been over this matter many times; and I had great applause for the Senator from Virginia when we were able, while I was at the U.N. to reduce the American contribution to 25 percent in the basic budget of the U.N. It had been running at 33 percent, 35 percent, and 40 percent over the years. The intent was to get it down to 25 percent. But in getting it down to 25 percent, as we rounded up votes among the developing areas—the Africans and the South Asians and the like—we also had to make clear that we were not cutting back our support of the United Nations in that process.

There are two budgets—the basic budget of the U.N. and the voluntary programs of the U.N. Therefore, when we ended with a continuing resolution in Congress at the end of that year, we had to revert not to the commitment that had been requested in the new budget—namely, the \$90 million figure for the UNDP—but to the preceding year budget figure of \$70 million because of the rules by which we carry out a continuing resolution process, as the Senator knows. Thus, it became necessary to draw down from the next budget that \$20 million difference, because it was already committed and it was an integral part of the whole agreement at the time we were able to cut back the American basic percentage of a contribution to 25 percent.

It was a matter of commitment, a matter of credibility, a matter of the integrity of our Government at a time we got a major breakthrough in the structuring of the basic budget of the United Nations.

It seems to me that it does not hang together very well for the Senator from Virginia to applaud McGEE for getting the 25 percent when a part of the reason we could succeed in that, when everyone said we could not do it, was to assure that, so far as possible, we would live up to our commitments in the voluntary areas of the U.N., particularly the UNDP. They are not the same budget, but they were cut from the same cloth, when one tries to make headway on the politics

that takes place in the United Nations or in the Senate of the United States.

The Senator from Virginia is one of those who know best of all the importance of integrity of commitments, and that is the key to the integrity in that particular commitment. That is the reason why I hope that the Senator will consider withdrawing his amendment. We are never going to catch up to that unless we face it. It is a split-year contribution because of that carryover of the continuing resolution in 1973. We are trying to correct that phenomenon. It was not our doing, except that we did have a continuing resolution rather than the new bill. For that reason, we are caught in that bind. This is the only way in which we can face up to it.

I hope that the distinguished Senator will consider a reconsideration of that measure. I know how deeply he feels about the entire matter; and because of the success we experienced in cutting our basic contribution percentage, I am asking, in the same spirit of understanding, that he accommodate with respect to the need for picking up that difference on the first year.

Mr. HARRY F. BYRD, JR. Mr. President, I yield myself 3 minutes.

In talking earlier today with the distinguished chairman of the Subcommittee on Appropriations, which committee handles the United Nations funding, I expressed the view that the United States probably was putting up 31 percent. He said:

No, that is low. It is closer to 35 percent.

The Senator from Wyoming mentioned the need to work with the other United Nations members and to be on good terms with them—the politics of it—and that is certainly an important point. But I cannot help note three important votes in the past month.

One vote was on the motion to oust South Africa, a clearly illegal action. The United States strongly opposed it, and we were able to muster 22 votes against 91 affirmative votes.

With respect to the resolution to permit the terrorist Arafat to address the United Nations—that is not illegal; it is perfectly proper if the organization wants to invite a terrorist to address it—the United States strongly opposed it, and we were able to obtain three allies.

On the third vote, to give official observer status to the Arafat group, the United States was defeated by a vote of 95 to 17.

So I am in strong basic disagreement with the report of the Committee on Foreign Relations which contains this sentence:

The level of our support for the UNDP is seen by the developing nations as a measuring stick for the seriousness of our participation in the United Nations organization.

I say that the developing nations—and all the other nations, for that matter—who are members of the United Nations would have a lot more respect for the United States if Congress would stop continually pouring in more and more funds, upping it every year. I think

we would be better off, and it would bring a greater sense of responsibility to that organization.

Frankly, I am unwilling, in the month of December of 1974, to vote to reward the United Nations for the actions it took in November. I am not saying funding should be reduced. I do not favor reducing below the level of previous funding, but I do feel that we should not increase the funding.

I ask unanimous consent, Mr. President, that the following Senators be listed as cosponsors: The Senator from Nevada (Mr. CANNON), the Senator from New Mexico (Mr. MONTROYA), the Senator from Delaware (Mr. ROTH), and the Senator from Wisconsin (Mr. PROXMIER).

The PRESIDING OFFICER (Mr. DOMENICI). Without objection, it is so ordered.

The Senator's time has expired.

Who yields time?

Mr. HUMPHREY. Mr. President, I yield time to the Senator from Wyoming.

Mr. MCGEE. Mr. President, I hesitate to say more in this colloquy with my beloved colleague from Virginia, but I think that the whole program at the United Nations requires that at least we keep something straight for the record.

In any political situation, whether it be here or up there or anywhere else, we try to cross one bridge at a time, and we build on those bridges. I agree with the Senator: I think there was a dangerous precedent set when they threw South Africa out of the United Nations. That is not what the United Nations was created for. That is not the way we try to establish the integrity of that body, or to enrich it.

I agree, likewise, that there was a serious flaw in the tactical decision to admit the PLO up there, to have their hearing. But the thing that it says to all of us is that it is still an open body in which we make our case and we have to win our vote. And we lost. But we still have the power of veto in the Security Council, which is the ultimate determining factor.

I was there the very week that these two votes occurred. I must say that the shock effect of them was rather considerable, and that we were already beginning to get a regrouping of the United Nations to reconsider all that had been done. That is a large factor in explaining why they failed to do the same thing to the Cambodian Government of Lon Nol. These are the kinds of things that do make a difference.

We cannot take our blocks and go home because we get mad or because we lose a vote. We are much stronger in protecting our interest in the direction that we go by being there than by running back to the haven of the U.S. Senate and sticking out our tongues at the rest of the world.

I remind my colleague from Virginia that at the very time we were cutting the percentage of the American contribution to 25 percent, the Soviet Union delegate arose on the floor before those nations and said, "If the Americans win this

vote, we are going arbitrarily to cut ours from the Soviet Union." They were going to cut it as an arbitrary action.

The response from the U.N. nations was dramatic. The United States was proposing to exercise its decision through the machinery of the U.N. honoring that process. The Soviet Union was going to defy the U.N. and slice its own. They were laughed out of the General Assembly that afternoon.

If we work at it, we have our best chance in this international forum that has done ridiculously stupid things sometimes, but that, likewise, has produced very rewarding and positive actions at other times.

The world is not going to dance to a tune just because we snap our fingers or because we orate on the floor of the Senate. It demands a give and a take. That is why we cannot be running the United Nations from the floor of the Senate. That is the reason we have to balance it all off in terms of the gains that we really can make underneath. Where we have them there, where we can talk to them behind scenes, the real decisions are being made: the decisions that brought the Soviets and the Americans together for the first time in the cease-fire in the Middle East. For the first time that was finally agreed to. It was only possible there, in those halls. The same thing can recur every time we have a great world crisis.

I hope that the Senator, in his proper sense of pique over what they did to the Union of South Africa—because they are entitled to be members of the United Nations, too, as the Soviets are, and as Franco in Spain is, as dictators all over the world are. It is not a little collection of democratic states. It is not a league of the Americas. This is a United Nations of all the world, with all of the differences that are reflected in that spectrum.

We very well have to work at selling our case, and using what we believe to be our sense of direction as one of the great arguments for restraint in the world body. With all of the discouragements, I submit to the Senator that it is all we have, and it offers us the one chance beyond holding up here, as a rock to ourselves, in order to try to protect our national interest.

Our national interest is best protected, Mr. President, in the light of the cross currents of different policies and different views in the United Nations. It is difficult, it is frustrating, but it has to be worth our effort.

The PRESIDING OFFICER. Who yields time?

Mr. HUMPHREY. Mr. President, I hope that the Senator from Virginia will, in his commendable fashion, give us a little extra consideration here in the light of what I believe is a legitimate administration request; namely, that because of the increased cost of all the services that are undertaken today, the sum for last year is not adequate and it has to be modified to some degree.

We have the \$20 million for the United Nations development program, which is, as has been explained by the Senator

from Wyoming, basically getting the fiscal calendar and the annual calendar into synchronization. It is an accounting figure.

That is really what it boils down to. Mr. HARRY F. BYRD, JR. If the Senator will yield at that point?

Mr. HUMPHREY. Yes; I yield.

Mr. HARRY F. BYRD, JR. I point out that the administration itself did not ask that that be done. The administration itself only asked for \$10 million in regard to that, according to the committee report. I am guided by the committee report.

Mr. HUMPHREY. The administration, I should say, does support this figure now. The Senator is correct, however, it asked for \$10 million.

Did not the administration ask for the \$10 million on the United Nations Relief and Works Agency?

May I make this suggestion to the Senator, in the light of his argument? Why not take the \$10 million that was asked for by the administration and add that to his figure?

Also, because there has been a considerable increase in the cost of items, we might increase somewhat the Children's Fund.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield at that point?

Mr. HUMPHREY. Yes.

Mr. HARRY F. BYRD, JR. I point out that if the Senate will approve the amendment which is before us, the Committee on Appropriations then can fund any of these to whatever extent the Committee on Appropriations deems desirable—the children's fund 100 percent, some other fund not 100 percent.

Mr. HUMPHREY. I understand the Senator, but the real problem is that unless we take into consideration what has been at least suggested here by the administration, we are just going to find ourselves with inadequate resources in the authorization.

I say again that it all comes before the Committee on Appropriations. If they cannot make a good case there, they are not going to get the money.

Mr. HARRY F. BYRD, JR. If the Senator will yield at that point, since he mentioned the administration—

Mr. HUMPHREY. Yes, I yield.

Mr. HARRY F. BYRD, JR. The committee report says that the President requested \$153,900,000. The committee approved that request and authorized an additional \$30 million over and above what the administration requested.

The PRESIDING OFFICER (Mr. GURNEY). The time of the Senator from Minnesota has expired.

Mr. HARRY F. BYRD, JR. Mr. President, what time do we have remaining?

The PRESIDING OFFICER. The Senator from Virginia has 6 minutes remaining.

Mr. HARRY F. BYRD, JR. I yield 2 minutes to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, the Senator's amendment reads in the sum of \$156,148,000. I respectfully request that the Senator make the amendment read \$165 million.

Mr. HARRY F. BYRD, JR. \$165 million?

Mr. HUMPHREY. Yes.

Mr. HARRY F. BYRD, JR. Mr. President, the Senator from Minnesota is such a congenial, wonderful person, such a wonderful Senator, that I am somewhat persuaded to accept his suggestion, although I do not like the idea at this particular time of going above the 1974 figure.

Mr. President, I modify my amendment to change the figure to \$165 million on assurance of support from the manager of the bill, the Senator from Minnesota.

The amendment, as modified, is as follows:

At the end of the bill add a new section as follows:

Notwithstanding any other provisions of this Act, total contributions authorized herein to the United Nations or to any segment or subdivision of this world organization shall not exceed \$165,000,000.

Mr. HARRY F. BYRD, JR. Mr. President, I ask for the yeas and nays.

Mr. HUMPHREY. Mr. President, could we just do that, to save time, on a voice vote and pass it?

Mr. HARRY F. BYRD, JR. Mr. President, I think it would be well to have the Senate of the United States—

Mr. HUMPHREY. May I assure the Senator that we are for him, \$165 million. We shall save ourselves some time. We have to be through with this bill, according to the unanimous consent request, by not later than 6 p.m.

We have nine amendments to go yet.

Mr. HARRY F. BYRD, JR. I have gone—

Mr. HUMPHREY. Oh, you are a good man, Senator.

Mr. HARRY F. BYRD, JR. Let me have a rollcall, because I think it is important.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield.

Mr. GOLDWATER. If we are going to have the yeas and nays, why not go for the whole amount?

Mr. HARRY F. BYRD, JR. I would prefer that, but—

Mr. HUMPHREY. We are going to go for the \$165 million, but we are going to go light a Christmas tree, just as the Senator said.

Mr. GOLDWATER. I think the tree would be much brighter if we have something to vote on. I do not want a reduction.

Mr. HUMPHREY. This is not a reduction.

Mr. CASE. It is a \$30-odd million reduction.

Mr. GOLDWATER. Then it is not a reduction?

Mr. CHURCH. There will be another opportunity for the Senator to vote on the reduction on the overall ceiling.

Mr. PELL. It will be a \$28 million reduction from what the committee brought in.

Mr. GOLDWATER. The Senator can do better than that, can he not?

Mr. HARRY F. BYRD, JR. I feel certain—

Mr. GOLDWATER. My point is, if we

are going to vote, if we agree with the manager of the bill that we not have a vote and save time, we can go for the lesser amount. If we are going to vote, I would rather vote something meaningful.

Mr. HUMPHREY. The Senator wants to increase it?

Mr. GOLDWATER. No, I do not want to increase it. I want to take his original figure.

Mr. HUMPHREY. The amendment is for the \$165 million that the Senator from Virginia has asked for, and if the Senator insists upon a rollcall, we will have to, of course, accommodate him; but I would hope he might be willing to accept his victory, which is in hand.

Mr. HARRY F. BYRD, JR. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HUMPHREY. Will the Senator agree that we have a 10-minute rollcall?

Mr. HARRY F. BYRD, JR. Absolutely.

Mr. HUMPHREY. I ask unanimous consent that we have a 10-minute rollcall.

The PRESIDING OFFICER (Mr. GURNEY). Without objection, it is so ordered. Do Senators yield back the remainder of their time?

Mr. HUMPHREY. Yes.

Mr. HARRY F. BYRD, JR. Yes.

The PRESIDING OFFICER (Mr. GURNEY). All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Virginia (Mr. HARRY F. BYRD, JR.), as modified. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from North Carolina (Mr. ERVIN), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Colorado (Mr. HASKELL), the Senator from Washington (Mr. MAGNUSON), and the Senator from Indiana (Mr. HARTKE), are necessarily absent.

I also announce that the Senator from Georgia (Mr. TALMADGE) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON) and the Senator from Nebraska (Mr. HRUSKA) are necessarily absent.

The result was announced—yeas 65, nays 27, as follows:

[No. 518 Leg.]

YEAS—65

Allen	Domenici	Mansfield
Bartlett	Dominick	McClellan
Bayh	Eagleton	McClure
Beall	Eastland	McGovern
Bennett	Fannin	McIntyre
Bentsen	Fong	Metzenbaum
Bible	Goldwater	Mondale
Biden	Gravel	Montoya
Brock	Griffin	Nunn
Buckley	Gurney	Packwood
Burdick	Hansen	Pastore
Byrd,	Helms	Pearson
Harry F., Jr.	Hollings	Proxmire
Byrd, Robert C.	Huddleston	Randolph
Cannon	Hughes	Ribicoff
Chiles	Humphrey	Roth
Church	Inouye	Scott, Hugh
Cotton	Jackson	Scott,
Curtis	Johnston	William L.
Dole	Long	Stennis

Symington Tower Young
Taft Tunney
Thurmond Welcker

NAYS—27

Abourezk Hatfield Nelson
Alken Hathaway Pell
Baker Javits Percy
Brooke Kennedy Schweiker
Case Mathias Sparkman
Clark McGee Stafford
Cook Metcalf Stevens
Cranston Moss Stevenson
Hart Muskie Williams

NOT VOTING—8

Bellmon Hartke Magnuson
Ervin Haskell Talmadge
Fulbright Hruska

So Mr. HARRY F. BYRD, JR.'s amendment, as modified, was agreed to.

Mr. HARRY F. BYRD, JR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the Senator from West Virginia (Mr. ROBERT C. BYRD) be listed as a cosponsor of the amendment which has just been agreed to.

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

Mr. HUMPHREY. Mr. President, I yield to the Senator from West Virginia. May we have order?

The PRESIDING OFFICER (Mr. DOMENICI). The Senator from West Virginia has the floor. May we have order?

TIME LIMITATION AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time on any remaining amendments today be limited—

Mr. PASTORE. Mr. President, may we have order, please?

The PRESIDING OFFICER. Will the Senator suspend? May we have order in the Chamber, please?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time on any remaining amendment today be limited to 15 minutes, with the time to be equally divided between the manager of the bill and the mover of the amendment, with the exception of an amendment by Mr. CHURCH on which there be a limitation of—

Mr. CHURCH. Mr. President, if the Senator will change his request to two amendments by Mr. CHURCH, I would hope to have a half hour. There is an amendment that relates to these two to be offered by the Senator from Indiana (Mr. BAYH).

Mr. BAYH. Mr. President, I do not wish the same courtesy as the Senator from Idaho, but there is another original amendment of my own which I am certain will take about 30 minutes.

Mr. ROBERT C. BYRD. With the exception of an amendment by Mr. BAYH and two amendments by Mr. CHURCH.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent on each rollcall remaining today that there be only 10 minutes allocated with warning bells to be sounded after the first 2½ minutes.

The PRESIDING OFFICER. Is there objection?

Mr. WILLIAM L. SCOTT. Are these back-to-back votes?

Mr. ROBERT C. BYRD. No.

Mr. WILLIAM L. SCOTT. Then I object.

The PRESIDING OFFICER. The objection is heard.

Mr. CHURCH. Mr. President, I send an unnumbered amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

At the end of the bill add the following new section:

FOREIGN ASSISTANCE CEILING

Sec. 44. Notwithstanding any other provision of law, the total amount which may be obligated during fiscal year 1975 under the Foreign Assistance Act of 1961, the Foreign Military Sales Act, the Agricultural Trade Development and Assistance Act of 1954, the Peace Corps Act, and section 401 of Public Law 89-367 providing military assistance to South Vietnam, may not exceed \$4,300,000,000.

Mr. CHURCH. Mr. President, about a month ago when the foreign aid bill was before the Senate for its consideration, I offered an amendment.

Mr. BIBLE. Mr. President, may we have order?

The PRESIDING OFFICER. Will the Senator suspend? May we have order in the Senate, please?

The Senator may resume.

Mr. CHURCH. Mr. President, when the foreign aid bill was before the Senate shortly before the election, I proposed an amendment which placed a \$5 billion ceiling on fiscal year 1975 foreign aid obligations, not including U.S. contributions to the international financial institutions.

The purpose was to establish an overall ceiling of \$5 billion for all of the bilateral aid programs, both economic and military.

That amendment was approved by a vote of 62 to 21.

Other cuts were made in the bill by the Senate at that time and then, as the Senators will remember, the bill was recommitted to the Senate Foreign Relations Committee.

I had thought in view of the action that had been taken by the whole Senate that the committee would be cognizant of a desire that then existed to cut back on foreign aid or, at least, to hold the line and prevent the program from growing even more expensive, particularly in view of the Federal deficit, the inability of the Congress to control spending, the worsening economic conditions in the country, and an inflation that had gone out of control.

Instead, the committee moved in the opposite direction, raising the foreign aid program levels and opening new spending loopholes that will make available an additional \$350 million.

Now I want to make it clear, the new committee bill is a third of a billion dollars larger than the earlier bill as it was originally proposed to the Senate a month or so ago.

I have a table, Mr. President, that shows the various increases that the committee added, which come to \$347 million above the previous level. I ask unanimous consent that the table be printed at this point in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

Increases in S. 3394 made in committee after recommitment

I. Changes in authorizations:	
Economic aid to Indo-	
china	+ \$67, 000, 000
Food and nutrition	+ 39, 000, 000
Middle East (Israel)	+ 89, 500, 000
	Total additions
	195, 500, 000
	Military credit sales
	- 50, 000, 000
	Net addition
	+ 145, 500, 000
II. Other additions:	
Use of loan reflows for	
disaster aid	+ 110, 000, 000
Additional military aid	
funds as a result of de-	
lay in effective date for	
charging costs of military	
missions	+ 57, 000, 000
Additional military aid	
from changes in excess	
defense articles provision	
(estimate)	+ 35, 000, 000
	Total additional for-
	ign aid in revised
	version of S. 3394
	+ 347, 000, 000

Mr. CHURCH. I regret the committee's action, Mr. President, all the more because in the weeks since my ceiling amendment was passed, it has become ever more clear that our national economy is in a dire condition.

More than ever, the responsibility of Congress is to exercise fiscal restraint, to bring the Federal budget under some effective control.

I should think that necessity would be all the more obvious to Senators in view of the fact that we have been overriding Presidential vetoes. I, myself, have been voting to override these vetoes knowing that it would cost a considerable amount of additional money and yet feeling the programs in these cases justified the increased cost, as long as we found other places to cut the budget in the exercise of some semblance of fiscal responsibility.

I am, therefore, again proposing to amend S. 3394, the pending bill, by placing a ceiling on fiscal year 1975 foreign aid obligations, excepting U.S. contributions to the international financial institutions.

I am now, however, proposing a lower ceiling than previously, an overall ceiling of \$4.3 billion.

This ceiling has been calculated to allow expenditures at the rate provided for in the continuing resolution now operating. In other words, if the Senate were to adopt this amendment, we would simply hold the line on the Senate program at the present level of spending, as authorized in the continuing resolution which now governs that program.

In other words, the rate of foreign aid spending pertinent during the first half of the fiscal year would be allowed to continue during the second half of the

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year, but under a regular authorization rather than a continuing resolution.

I ask unanimous consent that there be printed in the RECORD at this point a table which displays expenditures under the continuing resolution, expenditures as they took place in fiscal year 1974, and fiscal year 1975 expenditures as they would be allowed by this bill if the ceiling were not imposed.

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

FOREIGN AID PROGRAM LEVELS (EXCEPT U.S. CONTRIBUTIONS TO THE MULTILATERAL FINANCIAL INSTITUTIONS)
(In millions of dollars)

	Fiscal year 1975 at continuing resolution rate	Fiscal year 1974 (actual)	Fiscal year 1975 provided by S. 3394 (new version)
Economic aid:			
AID.....	1,677	1,929	2,890
Public Law 480.....	996	1,152	996
Peace Corps.....	82	77	82
Military:			
Grants.....	1,250	1,678	1,289
Credit sales.....	325	325	405
Total.....	4,330	5,161	5,662

¹ Does not include 2 expenditures of a 1-time nature: emergency aid to Israel and emergency drawdown for Cambodia.

Mr. CHURCH. I should point out, Mr. President, that the creation of a \$4.3 billion ceiling would not require expenditures to be made in the same categories as delineated in the continuing resolution.

The administration would have authorizations under the various bills, meaning the foreign aid bill now before us, Public Law 480, Peace Corps, the other bills relating to bilateral foreign aid.

The administration, combining these bills together, would have authorization totaling \$5.6 billion and would be allowed the flexibility to fund fully those programs it deems essential and to trim those it deems marginal.

While I normally would not approve allowing the executive branch such discretion, I believe in this case such discretionary authority would force the administration to come face to face with some tough decisions on priorities, contrary to its usual practice of attempting to perpetuate all programs at full funding levels.

There is little more that needs to be said, Mr. President. The confused and misguided purpose of much of our vast and largely outdated foreign aid program is now manifest. The sad state of American economy is clear for everyone to see. The only question which remains is whether Congress, which holds the pursestrings of Federal spending, has the will to take corrective action.

I believe that my amendment, by placing a responsible limit on foreign aid expenditures, constitutes such action and I urge its adoption by the Senate today. But if the Senate by its vote indicates that it is unwilling to hold foreign aid spending at its present level, as authorized by the continuing resolution, I shall then propose a second amendment set-

ting a ceiling of \$5 billion as was approved by the Senate before the bill was recommitted.

This \$5 billion ceiling, as is shown on the table which I have placed in the RECORD, would hold fiscal year 1975 spending to a level roughly equal to that of fiscal 1974, and would thus stand, at least, as a clear statement that the Senate does not want to see the foreign aid program increased beyond the level of last year's spending.

I hope that the Senate will approve the lower ceiling, the \$4.3 billion ceiling. However, the establishment of a ceiling at either level, whether it is \$4.3 billion or \$5 billion, would be a significant step toward bringing the foreign aid program and our Federal budget in line with the grim realities facing our national economy.

So for those reasons, Mr. President, I do hope the Senate will approve the amendment that I have offered.

Mr. President, I ask unanimous consent to add the name of the Senator from Delaware (Mr. ROHR) as a cosponsor of the amendment.

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

Mr. BAYH. Mr. President, I send to the desk an amendment, and ask for its immediate consideration.

The PRESIDING OFFICER. The Chair is informed that until the time expires on this amendment, no further amendments are in order.

Mr. CHURCH. Mr. President, I ask unanimous consent that this amendment be considered in connection with the pending amendment.

The PRESIDING OFFICER. Is there objection?

Mr. CASE. Reserving the right to object, and I will not object, I just want to understand what it is before we agree.

Mr. BAYH. If the Senator will yield about 1 or 2 minutes—

Mr. CASE. On my reservation, I yield to the Senator.

Mr. BAYH. The amendment of the Senator from Indiana would add, I believe, a few significant words at the end of the amendment of the Senator from Idaho which would except from the President's discretion to apply the cuts necessary under the amendment of the Senator from Idaho that funding which is presently going to the State of Israel.

The PRESIDING OFFICER. Is there objection to the unanimous consent request? The Chair hears none. It is so ordered. The amendment will be stated.

The assistant legislative clerk read as follows:

At the end of the amendment proposed by Mr. Church add the following:

"This limitation notwithstanding, all funds appropriated for Israel shall be obligated for that purpose."

Mr. BAYH. Mr. President, I appreciate the courtesy of my colleagues, the distinguished Senator from Idaho and the distinguished Senator from New Jersey.

The PRESIDING OFFICER. If the Senator will tell the Chair, is this the amendment on which the Senator requested a half-hour?

Mr. BAYH. No, sir, it is not.

The PRESIDING OFFICER. The Chair thanks the Senator.

Mr. CHURCH. Mr. President, I yield to the Senator, if that is necessary, such part of my time as he may require.

Mr. BAYH. Is the Senator operating on his own time, the 15 minutes, the 7½ minutes? It shall not take that long.

Very frankly, the Senator from Indiana finds a great deal of merit in the proposal of the distinguished Senator from Idaho. One of the reservations I have about it is the discretion which is permitted the President as to where the cuts mandated by the Senator from Idaho should be made.

I understand the great sensitivity that exists in the Middle East area as it applies to this bill. I know there has been a great deal of consideration as to how this measure can be applied without rocking the boat as far as executive negotiations are concerned. But I feel that what we are about to embark upon in this foreign aid bill is to find ourselves involved in significant financing of both sides of a very difficult political and military contest.

As I see it, it is imperative for us to maintain the balance in that part of the world as far as the State of Israel is concerned, because their adversaries are getting such a tremendous investment from the Soviet Union. For that reason I feel that the amount that is in this bill as far as maintaining that balance for the State of Israel is absolutely indispensable to the security of the State of Israel, and I would hate to see the President cut below that figure.

I would like to see us find some way to guarantee that we could deescalate on both sides. But until we get some permanent agreement, which is not likely to be forthcoming in the near future, I do not see how we can permit this kind of open-ended discretion to be given to the President.

Mr. CASE. Mr. President, what is the situation as far as those opposing these amendments is concerned, time-wise?

The PRESIDING OFFICER. The Chair is informed that the time for the opposition is controlled by the Senator from Minnesota. Does the Senator from Minnesota yield?

Mr. HUMPHREY. Yes, I yield.

Mr. CASE. Just for an inquiry as to time.

I understand that, but is there 15 minutes on the amendment to the amendment, and then 15 minutes on the amendment, itself, as far as the opposition goes?

Mr. CHURCH. Thirty minutes on the amendment.

The PRESIDING OFFICER. The Chair is informed that the original amendment had one-half hour, of which 11 minutes have been used. This amendment has 15 minutes, of which 3 minutes have been used.

Mr. CASE. Three minutes have been used by the proponents and none by the opponents?

The PRESIDING OFFICER. That is correct.

Mr. CASE. Who is in charge of the time in opposition?

The PRESIDING OFFICER. The Sen-

ator from Minnesota controls the time for the opposition.

Mr. CASE. To both amendments?

The PRESIDING OFFICER. The Senator is correct.

Mr. CASE. Thank you very much. I ask that the time spent in this interesting colloquy not be taken out of either side.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, the Senator from Indiana has, in a sense, modified the amendment of the Senator from Idaho. I do not have any objection to what the Senator from Indiana is asking. I see no reason to have two votes on these matters.

Mr. CHURCH. I would say to the Senator from Minnesota that I am in full agreement with the object so well stated by the Senator from Indiana. I am willing to accept the amendment that he has offered modifying my amendment. I would hope that this could be done on a voice vote.

However, I will ask for a rollcall vote on the amendment, as modified.

Mr. HUMPHREY. Why do we not just yield back the remaining time on the Bayh amendment, if the Senator from Idaho will yield back the remainder of his time, and we will get that into the full amendment of the Senator from Idaho (Mr. CHURCH). We still have time to debate the remainder of the time on the Church amendment, as modified.

Mr. CHURCH. That is perfectly all right.

Mr. HUMPHREY. I yield back the remainder of my time on the Bayh amendment.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Indiana. [Putting the question.]

The amendment was agreed to.

Mr. HUMPHREY. Now, Mr. President, I understand that what we have here is approximately 4 minutes time that remains on the amendment of the Senator from Idaho, and approximately 14 minutes that we would have in opposition.

The PRESIDING OFFICER. Fifteen minutes.

Mr. HUMPHREY. Mr. President, I have just a comment in reference to the amendment which has been offered by the Senator from Idaho.

A number of us in the Senate committee—Senator GRIFFIN, Senator SPARKMAN, Senator MCGEE, Senator CASE, and Senator JAVITS—sent to our colleagues a letter on December 2, pointing out what we thought were some of the harmful reactions which would come from the Church amendment. I just want to call to the attention of the Senate some of those comments.

First of all, the bill that is before us, with the authorizations that are in the bill, is the work of a number of members of the Senate Foreign Relations Committee, in cooperation with the administration, to try to work out a sensible foreign assistance program that would bring in some new controls and restraints upon the foreign aid administration.

This legislation, as proposed and as before us, will slash the President's request by 18 percent. It is over a \$600 million reduction in what the administration asked for in foreign assistance for fiscal 1975.

This is the largest percentage cut of any authorization bill considered by Congress this year. We believe that we have acted responsibly. The committee has also reduced military grant assistance activities by \$400 million, foreign military credit sales by \$150 million, and Indochina postwar reconstruction by \$322,800,000.

The total military and economic assistance request for Indochina has been slashed by \$1 billion. That is no small amount reduction and saying by the appropriate committee of the Senate.

I might add that the amendment before the Senate, sponsored by the Senator from Idaho, would preempt the role of the authorizing and the appropriating committees. The Committee on Foreign Relations, the Committee on Armed Services, the Committee on Agriculture and Forestry, the Appropriations Committees have all made or will make careful and deliberate decisions as to where and for what purposes and in what amounts U.S. foreign assistance funds are to be spent. Each of these committees has a responsibility to this body. These committees, making their recommendations to the Senate, and the Senate acting on those recommendations, have already made decisions. A ceiling on all these proposals ignores these decisions, decisions made by the Members of the Senate, and compels the President to impound funds for which Congress has already expressed its support.

Mr. CASE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CASE. I think this is enormously important, and I hope that all Senators who hear this statement will pay great attention to it.

Carrying just one step further the point that the Senator from Minnesota has made, what we are doing is giving the President the authority to write a foreign aid bill.

Mr. HUMPHREY. Exactly. The Senator is correct.

The Senate has been complaining for the past 2 or 3 years that the Executive has taken over all our responsibilities. Honestly, we handed them over to him.

In this amendment, what we are doing is saying this to the President, after we have put authorizations in this bill, after the Committee on Agriculture and Forestry and the Senate in support of that committee has put authorizations on Public Law 480, and after the Armed Services Committee has acted and Congress has supported or modified the Armed Services Committee decision:

Mr. President, we have gone through this charade. We have shown the folks back home that we are responsible legislators. But we didn't really mean it. You go ahead and cut what you want to cut, except don't cut Israel.

No one in this body has a better standing with respect to support for Israel

than the junior Senator from Minnesota. Most of the amendments relating to Israel in the bill before the Senate were either sponsored or cosponsored by me. But now we are going to say that we can have a ceiling but it will not affect Israel.

What is really being said is that the slashes or cuts that are to be made will have to be made out of other programs. What are some of these other programs? Well, Public Law 480 grant programs. That is a program used to alleviate hunger in the world; the food production program in this Foreign Assistance Act, programs designed to increase food production in developing countries, especially those facing major food shortages; drought relief and rehabilitation assistance to countries that are the victims of natural disasters such as we have had in the Sahel and in some of the other countries of the world.

It also means reduced economic assistance to Egypt and Jordan, which would jeopardize U.S. efforts in moderating peace in the Middle East. It will definitely mean that we will have to cut further the U.S. contributions to international organizations. We have already made one cut here today on that.

It would also come out of the disaster relief efforts for other parts of the world, such as Cyprus, Bangladesh, and the Honduras—countries that have been receiving our cooperation.

This would further mean that we would make a cut in population programs. In other words, a ceiling amendment would substantially reduce U.S. efforts directed at alleviating the causes for economic instability in the world.

I think we should understand that this ceiling amendment does not apply only to this particular bill. This is not a way to change the authorizations only in this bill. It would change authorizations in every piece of legislation, with the exception of aid to Israel, of all the foreign assistance law we have. I think this has to be given the most thoughtful consideration, and I hope it will receive firm rejection.

We are saying to the President:

Mr. President, we didn't quite know what to do. We went up the hill and down the hill. We authorized a certain amount for Indochina. We authorized a certain amount for food assistance. We authorized certain, specific amounts for population and family planning. We authorized a certain amount for education and health. We authorized a certain amount of money for disaster relief. We authorized a certain amount of money for food assistance. After we got all through with it, we said we didn't mean it at all. We just wanted to prove that we knew how to do it; but now we are going to tell you, Mr. President, that after we have done it, you go ahead and make the cuts wherever you want to make them, of \$1.3 billion.

I submit that if that is the way we are going to legislate, we are violating what was done in Congress in the Budget Control Act, when we said to the President of the United States, "You have to quit impounding money."

What we are really saying here is that we want the President to do our work for us, that we are willing to give him sort of blanket authority, sort of general

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authority, to just tamper with and alter the appropriations or the authorizations within the limits we set, and those limits are rather large.

So, Mr. President, I hope that this amendment, which cuts to the heart of our whole foreign assistance program, will be rejected.

Mr. CHURCH. Mr. President, the Senator from Minnesota makes a very beguiling argument. He says that the adoption of this amendment would mean that the Senate would be abdicating its own responsibility by turning the matter of cutting foreign aid spending over to the President to decide and that we should do our job here. I have no argument about that. I thought we had done our job here.

A few weeks ago, we brought a bill to the floor, and the Senate expressed its will overwhelmingly to cut the bill. Then the Foreign Relations Committee got the bill recommitted. Instead of paying the slightest attention to the vote of the Senate, which had indicated a desire to hold down foreign aid, to establish a ceiling that at least conformed with the level of spending in fiscal year 1974, a Senate which had made it evident that it did not want to see the program enlarged gets back a bill from the Foreign Relations Committee that ignores the Senate entirely and adds a third of a billion dollars more to the bill than had been originally presented for the consideration of this body.

Is this body sovereign or is it the Senate Foreign Relations Committee? I have the highest regard for its members. I have served on it for many years. But I had thought the Senate, as a whole, exercised the sovereign right to decide how large the foreign aid bill should be. The Senate has been repudiated by the committee, ignored by the committee, within a few weeks of the time it cast its vote so overwhelmingly.

What am I asking? I am not asking that this program be cut. I am asking that it be maintained at its present level, as authorized by the continuing resolution of Congress. Is that such a drastic request?

In view of the fact that Congress is not holding the line on any other form of spending that we are overriding Presidential budgets and adding billions to the overall cost of the Government, where are we going to find the place to cut? Here, I suggest, is at least an appropriate place to hold the line. The adoption of this amendment would hold the line at the present level of spending and thus avoid the additional amounts of money that the committee now recommends we add to this bill.

For these reasons, Mr. President, since it is the only way we can accomplish any limitations on spending, I have no apologies to make for the form this amendment takes. If we were doing our job properly, it would not be necessary to offer this amendment, in my judgment, but, in view of the record, it is necessary. Because I think we need to hold the line on spending, at least prevent this program from growing larger than it presently is, I do hope that the Senate will reaffirm the position it took so emphat-

ically a few weeks ago and adopt the amendment.

Mr. HUMPHREY. Mr. President, may I just say that there is a \$700 million difference between this amendment and the one we looked at 6 weeks ago. That was a \$5 billion ceiling; this is a \$4.3 billion ceiling.

Mr. President, I yield 2 minutes to the Senator from New York.

Mr. JAVITS. Mr. President, I wish to direct my attention to two points. One, we have fought here for years to assert the authority of Congress to determine what shall be the national priorities and what shall be the national dispositions. An amendment like this negates completely that concept. We have it within our power to reduce any and every item specifically, passing on its merits. An across-the-board cut like this simply transfers the very authority for which we have fought so hard to the President.

The other thing I wish to point out, and that is very serious, is that the adoption of Senator BAYH's amendment by Senator CHURCH does not save the matter. Certainly, in extremes, considering the terrible trouble Israel is in, we hope that she will get the aid which Congress intends she should get. But the idea that, well, Israel is bailed out, so let us cut it in this way, is, I hope, not one that should be swallowed by those who have a profound consideration for the total foreign policy of a country. Israel, as well as every other country in the world, will be much better served with an intelligent, balanced, substantively justified foreign aid program, including its own, rather than being saved out as an exception.

Much as I understand and am deeply involved with and sympathetic to the exigency which is sought to be met in that regard, I think it would be a great fault on my part if I did not point out that that should not save this amendment. I hope it will not, and that the amendment will be rejected.

The PRESIDING OFFICER. Who yields time?

Mr. HUMPHREY. Mr. President, I yield 3 minutes to the Senator from New Jersey.

Mr. CASE. Mr. President, may I ask how much time remains on our side?

The PRESIDING OFFICER. Four minutes remain.

Mr. CASE. The points have really all been made, I think. I should like to sum them up from a little different viewpoint.

I wish to stress that what we are voting on now may very well determine whether we get an authorization bill or not. As the Senator from Minnesota has pointed out, after the failure of the last bill, those of us who were especially concerned about it in the committee—got together with the administration and worked out legislation which has received the promise of administration approval.

Now, we are not subservient to the administration, but we are practical people here, and we know that a foreign aid bill cannot pass this body unless administration supporters support it. We have to have that. This bill will do it. With the bill that the committee has proposed and such amendments as we have ac-

cepted so far, we are going to get a foreign aid bill. If we get something less than that, we shall not get it, because the administration would rather have, in many ways, a continuing resolution, which we do not want.

We want this bill because of its own substance, and because it contains strong provisions for congressional oversight and approval and much in the way of improvement of accounting procedures, which everybody in this country wants, and certainly this Congress should insist upon getting in order to maintain its control, and; indeed, to reestablish its control over this sprawling program.

I hope very much that this amendment will not succeed. The Senator from New York made a point that I should like to underscore. We all support the Bayh amendment as such. We do not need it in the committee bill. We do need it with Senator CHURCH's amendment. Otherwise, aid to Israel will be drastically cut.

This just points out that what we are doing with Senator CHURCH's amendment is to say, across the board, that the President can do anything he pleases in order to cut this bill by a further \$1.3 billion, roughly, which is a drastic cut. Its effects have already been underscored by the Senator from Minnesota. I hope very much that this amendment will fail.

Mr. HUMPHREY. Mr. President, how much time remains?

The PRESIDING OFFICER. There is 1 minute remaining.

Mr. HUMPHREY. Mr. President, I believe the case has been made. The Senator from New Jersey stated it very succinctly again. We have worked to perfect a piece of legislation that is better than what we have had; not as good as we would like, but the best we can get with any cooperation on a bipartisan basis and between the Senate and the executive branch. That is no small order, and this has been accomplished.

Mr. President, if this bill is not passed, if, for some reason or another, we amend it to a point where the President feels he has to veto it, we shall go right back to a continuing resolution. Then all the reforms we worked so hard to put in this legislation, where we are phasing out military assistance, where we put on country ceilings, where we prevent the kind of transfer of funds that has been taking place over the years—all of that will go down the drain.

So, in the name of trying to cut an authorization, we literally cut the heart out of the reform that we sought in this legislation.

I regret that we do not have more Senators here to listen to this, because if they were here, there is not any doubt in my mind that they would reject this amendment. I hope and pray that they will, because what we are up against now is whether we want a better foreign assistance bill or whether we want to go back to what it used to be.

Mr. CHURCH. Mr. President, how much time remains?

The PRESIDING OFFICER. There is no time remaining. The question is on agreeing to the amendment as amended.

Mr. HUMPHREY. I believe that we have had the yeas and nays ordered.

The PRESIDING OFFICER. The yeas and nays have not been ordered.

Mr. CHURCH. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

Mr. HUMPHREY. Before we vote, may I ask the indulgence of my colleagues? The distinguished Senator from Arizona (Mr. FANNIN) has a message he wishes to call up out of order.

I ask the parliamentarian if we may do that?

The PRESIDING OFFICER. The Senator will have to ask unanimous consent, because the time is under control.

Mr. HUMPHREY. I ask unanimous consent that the Senator from Arizona have no more than 5 minutes, with the time not counted on either side.

I do not think there is any time to count against us.

SAN CARLOS MINERAL STRIP

Mr. FANNIN. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 7730.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (H.R. 7730) to authorize the Secretary of the Interior to purchase property located within the San Carlos Mineral Strip, as follows:

On page 2, line 13 of the Senate engrossed amendment, after "Provided," insert: That in no event shall any person receive total compensation under this Act in excess of \$150,000: *Provided further,*

Mr. FANNIN. Mr. President, in the bill as amended by the House, there appears the language—

Provided, That in no event shall any person receive total compensation under this Act in excess of \$150,000.

It is clear from the investigation by the Senate Interior Committee of the facts which gave rise to this bill, that there may be claims which exceed \$150,000. Since it is obviously inequitable to compensate those whose claims are less than \$150,000 in full while only compensating one whose claim might exceed \$150,000 to the extent of that amount, the bill should be amended to provide full compensation for all affected persons. For this reason, I am offering an amendment changing the dollar limitation from \$150,000 to \$300,000. The amount of any claim of course, must be proven in accordance with the usual governmental practice.

It is my understanding that since the House passed the bill as it is now before the Senate, those interested in the bill in the House have informally agreed to accept the amendment which I now offer.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read the amendment as follows:

Strike "\$150,000" and insert in lieu thereof, "\$300,000".

Mr. FANNIN. Mr. President, I move that the Senate concur in the amend-

ment of the House with the amendment which I have proposed.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. FANNIN. I shall be very pleased to yield.

Mr. ROBERT C. BYRD. Has this amendment been cleared with the appropriate parties on this side of the aisle?

Mr. FANNIN. It has been cleared with the appropriate parties on that side of the aisle, and also with those on this side of the aisle.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. FANNIN. I thank the Senator. Mr. President, I move that the Senate concur in the amendment of the House with the amendment of the Senate.

The motion was agreed to.

Mr. FANNIN. I thank the Senator from Minnesota and the Senator from New Jersey for yielding to me.

FOREIGN ASSISTANCE ACT OF 1974

The Senate continued with the consideration of the bill (S. 3394) to amend the Foreign Assistance Act of 1961, and for other purposes.

Mr. HUMPHREY. Mr. President, I believe a rollcall is in order on the amendment as amended.

The PRESIDING OFFICER. The question is on agreeing to the Church amendment as amended. The yeas and nays have been ordered. The clerk will call the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from North Carolina (Mr. ERVIN), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Indiana (Mr. HARTKE), the Senator from Colorado (Mr. HASKELL), and the Senator from Washington (Mr. MAGNUSON) are necessarily absent.

I also announce that the Senator from Georgia (Mr. TALMADGE) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON) and the Senator from Nebraska (Mr. Hruska) are necessarily absent.

The result was announced—yeas 39, nays 53, as follows:

[No. 519 Leg.]
YEAS—39

Abourezik
Allen
Bayh
Bentsen
Bible
Biden
Brock
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church

Dole
Eggleton
Gravel
Gurney
Hollings
Huddleston
Hughes
Johnston
Long
Mansfield
McClure
Metcalf
Montoya
Nelson

Nunn
Packwood
Pastore
Proxmire
Rendolph
Ribicoff
Roth
Schweiker
Scott,
William L.
Symington
Welcker
Young

NAYS—53

Aiken
Baker
Bartlett
Beall
Bennett
Brooke
Buckley
Caskie
Clark
Cook
Cotton
Cranston

Curtis
Domenici
Dominick
Eastland
Fannin
Fong
Goldwater
Griffin
Hansen
Hart
Hatfield
Hathaway

Helms
Humphrey
Inouye
Jackson
Javits
Kennedy
Mathias
McClellan
McGee
McGovern
McIntyre
Metzenbaum

Mondale
Moss
Muskie
Pearson
Fell
Percy
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Taft
Thurmond
Tower
Tunney
Williams

NOT VOTING—8

Ervin
Fulbright
Hruska
Bellmon
Hartke
Haskell
Magnuson
Talmadge

So Mr. CHURCH's amendment was rejected.

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. CASE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. FONG. Mr. President, I was distressed and dismayed to learn that the Foreign Relations Committee has recommended very minimal ceilings on all military assistance to the Republic of Korea over the 1975 to 1977—

The PRESIDING OFFICER (Mr. HELMS). The Senator will suspend. Who yields time?

Mr. HUMPHREY. Mr. President, I do not believe there is any time to be yielded unless an amendment is offered. I believe the time on the bill—

Mr. FONG. Mr. President, I offer an amendment to the bill. I ask that the words "and for other purposes" be stricken.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

Mr. FONG. Mr. President, I move to strike the words "and for other purposes".

The PRESIDING OFFICER. The Chair is advised that pro forma amendments are not in order.

Mr. FONG. Mr. President, I move to strike section 15 on page 25 relating to termination of military assistance to South Korea.

Mr. President, I was distressed and dismayed to learn that the Senate Foreign Relations Committee has recommended very minimal ceilings on all military assistance to the Republic of Korea over the 1975 through 1977 fiscal years, with a complete phaseout after fiscal year 1977.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate.

The PRESIDING OFFICER (Mr. DOMENICI). May we have order in the Senate.

The Senator will continue.

Mr. FONG. This would mean that after fiscal year 1977, no military aid in the form of grants and no military aid in the form of credit sales, which the Republic of Korea would pay back in both principal and interest, could be extended by the U.S. Government to that country.

Meantime, the committee bill would fail to permit the Republic of Korea to fulfill its modernization needs to defend itself.

I most vigorously protest this action of the Senate Foreign Relations Committee.

I believe the committee recommendation, if retained in the final version of this bill, would not be conducive to the cause of peace in that area.

I believe it would without a doubt in-

December 4, 1974

S 20557

crease the danger of war against the Republic of Korea.

Although the committee report states that the committee took this action to phase out military aid to the Republic of Korea "because of its serious concern about the increasingly repressive measures of the South Korean Government," I point out that the effect of the amendment would be not only to endanger the incumbent administration in South Korea, but it would endanger as well the dissidents in South Korea whom the committee views as being repressed.

For, if war is waged against South Korea, it will be waged not only against the incumbent administration. It will be waged against all the people of South Korea, including the students, the clergy, and the others who disagree with the incumbent administration in the Republic of Korea.

I say this, Mr. President, based on my observations during my visit to South Korea in October. During my visit, which was part of my official Far East journey to look into U.S. defense posture in the Pacific, I conferred with our State Department representatives in the Republic of Korea. I conferred with our U.S. military people stationed in Korea. I met with many different officials of the Republic of Korea, and with many others.

The question of dissent and the dissidents came up in many of these conversations. Without exception, I was told that, although the dissidents disagree on some issues with the incumbent administration of South Korea, the dissidents are equally as adamant in their opposition to conquest by North Korea. They vigorously oppose attempts by the Communist North to take control of government in the South.

I would like to interject here that, when I was in South Korea, I witnessed one of the most democratic practices that can be found anywhere. The South Korean Prime Minister and his Cabinet were undergoing two weeks of intensive, public, face-to-face, sometimes abrasive questioning by members of the opposition in the South Korea Legislation.

To me, this is evidence of considerable democratic progress in a nation which became independent in this century only after the end of World War II, a period of less than 30 years.

I fear what the committee proposal would be, however, is to give a signal to the regime in the North—the People's Republic of Korea—that the United States is abandoning the people of the South, of the Republic of Korea. With such a signal, the People's Republic may well be tempted to wage war against the Republic of Korea.

After all, the North Korean Communist regime directed the recent assassination attempt against the President of South Korea which resulted in the murder of his wife instead. The assassin admitted he was an agent of the North.

In addition, the North Korean regime had a tunnel dug through the demilitarized zone, which was discovered just before President Ford visited South Korea last month. This was patently an effort to infiltrate into South Korea without detection. My colleagues will re-

call that our U.S. forces under the United Nations command in the demilitarized zone suffered some casualties as did the South Korean forces.

Mr. President, to deny the Republic of Korea the opportunity to modernize its defenses through U.S. military aid would be to renege on the assurances our Government gave the people of South Korea when we withdrew so many of our American troops from South Korea. We told them we would sharply reduce our manpower forces in South Korea but to offset that, we would help them modernize their forces.

This modernization is for the protection of all the people of South Korea—the incumbent administration, the dissidents, the entire population of South Korea—who have fought and struggled so long and so hard to remain outside the yoke of communism.

Mr. President, 15 years ago when I was in Korea it was still a war-devastated land. I was amazed to see the progress that has been made by the people of South Korea in those 15 years. This is now a progressive, modern nation which is making a prodigious effort to become self-reliant and to retain independence for its people.

Let us not now—after all the effort and sacrifice and hardship on the part of the people of South Korea and after all the effort and sacrifice and hardship on the part of the American people to help them—deny the people of South Korea the assistance which we promised so they can modernize their forces and thereby defer war, if possible, or to defend themselves, if necessary.

Mr. President, I realize the difficulty of attempting to alter the provisions of the pending bill under the severe time restraints governing debate on this measure. Therefore, I have made this statement to urge that the conference committee adjust the onerous and ill-advised provisions of this bill when they write the final version to come before both Houses of Congress by adjournment this month.

I have spoken to the distinguished manager of this bill, Senator HUMPHREY, who is expected to lead the Senate conferees. Senator HUMPHREY assured me he would do his best to have the conference committee ameliorate the harshness of the Senate provisions on Korea.

Mr. MCGEE. Mr. President, while I fully support the compromise worked out with the administration on S. 3394, I cannot help but share the same concerns expressed by my distinguished colleague, the senior Senator from Hawaii (Mr. FONG).

The Republic of Korea remains vital to our security interests in Asia. Our interests involve maintaining stability and security on the Korean peninsula.

It is important the Republic of Korea maintain its strong defense capability in order to contribute to the movement toward détente in East Asia.

And finally, I believe we must assist the Republic of Korea military forces achieve self-reliant defense capability.

Therefore, I join with my distinguished colleague (Mr. FONG) in expressing my concern over these cuts.

I regret deeply that the Senate of the

United States has chosen to cut back funds for Korea. We need to strengthen that beleaguered land as it seeks to hold the line—in truth our line—against aggression in the world.

Mr. FONG. Mr. President, I withdraw my amendment.

Mr. HATFIELD. Mr. President—

Mr. HUMPHREY. Mr. President, I think the Senator from Idaho wishes to be recognized.

The PRESIDING OFFICER (Mr. DOMENICI). The Senator from Idaho.

Mr. CHURCH. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

At the end of the bill add the following new section:

FOREIGN ASSISTANCE CEILING

SEC. 44. Notwithstanding any other provision of law, the total amount which may be obligated during fiscal year 1975 under the Foreign Assistance Act of 1961, the Foreign Military Sales Act, the Agricultural Trade Development and Assistance Act of 1954, the Peace Corps Act, and section 401 of Public Law 89-367 providing military assistance to South Vietnam, may not exceed \$5,000,000,000. This limitation notwithstanding, all funds appropriated for assistance to Israel shall be obligated for that purpose.

Mr. CHURCH. Mr. President, the distinguished Senator from West Virginia has asked me for 1 minute, and I am happy to yield to him.

Mr. ROBERT C. BYRD. I thank the Senator.

UNANIMOUS-CONSENT AGREEMENT—S. 4033

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, this request having been cleared on both sides of the aisle, that at such time as S. 4033, a bill to increase the authorization for appropriations to the AEC, is called up and made the pending business before the Senate, there be a time limitation thereon of 1 hour, with the time to be equally divided between the distinguished majority leader and the distinguished minority leader, or their designees, that there be a time limitation on any amendment thereto of 30 minutes, a time limitation on any debatable motion or appeal of 20 minutes, and that the agreement be in the usual form.

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

Mr. ROBERT C. BYRD. I thank the Senator.

FOREIGN ASSISTANCE ACT OF 1974

The Senate continued with the consideration of the bill (S. 3394) to amend the Foreign Assistance Act of 1961, and for other purposes.

Mr. CHURCH. Mr. President, this amendment is the same amendment that the Senate adopted by a vote of 62 to 21 a few weeks ago.

At that time, the election was looming. Now the election is over. Other than that, I know of no significant change in the situation except a worsening of our

own economic conditions at home, a further weakening of the stockmarket which has now fallen below 600 on the Dow readings, and an inflation that grows daily more serious.

Therefore, one would suppose that there is an obligation on this body to try and hold the line on that kind of spending which has inflationary effect, and foreign spending has just such consequences. Even the economists are agreed on this.

The ceiling I now propose is \$700 million above the present level of spending for foreign aid. But the committee asks us to approve \$1,300,000,000 more than the present level of spending for all forms of bilateral foreign aid.

The Senate has already rejected my argument that we hold the line at the present level of spending. Apparently, the desire here, based on some kind of agreement that has been worked out by certain Members of the Senate and certain spokesmen for the administration, is to increase foreign aid spending.

That decision has been made. But if the Senate would adopt this amendment, we would at least keep the general level of foreign aid spending for our various bilateral programs in line with spending last year.

We would increase it above the present level as authorized by the continuing resolution, but we would at least avoid expanding it beyond the level that obtained during fiscal year 1974. Five billion dollars is enough.

The committee has not only gone above last year's spending level, but it has added an additional third of a billion dollars to this bill since the Senate considered it just a few weeks ago.

I can see no possible justification for this action. It seems to me a clear, if not contemptuous, disregard of the previous vote of the Senate which approved, by 62 to 21 this \$5 billion ceiling.

Mr. SYMINGTON. Will the Senator yield?

Mr. CHURCH. I will be happy to yield to the Senator from Missouri.

Mr. SYMINGTON. Mr. President, to say I was astonished and distressed that the previous amendment of the able Senator from Idaho was defeated is an understatement. I am a delegate to the United Nations. On one vote, out of 138 members, the position of the United States, presented in very able fashion by our able Ambassador, received four votes counting our own.

I just looked at the ticker. General Motors sales last month, in November, were down 34 percent. I would recommend to those apparently interested in the problems of the people of other lands more than they are in the problems of this country that they read the first of two articles in the New Yorker magazine this week, called "Global Reach," an article which explains why jobs are going out of my State.

They mention a country, for example, where the cost over here was \$3.50 an hour. In the foreign country to which they moved they make a deal where the price, as I remember, was 30 cents an hour.

When we vote this type and character of money we are voting against the American people, the banks, and the industries of this country, as well as, of course, labor.

Bankers in New York whom I have known for many years tell me they feel nobody in Washington has any real idea how serious the financial situation is in this country today.

If the banks go, the system goes.

Under those conditions, for us to heavily raise foreign aid to these countries is beyond my comprehension.

Senators should read those fine recent articles in the Philadelphia Inquirer, a series written by people who went out to get the facts.

You can see by these articles what is happening with the money we are putting up, year after year, now at the expense of our own people, as our unemployment rate grows by thousands upon thousands, every week.

I thank the Senator for yielding.

Mr. CHURCH. Mr. President, I could not agree more with the Senator from Missouri.

The particular articles to which he refers ought to be official reports of the Senate Foreign Relations Committee, if it were doing a proper oversight job on this aid program.

I ask unanimous consent to have the articles to which I have referred, printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Philadelphia Inquirer, Nov. 24, 1974]

FOREIGN AID: THE FLAWED DREAM

(By Donald L. Barlett and James B. Steele)

Each year Americans spend \$9 billion on foreign aid on the assumption that it alleviates poverty and extends a helping hand to the suffering peoples of the world.

But does it?

The Inquirer investigative reporting team of Donald L. Barlett and James B. Steele spent seven months seeking an answer to where your foreign aid/dollars go. They found aid bypassing the poor in country after country and going instead to subsidize housing for the well-to-do, luxury hotels for the rich, and sweatshop factories owned by the powerful.

They found, in short, that somewhere between promise and reality, the U.S. foreign aid program—the most massive relief effort in the history of man—has gone terribly awry.

This is the first in their six-part report.

The swollen United States foreign aid program—designed and sold to the American public on humanitarian grounds—is causing disillusionment around the world by enriching the rich and impoverishing the poor.

The program, whose costs since World War II have exceeded \$172 billion—or more than \$800 for each man, woman and child in America—was billed just last spring by Secretary of State Henry A. Kissinger as "a faithful expression of our moral values," rooted in the nation's "most basic beliefs" and reflecting "the humanitarian dimension of the American character."

But a seven-month, round-the-world Inquirer investigation of the nation's foreign aid program shows that it falls far short of those ideals. It is, in fact, punctuated by deception, profiteering, waste and corruption, and it gives every indication of running out of control.

True, American foreign aid has provided food for the hungry and medical assistance for the ill.

It has built highways and power plants, hospitals and schools, dams and factories.

And it has financed college or technical-school educations in the United States for thousands of citizens of less developed countries.

It has done all of that.

But the Inquirer's investigation, which reached from Bogota, Colombia, to Bangkok, Thailand, shows that American foreign aid also has:

Aggravated the world food shortage by discouraging agricultural production in certain less developed countries when it was meant to alleviate hunger.

Subsidized such sweatshop factories as textile mills in South Korea who pay employes from 10 cents to 30 cents an hour and work them seven days a week when it was meant to lift the standards of living.

Entrenched those in power in foreign countries by funneling aid through businesses they own or control widening the gap worldwide between the rich and poor, when it was meant to do the opposite.

Generated continuing windfalls for selected business and the finance industry at home and abroad when it was meant to serve the needy.

Led to the building of such program as a gaming lodge in Kenya and a luxury hotel with \$150-a-day rooms in Haiti, a country where the average weekly income is about \$1, when it was meant to encourage private investment that would trickle down to the poor.

Come full circle to the point that may be a perpetual-motion machine, foreign recipient countries must continue borrowing from the United States money to pay off past foreign aid loans when coming due.

Swollen to proportions upwards of a billion a year in both military and economic aid, nearly triple the official amount passed out to Congress.

Created a powerful, behind-the-scenes foreign aid lobby that benefits greatly from the dispensing of foreign aid—a lobby that includes financial institutions, colleges and universities, consulting firms, select congressmen and a hard core of giant American corporations.

Resulted in the loss of tens of thousands of jobs in a variety of businesses in the United States—from the textile and wearing apparel industry to the food processing industry.

To keep much of the above secret, the State Department has refused to release documents that are meant to be public and has classified as "secret" other documents that might be embarrassing.

In the years since World War II, the nation has split roughly into two camps on the matter of foreign aid: its vociferous critics contend that the whole concept of providing aid to needy and less developed nations is wrong; its vociferous supporters complain only that not nearly enough is being done.

The findings of the Inquirer's investigation lend little support to either of those partisan views.

Rather, they indicate that somewhere between the stated purposes of the foreign aid program and the realities of that program, something has gone awry; that much aid goes to line the coffers of the comfortable and fails to touch the lives of the suffering; that vast portions of the foreign aid program has been mismanaged by the State Department, and that Congress has failed in its duty to monitor the program.

The Inquirer investigation purposely excluded countries such as South Vietnam and Cambodia, where even the most ardent supporters of the State Department's policies acknowledge—at least privately, if not al-

ways publicly—the existence of widespread corruption and waste.

Instead, the newspaper focused its investigation on specific projects and countries most often cited by the State Department as foreign aid success stories.

Sen. J. William Fulbright (D., Ark.), chairman of the Senate Foreign Relations Committee, summarized at least part of the problem with the foreign aid program in the summer of 1973, when he told his Senate colleagues:

"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."

SPRING RITUAL

It is the business of overselling—perhaps more accurately labeled as deception—which has become a kind of annual spring ritual in Washington.

Each year the secretary of state, whether Republican or Democrat, dutifully tells Congress the reasons why his proposed foreign aid program for the coming fiscal year must be enacted intact.

Last spring, it was Secretary of State Kissinger's turn.

"Our people could not be fulfilled by a foreign policy devoid of concern for the survival of the 800 million people who must exist on less than 30 cents a day."

In fact, very little American foreign aid flows to countries where people "must exist on less than 30 cents a day."

Over the years, for example, per capita assistance to the Republic of Mali in Africa—where people do indeed live on less than 30 cents a day—has amounted to \$6.

By way of contrast, American foreign aid of several hundred dollars per capita flows to countries far wealthier than Mali—more often for military, economic or diplomatic reasons than for humanitarian purposes.

Another part of the spring ritual is the State Department's formal presentation of its proposed foreign aid program for the coming fiscal year.

It is called the Congressional Presentation, and like the State Department speeches that accompany it, the presentation is riddled with deception.

The presentation contains outlines of planned foreign aid projects for which initial appropriations are needed, reports on continuing projects for which additional funds are requested, and summaries of how foreign aid programs are working in individual countries.

The language in the presentations is strikingly similar from one year to the next.

So, too, is the theme running through those presentations, which might best be described as persistent optimism concerning the successes of ongoing foreign aid projects and assessments for the future.

In discussing American foreign aid goals for India, the State Department told Congress in the spring of 1969:

"The United States is seeking to help India achieve self-sufficiency in food grain production in the early 1970s . . . The Indians' stress on agriculture can bring a sustained rate of growth of agricultural production of 5 percent a year, nearly double the rate of the last decade."

Even before the price of oil tripled last year—creating fertilizer shortages in less developed countries—agricultural production in India was in trouble, and it had little to do with the weather.

Food grain production in India during the three crop years from 1968-69 to 1970-71 averaged 100.6 million metric tons a year.

In the succeeding three crop years beginning in 1971-72—after the State Department issued its rosy prediction for the future—food grain production averaged 101.1 million metric tons a year.

That represents an increase of less than two-tenths of one percent a year—far short of the 5 percent growth figure tossed out by the State Department.

RHETORIC UNREALISTIC

While there may be valid reasons why a particular foreign aid program or project falls short of announced goals, the fact is that in program after program, project after project, State Department rhetoric fails to match reality.

In case after case examined by The Inquirer, the State Department approved or pursued foreign aid projects that it knew—or might reasonably have been expected to know—had no chance of meeting their stated goals.

The following examples are not the most flagrant; they are just typical:

The State Department said in 1968: The objective of aid to a South Korean agricultural project "is to help bring major improvements to one million acres of existing farmland and bring a half-million acres of new land into use to attain self-sufficiency in food grain production by 1971."

The situation today: Korea failed to attain self-sufficiency in food grain production in 1971. In fact, the country is no closer to that goal now than it was a decade ago. Instead of increasing food production—as it has the capability to do—the Korean government has relied on subsidized agricultural imports from the United States.

Statistics maintained by the Korean government's Ministry of Agriculture and Fisheries show that land under cultivation actually declined from 5,576,000 acres in 1965 to 5,541,000 acres in 1972—the period during which the State Department planned a half-million acre increase.

The State Department said in 1968: An aid project dealing with administration of tax and customs laws in Colombia "will continue to emphasize improving administration and enforcement and achieving a rapid increase in public revenue."

The situation today: The increases in tax collections in other Latin American countries—which did not receive the same kind of concentrated foreign aid from the United States—are running far ahead of increases in tax collections in Colombia.

The State Department said in 1973: The Overseas Private Investment Corporation (OPIC), a government-owned company set up to spur private investment abroad, has been "perhaps the keystone in bringing about some private investments in some developing countries which might well not have occurred otherwise."

Those projects, the State Department said, have been "useful to the United States policy . . . useful to the country concerned and . . . satisfactory for the company. Therefore, everybody was reasonably happy. That has been the record with respect to most of the business that OPIC has done."

The situation today: OPIC projects around the world include a luxury hotel in Port-au-Prince, Haiti; a Chase Manhattan Bank (Nelson and David Rockefeller) gaming lodge in Kenya, Africa; a short-term finance company in South Korea run by a descendant of Calvin Coolidge, and actor William Holden's game ranch in Kenya.

The owners of Habitation Leclerc, the Haitian hotel, promote their 15-acre resort as offering "elegant, exotic, erotic privacy within a lush, exciting garden of pleasure." There are 12 swimming pools, 44 villas and eight deluxe suites. Two maids and a butler are assigned to each suite or villa. For entertainment, there is Hippopotamus I, "the original New York discotheque."

The State Department said in 1968: "According to self-help plans developed by the Indian government, India plans to expand fertilizer use from 600,000 nutrient tons in 1964-65 and 1.3 million tons in 1966-67 to four million tons in 1970-71.

"To help meet these targets, AID (State Department's Agency for International Development) plans to make agricultural production loans to finance the import chiefly of fertilizer, but also of pesticides and other agricultural inputs of \$110 million in fiscal year 1968 and \$220 million in fiscal year 1969."

The situation today: Even before the surge in oil prices, which has affected the production of fertilizer in less developed countries, there was little likelihood that India would use four million tons of fertilizer anytime before the late 1970s, and quite probably the 1980s.

In 1970-71, the crop year India was to use four million tons of fertilizer—according to State Department calculations—usage totaled just 2.2 million tons. In the 1973-74 crop year, the figure was 2.4 million tons. It is expected to be about the same this coming year.

Gaps like those between promise and reality have dismayed the citizens of every country that The Inquirer's reporters visited. From a woman minister in South Korea to householders in Thailand to government officials in Peru, the combination of raised expectations followed by dashed hopes has produced sorrow and bitterness.

But perhaps the most subtle deception of all in the American foreign aid program over the years involves State Department emphasis on rapid growth in the gross national product of less developed countries.

These are the statistics most often cited by State Department officials to show that all is going well with the United States' \$172 billion foreign aid program.

The State Department's stress on growth in the gross national product—one of the few statistical indicators it can single out as representing some measurable success of foreign aid—is based on the theory that benefits of swift economic expansion will trickle down to the poor.

DISMAL FAILURE

In fact, after the expenditure of tens of billions of tax dollars to demonstrate that the theory works, it is widely conceded—more often privately than publicly—that the trickle-down concept has been a dismal failure.

Strangely though, the State Department continues to gear foreign aid expenditures to the concept, emphasizing the growth in gross national products.

On Sept. 28, 1966, then Secretary of State Dean Rusk told a Senate Appropriations Committee hearing:

"One of the most encouraging firsthand impressions I gained in the Far East in the past year was of Korea's sustained economic progress and effectiveness use of our aid."

In the spring of 1968, in its program presentation to Congress, the State Department said:

"Overall growth (gross national product) average a solid 8.5 percent a year in real terms over the five year period from 1961 to 1966, with an extraordinary 13.4 percent in 1966 . . . Industrial production nearly doubled from 1961 to 1966. In 1966, it rose 18 percent over the previous year."

And on Feb. 25, 1971, a press release distributed by the State Department's Agency for International Development (AID), which administers the foreign aid program, said:

"Significant economic indicators in the developing countries show rising standards of income, nutrition, health, housing, food production and general well being," assistant administrator Bert Tollefson, Jr. of AID said today.

"The AID assistant administrator, who is in charge of legislative and public affairs, placed Korea at the top of the list, with an annual increase in gross national product of 12.5 percent in recent years."

All those figures appear to be true. But

even an AID internal memorandum, dated May 15, 1974, carries an implicit acknowledgment that such figures are deceptive. The memo states in part:

"The problem is that successful efforts to increase gross national product growth are frequently accompanied by a widening of the gap between the affluent and the poor, including small farmers and landless rural workers.

"Past AID assistance to the agricultural sector has often exacerbated the problem since well-to-do farmers tend to gain most of the initial benefits, and the expected 'filter down' of benefits to the less affluent rural population does not often occur."

SOUTH KOREA CITED

South Korea, where most of the population is still waiting for the expected filter down, is the country most often singled out by the State Department as one of the economic growth success stories of foreign aid.

In its 1973 fiscal year program presentation to Congress, the State Department said: "Korea has made significant economic advances in the past decade. In real terms, per capita gross national product has increased an average of 6.5 percent over the decade. More spectacular has been Korea's performance on increasing its exports. . . .

"Merchandise exports increased at a compounded annual rate of 35 percent from 1967 to 1971."

In terms of growth in gross national product and exports, then, Korea is doing very well—at least on paper. But there is a problem with the raw figures.

A senior staff assistant for a Senate committee dealing with foreign aid programs puts it this way:

"The Korean government, encouraged by the United States, made a conscious decision to turn Korea into a low-wage haven. They must import all the raw materials they use to manufacture goods for export, so they are at the mercy of world markets.

"The only way they can survive now is to be a low-wage haven. They have a permanent development plan which is very unhealthy."

Last year, workers in the Korean textile and clothing industry—which accounted for slightly more than one-quarter of Korea's total exports of \$3.225 billion—earned an average of about 20 cents an hour. The average wage for all mining and manufacturing industries was 28 cents an hour.

To complicate matters, the United States and Japan, which helped to build up the textile industry, have since moved to place tight restrictions on the growth of imports of the cheaper Korean textile products and wearing apparel.

The importance of this action may be summed up in a single set of statistics: Of Korea's total exports of \$3.225 billion last year, goods valued at \$2.263 billion—or 70 percent—were shipped to the United States and Japan.

As a result of the low-wage policy, the financial rewards of rapid economic growth have flowed to a very small group of businesses, government officials and military leaders who control Korea and its economy.

LITTLE MEANING

And since the entire system depends on keeping wages down, the sharp increases in gross national product carry little meaning for the average Korean, a situation reflected, in part, on unemployment statistics.

A senior government minister told the Inquirer that the official, publicly listed, unemployment rate is placed somewhere between seven and eight percent.

But I am not a diplomat," he said.

"I will tell you the figure is far higher than officially stated." How much higher, he declined to say.

Urban affairs educators and labor relations specialists at Korean universities put the un-

employment figure around 25 percent, with the unemployment rate running higher among men than women.

But the observations of an American minister in Seoul and the experiences of a 20-year-old farm boy from the Incheon area may describe the state of South Korea's economic progress better than any statistics.

Said the minister, who has lived in the area nearly 20 years:

"There is a relatively small number of businesses and persons here who are raking off fantastic profits and there are high government officials who are putting away large sums of money outside of Korea."

The farm boy, who is crippled, returned to his family's home a few months ago after living and working in Seoul for several years. This is his story:

For three years, he worked in a private home making camera cases. He received room and board, but no pay. When he began his fourth year on the job he was paid \$10 a month. Because of his disability, he was fearful of not being able to obtain other employment and was simply grateful for the job.

Yet somehow, the notion persists in America that a sharp rise in the gross national product—spurred on by American foreign aid and American investments guaranteed through foreign programs—will translate into benefits for the average Korean or the average Thai or the average Kenyan.

1974 ASSESSMENT

In a report on the fiscal year 1974 foreign aid program, the State Department's Agency for International Development (AID) gave this assessment of progress in developing countries over the last decade:

The development process gathered pressive momentum. The developed countries achieved an annual increase of 5.6 percent in gross national product. A number of nations experienced growth rates considerably above this average. Growth is taking place."

Three years earlier, AID issued a press release outlining a speech delivered by the agency's administrator, emphasizing the need for private American investment to stimulate economic growth in developing countries. The release stated:

"Economic growth at the rate declared by developing countries appears attainable soon only through greater private investment, the head of the United States foreign aid program declared tonight (March 9, 1970).

"Dr. John A. Hannah, administrator of the Agency for International Development, also said that foreign manufacturing investment is actually a good deal cheaper in terms of foreign exchange for less developed countries than even government-to-government foreign aid loans on easy terms."

It was fitting that Dr. Hannah, the former president of Michigan State University who guided the foreign aid program from 1968 to 1973, delivered his address at a dinner honoring United States Sen. Jacob K. Javits (R. N. Y.).

For Javits is a member of a small group of senators who have been Congress' most hearty advocates of using the foreign aid program as a vehicle to encourage American business investment abroad—keystone of the trickle-down theory.

It was Javits who sponsored legislation in 1968 creating the Overseas Private Investment Corporation (OPIC) to insure American business investments abroad and make loans to businesses operating in developing countries.

In defending OPIC's operations—it was OPIC, remember, which is responsible for the luxury hotel in Haiti—Javits told a House Foreign Affairs subcommittee in May 1973:

"We have turned increasingly toward private investment because private foreign in-

vestment produces both capital and also a transfer of training and technology as far as the host country is concerned.

"We have given emphasis to the private side because the factor of marrying capital to technology is a resourceful one and one which gives more cost-benefit ratio for the dollar."

Javits, though, simply reflects the sentiments of some of his New York constituents—people like Nelson Rockefeller, the vice president-designate, and his brother, David Rockefeller, chairman of the board of the Chase Manhattan Bank. (See accompanying story.)

FAR FROM ALONE

The Rockefellers are far from alone in their support of a foreign aid program linked to private investment. There is a hard core of multi-national corporations that has made extensive use of the American foreign aid program.

That core includes such companies as International Telephone and Telegraph Co., which was deeply involved in the internal politics of Chile, and Cargill, Inc., the grain dealer involved in the massive 1972 Russian wheat deal.

There are companies like Dow Chemical Co. and E. R. Squibb & Sons, Inc., and Gillette Co. and General Electric Co. and Mobil Oil Corp. and the Bank of America and the Del Monte Corp., the world's largest canner of fruits and vegetables.

In talking about OPIC's interrelationships with the State Department, Philip Birnbaum, assistant administrator for program and policy in the Agency for International Development, told a House Foreign Affairs subcommittee in June 1973:

"In Kenya, a pineapple plantation project by Del Monte (insured by OPIC) is going forward which will employ about 7,000 people. Here is another interrelationship between AID and OPIC.

"The Kenya government has been talking with us about financing some roads that will be necessary and housing, under a United States guaranty program, for the workers."

What Birnbaum failed to tell the House committee, though, is typical of another kind of deception in foreign aid—that is, the effect of the program within the United States.

In its 1973 report to stockholders, Del Monte made this brief, cryptic announcement on Page 21:

"During the year the corporation discontinued packing operations at two of its older plants and announced the phaseout, over a two-and-a-half-year period, of one of its two Hawaiian pineapple plantations."

One year earlier, in its 1972 annual report to stockholders, Castle & Cooke Inc. (Dole Pineapple), announced:

"As reported in the letter to stockholders, pineapple production will be phased out on Molokai (Hawaii) . . . The Wahiawa plantation on Oahu is being reduced in size and will become primarily a source for growing fresh pineapple requirements."

The report went on to mention:

"The new majority-owned Dole Thailand, Ltd., facility is progressing on schedule with its planting program. Thailand government approval has been granted for building of a new cannery at the plantation, and construction is expected to begin shortly."

LOSS OF U.S. JOBS

What Dole did not mention in the report was that its new Thailand pineapple canning facility—the cannery went into operation earlier this year—also was insured under the OPIC program.

The net result, then, is that a foreign aid program did indeed spur business growth in two developing countries—Kenya and Thailand—and at the same time it will result in

a loss of several thousand jobs for American workers in Hawaii.

The Castle & Cooke 1972 report phrases it more delicately:

"The company is sensitive to the economic and social impact created by the phasing out of these Hawaiian production areas. We are working with public bodies and others to help them develop new employment bases in these locations."

Officials of the International Longshoremen's and Warehousemen's Union (ILWU), which represents the pineapple workers, say the major pineapple companies have decided to pull all of their canning operations out of Hawaii and move them to low-wage countries such as Thailand, the Philippines and Kenya.

Eventually, the ILWU says, the move will result in the loss of 6,000 jobs in the Hawaiian pineapple industry.

How is it that after all the waste and fraud and deception, after the loss of tens of thousands of jobs, after the expenditure of tens of billions of dollars, the United States foreign aid program continues unchecked?

The reason appears to be that the program has become so complex—with amendment piled on amendment, new programs grafted on to old programs—that Congress is unable to effectively monitor aid projects. In short, foreign aid is running out of control.

One measure of the complexity is the amount of money said to be spent on foreign aid, military as well as economic. On March 1, 1973, in a story on foreign aid appropriations for fiscal year 1973, the New York Times reported:

"The House and Senate passed and sent to the White House today a resolution extending temporary financing until June 30 for foreign aid . . . Under the extension, spending would continue through the end of this fiscal year at an annual rate of \$3.6 billion."

A study prepared by the Senate Appropriations Committee late last year placed the actual foreign aid expenditures for fiscal year 1973 at \$9.5 billion—or nearly three times the \$3.6 billion figure supposedly authorized.

If loans made by the Export-Import Bank of the United States are added to the Senate Committee estimates—Exim Bank loans often are included as part of an overall foreign aid package—then total foreign aid expenditures in 1973 were \$13,860 billion, or nearly quadruple the publicly stated figures.

UP TO \$200 BILLION

Indeed, if Exim Bank loans are added to overall foreign aid expenditures since World War II, the total foreign aid commitment of the United States runs upwards of \$200 billion.

The difference between the Senate and State Department figures is that the State Department's annual foreign aid program presentation largely covers only those expenditures by the Agency for International Development.

The Senate Appropriations Committee study took all foreign aid programs—defining foreign assistance as the transfer of resources from the United States to another country—and came up with an annual figure of \$13,860 billion.

It is this playing with numbers that represents another foreign aid deception, for the State Department likes to talk of declining foreign aid expenditures.

And it is true that foreign aid spending by the Agency for International Development (AID) is going down. But spending for other foreign aid projects and the taxpayer's ultimate liability in still other foreign aid programs are going up.

The annual foreign aid bill presented by the State Department does not include such things as contributions to the International Development Association or the Inter-American Development Bank or the Asian Develop-

ment Bank. Over the years, such contributions have run into billions of dollars.

Nor does the bill the State Department presents to Congress include billions of dollars in private investment abroad that is now guaranteed by the government—or, more properly, the American taxpayer.

Thus it is that the total dollars in American foreign aid that flow out across the world each year are, literally, uncounted.

A key administrative aide on the staff of the Senate Foreign Relations Committee puts it succinctly:

"If Congress had to vote on a foreign aid bill of \$9 billion or \$13 billion, it wouldn't go through."

[From the Philadelphia Inquirer, Nov. 24, 1974]

TWENTY-NINE YEARS OF AID: \$172 BILLION FOR 130 COUNTRIES

Since the end of World War II, the United States has allocated about \$172 billion in foreign aid money to more than 130 countries around the world.

From July 1, 1945 to June 30, 1973, the latest period for which figures are available, the State Department reported total foreign aid commitments of \$163.7 billion, excluding loans made by the United States Export-Import Bank (Exim Bank).

Foreign aid authorizations in fiscal year 1974 were at about the same level at the preceding year, when they amounted to \$8.4 billion. This would bring total foreign aid commitments from 1945 to 1974 to about \$172 billion.

The \$163.7 billion grows to \$185.1 billion when adding in miscellaneous foreign assistance loans and the Exim Bank loans, which often are made as part of an overall foreign aid package to a particular country.

Here is a statistical breakdown of the \$163.7 billion:

A total of \$125.7 billion, or 77 percent, involved outright grants which do not have to be repaid. The remaining \$38 billion, or 23 percent, involved loans, usually for extended terms and at nominal interest rates.

Economic assistance accounted for \$101.5 billion, or 62 percent of the total. Military assistance amounted to \$62.2 billion, or 38 percent.

A total of \$118.5 billion, or 72 percent, has been committed to countries classed as less developed. The remaining \$45.2 billion, or 28 percent, has gone to developed countries.

Well over half of that \$45.2 billion went into four countries in the years following World War II—France, the United Kingdom, Germany and Italy.

A substantial portion of that assistance was distributed under the Marshall Plan, one of the very few genuine American foreign aid success stories.

Of the \$118.5 billion that has gone to the less developed countries, \$32.5 billion—or 27 percent—has been channeled to just two countries: South Vietnam has received \$20.9 billion, South Korea, \$11.6 billion.

While the State Department publishes a country-by-country breakdown of American foreign aid commitments, the figures do not reflect the total amount of United States aid that a country receives.

For example, the State Department puts total economic and military aid to India at \$8.9 billion through fiscal year 1973.

Yet India also has received \$2.8 billion in grants from the International Development Association (IDA), an affiliate of the International Bank for Reconstruction and Development (World Bank).

The United States, in turn, through the foreign aid program is the single largest contributor to the IDA, providing one-third of that organization's funds.

The United States has made multi-billion-dollar contributions to a variety of such or-

ganizations, including the Inter-American Development Bank, the Asia Development Bank and the United Nations Development Program.

[From the Philadelphia Inquirer, Nov. 24, 1974]

WHAT'S BEHIND SERIES?

The American State Department each year commits billions of dollars in tax money to the United States foreign aid program, a program that goes largely unaudited.

From time to time, the General Accounting Office (GAO), a government watchdog agency, looks into specific foreign aid projects in certain countries.

Within the State Department there is an office of Inspector General for Foreign Assistance which monitors, on a limited scale, some foreign aid expenditures.

And occasionally a congressional committee takes a hard look at a particular foreign aid project. By and large though, the overall foreign aid program goes unchecked.

It was against this background that The Inquirer set out last May to assess the United States foreign aid program, to measure how the State Department says the program is working against what is really happening around the world.

The Inquirer's national award-winning investigative reporting team of James B. Steele and Donald L. Barlett began the project by sifting through thousands of pages of State Department reports to Congress and the American public over the last decade, describing the results of ongoing foreign aid projects and forecasting future accomplishments.

With that data in hand, The Inquirer reporting team selected a variety of foreign aid projects, and four countries which have received some of the State Department's most glowing reports, to determine just how State Department rhetoric squared with reality.

In all, Steele and Barlett traveled more than 25,000 miles, interviewing scores of persons, businessmen in Bangkok, Thailand, to government officials in Lima, Peru, and collecting statistics and examining records maintained by government agencies in Seoul, Korea, and Bogota, Colombia.

[From the Philadelphia Inquirer, Nov. 24, 1974]

UNITED STATES PROTECTS ROCKEFELLER INVESTMENTS

Each year, when State Department officials trudge up to Capitol Hill in Washington to justify proposed foreign aid spendings before congressional committees, they carry with them the support of a diverse and prestigious lobby.

Trailing along behind the State Department men are professors from the nation's leading universities, officials of the country's large multi-national corporations, labor union representatives, bank presidents and spokesmen for charitable foundations.

All of these people, who either testify before Congress in support of foreign aid expenditures or travel around the country delivering speeches on behalf of the foreign aid program, have one thing in common:

A VESTED INTEREST

They have a vested interest in the United States' \$172 billion foreign aid program and they, or the organizations they represent, are benefiting financially, either directly or indirectly, from that program.

Two especially interested supporters are the Rockefeller brothers, David Rockefeller, chairman of the board of the Chase Manhattan Bank, and Nelson Rockefeller, the vice president-designate.

In a speech to the Council on Foreign Relations in Chicago in April 1967, David

Rockefeller, ticking off the accomplishments of foreign aid, observed:

"Not the least of the lessons we have learned in 20 years of dispensing foreign aid is the need for relying more extensively on the private sector—and this is now being done.

"The Agency for International Development (the State Department agency which administers foreign aid) has set up an Office of Private Resources specifically to help United States investors interested in the less developed countries.

"It has also worked out a variety of instruments designed to encourage and support increased private investment."

Indeed it has. So much so that if you look at the foreign aid program in just about any part of the world, you will find a connection with a Rockefeller financial interest. For example:

The Chase International Investment Corp. is a subsidiary of the Chase Manhattan Bank, of which David Rockefeller is chairman of the board and the Rockefeller family is a substantial stockholder.

Chase International has used the foreign aid program to insure investments in a poultry farm and synthetic fiber plant in Costa Rica, gaming lodges in Kenya, an agricultural production and marketing operation in Iran, and a ceramic tile and bath accessory plant in South Korea.

These projects are insured by the Overseas Private Investment Corp. (OPIC), a wholly owned government corporation whose operations are supervised by the State Department.

INSURANCE, TOO

OPIC acts as an insurance company, guaranteeing loans and insuring private investments in foreign countries against expropriation, inconvertibility of local currency, and war, revolution or insurrection. The agency also makes direct loans to spur development in less developed countries.

While businesses pay a premium for the insurance, the OPIC program carries the backing of the United States government. This means that if losses should exceed the corporation's reserves, the American taxpayer will pick up the bill.

In addition, OPIC offers private corporations a more subtle, indirect benefit—the weight and leverage of the United States government in a company's day-to-day business dealings in less developed countries.

The Chase Manhattan Bank has used OPIC to protect its banking or lending operations in the Dominican Republic, South Vietnam, South Korea, India, Guyana and Brazil.

The bank has collected \$345,000 in connection with losses suffered by its businesses in the Dominican Republic and South Vietnam.

Arbor Acres Farm, Inc., a poultry breeding and supplying firm, has used OPIC to insure poultry farms in Thailand, the Republic of China, Pakistan and the Philippines.

BASED IN NEW YORK

Arbor Acres is a division of the International Basic Economy Corp. (IBEC), a New York-based development company. Rodman C. Rockefeller, a son of Nelson Rockefeller, is the \$75,000-a-year president of the company.

Nelson Rockefeller, Rodman C. Rockefeller and Steven C. Rockefeller, another son, together own directly or as trustees about 37 percent of the stock in IBEC.

According to an annual report of the company, "IBEC was founded in 1947 in the conviction that the American system of private enterprise, working within the framework of the profit motive, had a key role to play in the developing countries."

Through another guaranty plan of the foreign aid program, the housing guaranty program, IBEC was involved in the construction of two housing projects in Peru valued at

\$3 million. Under this program, the government guarantees a builder or mortgage lender's investment.

Development and Resources Corporation, a New York and Sacramento-based consulting organization, has just completed a \$229,000 contract with the State Department to assist the government of Nepal in a management improvement and training project.

Development and Resources Corporation is another subsidiary of the International Basic Economy Corporation and its president is David E. Lillenthal, former chairman of the Tennessee Valley Authority and the Atomic Energy Commission.

Dr. J. George Harrar, retired president of the Rockefeller Foundation and Rodman C. Rockefeller both serve on the board of directors of Development and Resources.

CONTRACT AWARD

In April 1970, about a year before Development and Resources became affiliated with Rockefeller's International Basic Economy Corp., the company was awarded a \$2.5 million contract by the State Department.

The terms of the contract provided that the company was to assist the government of South Vietnam in a planning effort directed toward reconstruction and development of Vietnam.

Through another part of the foreign aid program, the Agriculture Trade Development and Assistance Act, the Chase Manhattan Bank was authorized in September 1970 to borrow about \$2.2 million in South Korean currency.

Treasury Department records show the purpose of the loan was to promote business development and as of Dec. 31, 1972, the latest period for which figures are available, about \$1.6 million of the loan then was outstanding.

Through yet another foreign aid guaranty plan called the Private Export Funding Corporation (PEFCO), Chase Manhattan Bank in 1971 and 1972 arranged two loans totaling \$13.1 million for a nuclear power plant project in Italy.

ORGANIZED IN 1970

PEFCO was organized in 1970 to supplement the lending operations of the United States Export-Import Bank (Exim Bank). The Exim Bank has provided a revolving line of credit for PEFCO, and all its loans are fully guaranteed by the government.

While none of these guaranty plans under the foreign aid program involve direct expenditures of American tax money, at least at present, there is both a hidden cost to the taxpayer and a potential liability for the future.

If losses under the plans should exceed the reserves set aside—and claims filed, but not settled, have been running ahead of reserves—then the taxpayer is liable.

In addition, critics of the guaranty plans argue that they unnecessarily involve the United States government in what should be private business dealings by private corporations.

As for hidden costs, a University of Michigan economics professor told a House Foreign Affairs subcommittee last year:

GOES TO PUBLIC

"To the extent that OPIC is supported by present or possible future congressional appropriations—which might well be necessary to pay claim settlements in excess of available reserves—part of the political risk or the cost of insurance that would otherwise have to be borne by private investors is transferred to the United States taxpaying public.

"This transfer of private business costs amounts to a public subsidy of the particular subgroup of United States businesses that have invested or intend to invest in the poor countries.

"All that OPIC can do is transfer some of the costs of the risk from private investors to

the public, thereby increasing the profitability of the foreign investment for the private investor, but not for the United States as a whole."

Supporters of the guaranty plans, of course, argue that they are necessary to spur economic expansion in the developing countries.

FIRMLY WEDDED

For his part, Secretary of State Henry A. Kissinger, who served as a foreign affairs adviser to Nelson Rockefeller before joining the Nixon administration in 1969—and who was one of the recipients of a Rockefeller financial gift (\$50,000)—remains firmly wedded to the OPIC concept.

When there were unsuccessful attempts in Congress earlier this year to kill the OPIC plan, Kissinger came to the agency's defense, saying that "it would not be in the national interest to terminate OPIC programs at this time."

Kissinger maintained that planned private American investments in less developed countries "might not go forward in the absence of OPIC programs, which provide the kinds of insurance and financing that cannot be undertaken by private insurance and credit markets."

[From the Philadelphia Inquirer, Nov. 25, 1974]

How U.S. Aid Houses THE RICH, NOT THE POOR
(By Donald L. Barlett and James B. Steele)

In a report issued last summer, the State Department's Office of Housing had glowing things to say about its Housing Investment Guaranty program, designed to provide decent housing for slum dwellers around the world.

Curious, an Inquirer reporter in the midst of a seven-month investigation of the U.S. foreign aid program, flew to Bogota, Colombia, to visit La Esmeralda, a housing development built under the program.

There, not far from Bogota's famed squallid hillside slums, he found a pleasant cluster of brown brick homes behind white stucco walls.

He also found they were owned and inhabited not by the poor, but by Colombian lawyers and doctors, civil servants and professors.

So goes the U. S. foreign aid housing program.

So it has gone since the summer of 1961, when Congress, amid fears that Castro-style revolutions might sweep all of Latin America, enacted the little-known foreign aid program that it called the Housing Investment Guaranty (HIG).

Like dozens of other foreign aid programs, the housing guaranty program was supposed to help the poor. In this case, the idea was to provide decent housing for Latin American slum dwellers through a mortgage guaranty program similar to FHA in the United States.

But the program, which has since expanded to cover projects in Asia and Africa as well, and has grown from a modest \$10 million to a nearly \$1-billion program, has not worked out the way Congress intended.

It has, in fact, housed the well-to-do abroad and proved lucrative investment for the well-to-do at home.

An Inquirer investigation of the program, part of the newspaper's probe of the nation's foreign aid program, has disclosed that the housing guaranty program has:

Consistently guaranteed housing for middle- and upper-income persons such as doctors, lawyers, army officers and other professionals—families least in need of aid in developing countries—rather than for low-income families for whom the program was intended.

Become a bonanza for the U.S. savings and loan industry, which now supplies most of the program's mortgage money. These housing guaranty mortgages are fully guar-

anteed by the U.S. government and pay their holders up to 1 percent more interest than do FHA mortgages in this country.

Awarded millions of dollars in technical service contracts to a savings and loan trade association, the same group that lobbies before Congress on banking legislation and whose members profit on housing guaranty mortgages.

Handed out thousands of dollars in expense-paid trips to savings and loan executives for housing-related trips around the world.

Been subjected to political influence from the start as congressmen and senators have steered friends to housing guaranty projects, applied pressure on government officials to cut red tape or sponsored legislation indirectly benefiting family or friends.

Been riddled with conflicts of interest and inter-locking government-industry relationships. One former director of the guaranty program served as president of a private savings and loan association during his tenure as head of the government office. He is now under federal indictment on another matter: embezzling \$44,000 from the loan association.

Never been effectively monitored by the federal government, despite cases of private profiteering and possible fraud in the administration of guaranty projects in Asia.

Continued to build middle- to upper-income housing in developing countries with money supplied by American savings and loan associations at precisely the same time that industry has drastically cut back on the number of mortgages authorized in this country.

Actually hurt America's image in nations where U.S. builders have failed to complete housing developments as planned, to the dissatisfaction of local residents.

Siphoned off money from poor nations that are already short on capital. In addition to repaying the principal, homeowners in developing countries must pay about 10 percent in interest and fees to the U.S. mortgage holders and federal agencies.

Created a Washington bureaucracy financed by homeowners in Africa, Asia and Latin America. In addition to interest, owners must pay a fee to the guaranty program to cover its administrative costs. Last year, fee income amounted to \$2.8 million.

SCALE MODEST

Like many federal programs, the housing guaranty program began on a modest scale.

The Foreign Assistance Act of 1961 gave the program authority to guaranty only \$10 million in housing loans worldwide. At the same time, Congress gave the State Department's Agency for International Development (AID) authority to administer it.

The act clearly stipulated that the poor were to be the major beneficiaries of this ambitious U.S.-led housing offensive; guarantees were authorized "for housing projects in Latin America for low income families and persons."

There was a good deal of senatorial optimism about the guaranty program's potential for doing good. Former Sen. George Smathers of Florida told fellow senators on Aug. 16, 1961:

"Second to providing food for the impoverished people of the hemisphere, the most direct, the most beneficial, and surely the most-to-be-appreciated form of assistance lies in giving the people of Latin America an opportunity to improve their standard of living by making it possible for them to rid themselves of inadequate housing and to own homes of their own."

Still, Smathers and his Senate colleagues saw advantages to the program beyond just helping the poor.

Smathers said the guaranty program, which he was instrumental in creating, would be a vital tool of American foreign policy by

providing an outlet for U.S. private investment in the foreign aid program and by encouraging free enterprise in the Americas.

Sen. Hubert Humphrey (D., Minn.) saw both political and economic advantages. Housing guarantees for the poor would blunt the appeal of Fidel Castro outside of Cuba and open up new markets for American building materials.

Congress envisioned that the vehicle for building much of this housing in the undeveloped world would be the American home builder with his intimate, thorough knowledge of modern home building.

Sure enough, it was not long before the housing guaranty program office in Washington was swamped with applications from American developers proposing suburban-style housing developments from Peru to Thailand.

GRAIN DEALER

One was a millionaire grain dealer from Kansas; another a former FHA insuring office director from Puerto Rico; another a Rockefeller family-controlled company that owned numerous Latin American supermarkets and poultry farms.

Applications for projects and inquiries about others came in at a rate far exceeding the housing guaranty program's congressional authorization as builders sought to avail themselves of the inviting foreign aid program with its loans fully backed by the U.S. government and its interest rate one percent higher than the going FHA rate.

"We consider our guaranty better than FHA," a former director of the program once proudly told a congressional committee.

The housing guaranty program operates much as the FHA does. It does not loan money. It guarantees mortgages made by U.S. investors on foreign housing projects.

What that means is that if there were massive mortgage defaults by homeowners in guaranty projects, the U.S. taxpayer would be liable for paying the bill.

Also like the FHA, the guaranty program charges a fee for its services—in this case it is one-half of one percent a year on the unpaid principal. And, as in FHA loans, investors pass that charge onto the homebuyers.

The homebuyers themselves best illustrate how the program has gone awry.

They are largely middle to upper class.

They are not poor.

MADE A PROFIT

Not only do most of them not need U.S. assistance to buy housing, but many have made a profit as a result of the guaranty program.

The Inquirer investigation disclosed that many families buy through the program, then resell their homes at a tidy profit or rent them to others at monthly rates many times greater than their mortgage payment.

The two Latin American nations which have received the most guaranty money so far are Venezuela and Argentina, the two countries with by far the highest standard of living in Latin America. Per capita income in each country exceeds \$1,000. That is double the average for all of Latin America.

Typical of the middle-income development built under the program is La Esmeralda in Bogota, Colombia, one of several in four different countries visited by an Inquirer reporter.

Located adjacent to a major administrative center of the Colombian government and not far from the wretched hillside slums of Bogota, La Esmeralda has been a magnet for government officials, college professors and other professionals.

Most houses have four bedrooms, two baths, living room, dining room, maid's room and front and rear yards. Many families have at least one live-in maid.

Luis and Nelly Duran are typical.

Luis, a geology professor at the National University in Bogota, and his wife have five children, three of whom still live at home. A maid also lives at the home.

They live on a quiet street of well-kept attached houses, faced with light brown brick and secure behind white stucco walls. It looks similar to many American subdivisions except for the walls and the towering presence of the Andes Mountains rising in the background.

Since buying the house seven years ago, the Durans have added a bedroom, bathroom and study. Mrs. Duran said she likes the neighborhood and the house. They pay only 1,450 pesos a month, or about \$57, and close by are many friends who also teach at the university.

SIMILAR ONES

At two Lima, Peru, guaranty projects inspected by The Inquirer—the Salamanca and the VIPSE—the occupations of residents were similar to those found at La Esmeralda.

Salamanca was built by a subsidiary of the International Basic Economy Corp. (IBEC), which was founded by Nelson Rockefeller in 1947. Rockefeller still owns outright or in trust 422,150 IBEC shares valued at \$950,000.

Carlos Mayorga, an elementary school teacher, bought his Salamanca home eight years ago. He likes it because there is more sun there than in some Lima neighborhoods, and the family is close to shops such as the Rockefeller-owned TODOS market, an American-style supermarket chain that caters to middle-class Peruvians.

At the nearby VIPSE development, the Torrejon family is representative of another trend increasingly found in guaranty developments.

On the surface, they seem much like any other family found in one of these American-sponsored projects.

They are middle income. Mr. Torrejon is a civil engineer who owns his own firm. The family has two live-in maids to help with household chores.

They spend part of the damp, cloudy Lima winter vacationing in the sunny Andean resort of Chosica about 30 miles east of Lima and travel south to the beautiful beaches of the Pacific for their summer vacation.

Unlike some neighbors, the Torrejons rent their VIPSE home. The original owner, who purchased the home under the U.S.-sponsored program, has moved elsewhere and is renting the house for a handsome profit.

That, of course, is contrary to the intent of the housing guaranty legislation, which was to encourage home ownership in Latin America.

But renters are not unusual in these projects. Both VIPSE and Salamanca have sizable rental populations. In Salamanca alone, residents estimated that as much as 25 percent of the houses may be rented.

Even though the program is obviously not benefiting those most in need of help, its supporters consistently defend it as a vital service to poor nations.

On May 4, 1971, for example, Bryce Curry, president of the Federal Home Loan Bank of New York, wrote his uncle, Sen. John Sparkman (D., Ala.), on the success of the guaranty program.

"The amendment which originated in your committee . . . has been . . . most helpful in providing low-cost housing."

Curry added that the program "is the enlightened self-interest of the United States in the conduct of its foreign relations."

And Peter Kimm, the current director of the guaranty program, in a 1971 speech, told savings and loan executives:

IN NO WAY

"My view is that there is no way in which we can refuse to help in the development of the poorer nations," he said, "without the grimmest consequences for all of us, rich and poor alike."

But the guaranty program, by reaching only families that already have a stake in developing countries, fails to make an impact on the squalid living conditions of the poor—conditions that have always been a potent force behind revolution and political instability in poor nations.

Although the guaranty program has operated with remarkable freedom over the years, it came under growing criticism from others in AID and officials of other government agencies.

In December 1971, for example, when the housing office proposed a \$3-million guaranty for Thailand, AID's Bureau for Program and Policy Coordination was critical of the plan.

The bureau said such a project would only provide Thailand with "high-cost U.S. capital," would aggravate Thailand's balance of payments problem, and was unnecessary because Thailand had ample money of its own for housing.

The strongest criticism was that low- and middle-income Thais would be unable to purchase any of the proposed houses because prices would be so high that only the upper seven percent of Thai society could afford to buy them.

Similar questions were raised earlier this year by the Treasury Department's International Division over a proposed \$20 million guaranty for South Korea. The division called it a "poorly conceived plan." The guaranty office summarized Treasury's objections:

"It is for middle-class housing and this has no priority under normal circumstances . . . Use of foreign exchange for the project . . . will place pressure on the Korean economy to generate U.S. dollars. Could make them retrench and this would not be helpful in the development process. Korea does not have a national housing policy . . . even though (having such a policy) is a condition of the authorization of the loan."

Dale Barnes, a former director of the International Affairs Office of the Department of Housing and Urban Development, was even more blunt in criticizing the program.

"I am satisfied, in my own mind," he told a Senate subcommittee in May 1972, "that the HIG program is making money, and that it will probably make more, but I do not think it is an answer to the real housing needs of the developing world.

"I have a feeling that we are sitting here looking for ways to make money rather than helping in meeting a desperate need. I think it is wrong. It is out of balance."

One of the few lawmakers to question the program has been Sen. William Proxmire (D., Wis.), who, in the same Senate subcommittee hearings in 1972, noted:

"The justification for our foreign aid program is not that we are helping people who are as well off as they are in this country, but helping people who are pathetically, miserably, grindingly, cruelly poor, and we cannot reach them in housing."

GROWS LARGER

The housing guaranty program has more than managed to withstand such attacks. It is, in fact, growing larger each fiscal year.

"This program has a constituency unlike a lot of foreign aid," says Peter Kimm, the program director. "It is self-sufficient. It doesn't hit the budget. The savings and loan industry is very proud of its role in the program. When they have to, they call up their congressmen about it."

"It's one of the sacred cows in the State Department," says one high senatorial staff member. "I have heard some AID people say it's not doing much of a job. But no one has been able to touch it."

Consequently, the program has kept right on guaranteeing middle- to upper-income housing. The Banpo project in Seoul, Korea, complete with swimming pools, parks and shops, is an example.

In March 1973, a \$10 million housing guaranty was issued to the Korea Housing Corp. (KHC), the government's national housing agency, for the 1,490-unit Banpo development.

Banpo is a huge development of 34 buildings of five stories each. Each unit has three bedrooms, living room, bath, kitchen and a balcony.

The project is served by primary, middle and high schools and has its own swimming pools, green spaces and shopping center.

With a monthly mortgage payment of \$51 and an additional \$20 required for utilities and maintenance, Banpo would be hard put to attract the poor in a city where average monthly incomes of wage and salary earners range from \$100 to \$125.

Figures compiled by the housing program's staff showed the monthly income of the following Seoul professionals early this year: architects—\$203; civil engineers—\$197 and accountants—\$139.

Even an internal memo of the guaranty office admitted that Banpo was high-priced housing:

"It is obvious that families earning substantially less than \$200 (a month) cannot afford to purchase apartments in the guaranty project."

That, of course, would be upwards of 90 percent of Korea's population. But there's some consolation for the poor. Consider the quality of housing available in the Banpo apartments for the upper-income family that can afford it:

For \$9,000, the apartment buyer get unfinished concrete walls, unfinished concrete floors and unfinished insulation board ceilings.

The apartment buyer must purchase and apply his own wallpaper and floor covering and ceiling. He must also supply his own kitchen sink and cabinets and stove and lighting fixtures.

In short, the \$9,000 buys bare walls and floors and ceilings and no fixtures or appliances whatsoever.

The apartments do contain what a Korea Housing Corp. official describes as "a very big thing even in Seoul"—a bathroom.

The apartments also contain what he described as two other innovations in Korean housing—central heating and gas for cooking.

AIMED AT POOR

Still, the impression was conveyed in Seoul that the U.S.-aided project was really aimed at helping the poor. A March 22, 1973 story in the Korea Herald announcing the guaranty, said:

"The project will be completed by September of this year and the apartments will be rented to homeless citizens."

When the Korea Housing Corp. began taking applications, 8,300 persons applied for Banpos 1,490 apartments. Because the response was so great, the KHC decided to hold a lottery on the apartments.

A university professor, who declined to be identified (South Koreans who criticize the government of President Park Chung Hee face prison terms), said the lottery was a fraud because many families obtained more than one lottery ticket:

"One rich person got many tickets. He gets a ticket for brother, wife and mother. Many rich men were involved in this lottery. So poor people didn't go. So they (poor people) don't thank AID."

Of those who applied, 60 percent were members of the armed forces, the backbone of President Park's autocratic rule. Almost all of the remainder were employed by other government agencies.

That means that the Banpo apartments, supposedly an expression of the United States' interest in helping the people of the undeveloped world, were really rewards handed out to the bureaucrats who, in one

way or another, enforce Park's anti-democratic rule.

In addition, The Inquirer investigation turned up evidence indicating there has been substantial profiteering in the project.

Even the housing guaranty office in Washington raised questions about the cost estimates submitted by the Korean Housing Corp.

KHC submitted a breakdown of the estimated cost of each \$9,000 unit. Included in the cost breakdown per unit were the following figures: \$247—"builder's profit"; \$578 for "total one-time payment"; \$247 for "builder's general overhead."

A March 7, 1972 memo from one baffled housing guaranty control officer declared the figures "unreal and merely a resolution of the \$9,000 sales price." He added, "The strangest number is the \$578 listed as a one-time payment. This number was apparently picked to make the \$9,000 figure."

Over the years, the Korean government's housing program has been riddled with corruption that has produced both inflated construction costs and poorly-built apartments.

Some buildings have collapsed or been torn down because of faulty workmanship. The collapse of one apartment building several years ago killed dozens of Koreans.

CRUDELY FINISHED

At housing guaranty-sponsored projects inspected by an Inquirer reporter in Korea, apartments were often crudely finished. There were gaps between sections of the dry-wall on the ceiling; and floors were not level and walls were out of line.

University professors, who are familiar with Korean construction industry practices, explained how the industry functions:

Company A receives a government contract to build apartment buildings. Company A then takes a "commission" and assigns the actual work to Company B, which in turn takes a "commission" and assigns the work to yet another company. None of the companies bothers to supervise the construction, the professors said, and that is what leads to faulty work.

One memo from within the housing guaranty office indicates, however, that the Banpo project, extensive subcontracting was supposedly necessary because there was in Seoul no general contractor "capable of undertaking the entire project."

After Banpo was completed, the housing guaranty office of AID approved another \$20 million guaranty for housing in Seoul and five other South Korean cities. Now there is talk of yet another multi-million-dollar deal.

Transactions such as those have boosted the guaranty program's annual authorizations to \$60 to \$70 million a year—with almost all the money now coming from federal savings and loan associations that choose to participate in the program.

There is a final irony.

The American savings and loan industry that is putting up the money to help house President Park's army is the same industry that has reduced the amount of mortgages available to middle-income homebuyers in the United States.

At a time that the guaranty program, with its insured mortgages, its high interest rate and its expense-paid trips for savings executives, is rolling in mortgage money for its projects abroad, the amount of mortgage money available for Americans from the same savings and loan associations has shrunk by \$7 billion in two years.

[From the Philadelphia Inquirer, Nov. 25, 1974]

PROGRAM DEVELOPS MANY FRIENDS
(By Donald L. Barlett and James B. Steele)

From the start, the Housing Investment Guaranty program has been supported by a loyal constituency both in and outside of Congress.

December 4, 1974

CONGRESSIONAL RECORD — SENATE

The members of this constituency are a varied lot. There is the government official who becomes a financier; the financier who becomes a government official; the relative of a congressman who runs a bank; the indicted banker who ran an aid program; and the elusive developer with a friend in Congress.

And there are the key congressmen and senators who have supported the program consistently over the years.

But perhaps the program's most influential backer has been Sen. John Sparkman (D., Ala.).

As chairman of the powerful Senate Banking, Housing and Urban Affairs Committee, Sparkman has long been in close contact with the leaders of the nation's financial community which has a heavy stake in the U.S. foreign aid program.

When the housing program was enacted in 1961, his nephew, Bryce Curry, was general counsel for the National League of Insured Savings Associations, one of the two national trade associations of the savings and loan industry.

EVEN GOT BETTER

Since the 1950's, the league's members had been the chief recipients of State Department-awarded free trips promoting the formation of savings and loan associations in many Latin American countries.

Things got even better for the league after that.

In 1965, Congress amended the Home Owners Loan Act to permit federal savings and loan associations to invest up to 1 percent of their assets in guaranty projects.

A year later, the industry's role in the program was further expanded.

The State Department awarded the league a contract to do feasibility studies on proposed housing projects. Since then, the league has received more than \$4 million in such contracts.

Congress amended the program again in 1968 to further enhance the savings and loan industry's position. The result: the industry obtained almost monopolistic access to housing guaranty mortgages.

One section of the 1968 bill, which was in part a product of Sen. Sparkman's committee, authorized the Federal Home Loan Bank Board to bid against private financial institutions to purchase AID-guaranteed "housing loans and to sell participations to any member bank."

Shortly thereafter, the Federal Home Loan Bank Board designated its two member boards in New York and Boston to represent the entire FHLB system in bidding for the overseas housing loans.

By this time, Bryce Curry, Sparkman's nephew, had moved on from his post with the savings industry league. He was now president of the Federal Home Loan Bank of New York.

REASONS GIVEN

Since then, the Federal Home Loan Banks of New York and Boston have been selected in nearly every case—even in some cases when they were not the low bidder—to sell participating shares in the guaranteed mortgages to savings and loan associations.

Last year, the Korea Housing Corp. (KHC), the government-controlled national housing corporation of South Korea, asked interested U.S. investors to submit offers to finance mortgages for a new \$10 million housing project near Seoul. The announcement was made in the Federal Register.

Seven proposals were submitted. The two best offers came from the Federal Home Loan Bank of New York and F. S. Smithers & Co. Inc., New York stockbrokers.

Their proposals were similar, except that Smithers offered an interest rate of 7.45 percent a year compared to 7.50 percent from the New York bank.

In a Feb. 5, 1973, letter to the housing guaranty office, Duncan H. Cameron, a Washington lawyer representing the Korea Housing Corp., said his client had selected the FHLB as investor.

"Because of its need for speed, the Korea Housing Corp. preferred an investor who was experienced in the program," he wrote.

"Since the financial conditions and terms of F. S. Smithers and the Federal Home Loan Bank were nearly identical, the Korea Housing Corp. has selected the Federal Home Loan Bank because of its experience and proven capacity to deliver."

An internal housing office memo from Edward Palash and Stanley Kay to program director Peter Kimm estimated that Korean home buyers would pay an additional \$98,000 for the selection of FHLB.

Still, the housing guaranty office, which must approve a host country's choice of an investor, decided to go along with the choice of Bryce Curry's bank in New York. Reasoned Palash and Kay:

"The (FHLB) has negotiated and executed numerous agreements under the Housing Guaranty Program and its standard documents are well-known (to HIG).

"Without attempting to doubt the good faith of Smithers, or the professional capability of the legal counsel retained by Smithers, Korea Housing Corp. chose not to run the risk of negotiating documents with Smithers which could conceivably take longer to finalize and execute in view of their having no prior experience under the Guaranty Program."

In a telephone interview with The Inquirer, Senator Sparkman said periodic reports he receives on the housing program indicate it is working "quite well."

"I believe it is a good program," he said. "We (Congress) have pushed international housing for a good number of years and the savings and loans wanted a piece of it. And we gave them the right to invest just a very small percentage of their assets in it."

As for the Federal Home Loan Bank designating the New York bank headed by his nephew, Bryce Curry, as one of two banks to sell participating shares in housing guaranty mortgages to savings and loan associations, Sparkman said:

"I didn't have anything to do with that. I didn't know the Federal Home Loan Bank Board designated two particular banks to handle it. But I concede that they do it."

The Inquirer investigation also disclosed that Rep. Wayne Hays (D., O.), long an ardent foe of waste in foreign aid programs, has exerted his own pressure on State Department officials in connection with a housing guaranty project in Bogota, Colombia.

The development, called La Esmeralda, a \$12 million project of 1,268 townhouses for middle-income families, was proposed in 1964 by a Colombian company headed by Harold Lockheimer, a U.S. citizen with residences in North Bergen, N.J., and San Juan, Puerto Rico.

A former State Department official says Lockheimer, the developer, was once director of the FHA office in San Juan.

The U.S. Department of Housing and Urban Development in Puerto Rico says a Harold Lockheimer was indeed director of the FHA office there in the late 1950s and early 1960s.

Over a period of several months, repeated attempts by Inquirer reporters to interview Lockheimer were unsuccessful. Phone messages left with his answering service in Puerto Rico brought no response. Telephone calls to the family's North Bergen home went unanswered.

Coincidentally, it was the FHA that evaluated Lockheimer's ability to undertake the Bogota project. The FHA determined that his company was "fully capable financially

and technically to carry out the proposed project to a successful conclusion."

The FHA also estimated the profit on La Esmeralda at \$963,183.

Like other projects studied by The Inquirer, La Esmeralda was plagued by delays before and after construction began in 1966. Often the cause was a dispute between Lockheimer and the guaranty office or Lockheimer and the Colombian government or between U.S. or Colombian agencies.

Once the dispute came over a Lockheimer request to increase the price of the houses. Another time it was over who was responsible for a \$10,000 discrepancy in a closing account related to the project.

MANY FILES

Housing guaranty files on La Esmeralda in Bogota and Washington, D.C., filled with correspondence from various U.S. and Colombian government officials trying to resolve all arguments that arose during the project.

One such disagreement was over a proposed escrow agreement that Washington officials wanted Lockheimer to sign regarding maintenance on the housing development.

In a Sept. 17, 1967, letter to Charles N. Goldman, assistant general counsel of the State Department's Agency for International Development (AID), Lockheimer objected to the proposed agreement listing these reasons:

"Latin Americans . . . in all walks of life, are most meticulous about their personal self, but are very neglectful and downright careless about the maintenance of anything from an automobile to an electric iron. There is never any prudent upkeep, everything is let rundown and when it falls apart, they buy a new item."

Lockheimer further said Latins were "wasteful, make claims on anything, and many times in a devious manner, are without a sense of good value except when the other fellow pays the bill" and "are prone to take advantage of the gringo."

RED TAPE CITED

It was on Lockheimer's behalf that Hays, who once predicted that an audit of foreign aid would "reveal shenanigans that will make Al Eaba and his 40 thieves look honest," called high-level officials in AID.

"Everyone around the office always knew when Hays had called," said one former State Department official who used to be close to the program. "He (Hays) would always use the strongest language and no expletives were deleted in demanding that the Lockheimer project get moving."

When the first phase was finally completed in early 1968, Congressman Hays was in Bogota to help dedicate the Lockheimer project.

In a telephone interview, Hays acknowledged that he had indeed called State Department officials numerous times on the Lockheimer project and several others as well.

"I just found the whole thing bogged down in red tape," he said. "It looked like one of the programs in AID that wouldn't cost taxpayers anything, and I got the feeling that the bureaucrats didn't want to do this one because it was an independent thing and they sort of lost control of it."

Hays said Lockheimer was introduced to him by another Congressman from New Jersey, whose name Hays could not recall, but whom Hays said had sought his help in trying to get the Colombia project moving.

A combination of a lack of public scrutiny and general congressional disinterest in the housing program over the years also helped make possible the case of Stanley Baruch.

Baruch, long involved in promoting Latin American housing for various U.S. and international lending agencies, was an evangelist-

tic exponent of the housing guaranty program, and was in no small part responsible for its steady growth.

CLOSE CONTACT

As the State Department's housing director, Baruch was in close contact with the savings and loan industry in discussing proposed investments on handing out expense-paid trips to Africa, Asia or Latin America for savings and loan executives.

At the same time he served in his \$36,000-a-year State Department job, Baruch was also the president of a federal savings and loan association in nearby Maryland.

Baruch helped organize the Lincoln Federal Savings & Loan Association of Hyattsville in 1962 and served as its president during the period he was with the State Department.

The department, however, was apparently unconcerned about Baruch's dual position. "Baruch never tried to conceal the fact he was both a government employee and president of the savings and loan association," one State Department employee told The Inquirer.

"Every administrator of AID (Agency for International Development) knew it, and I know people in the Senate who followed this program knew about it too."

Baruch suddenly resigned from the State Department in January 1973.

In May 1974, Baruch was indicted by a federal grand jury in Baltimore for embezzling more than \$44,000 from the Lincoln Federal Savings & Loan Association from 1968 through 1972.

In a 35-count indictment, he was charged with billing his loan association for thousands of dollars in trips around the world which he made as officer of the State Department.

The government also contended that Baruch was part owner of a Maryland medical building that was acquired as a result of a loan by his savings association. Such ownership is barred by federal law.

Baruch has since resigned from Lincoln Federal, which has merged with Vermont Federal Savings & Loan while awaiting trial on federal charges, Dec. 9 in Baltimore.

UNITED STATES AIDED THAI HOMES FLOP: SILENCE, EVASION GREET QUERIES OF PROJECT

(By Donald L. Barlett and James B. Steele)

When Roger Ernst was asked where in Bangkok a \$5-million State Department-sponsored housing development called Friendship Village was located, he said: "I do not know. I have not seen any record of it."

Roger Ernest is the director of the State Department's foreign aid program in Thailand.

When William Ackerman was asked to provide the address of Friendship Village, he said he wasn't sure if the files on the project included an address.

William Ackerman is a special assistant for the State Department's foreign aid program in Thailand.

When William E. Miller was asked by an Inquirer reporter to discuss Friendship Village, he said: "I wouldn't be interested in talking to you. Newspaper people are only looking to screw things up."

William E. Miller is the American developer who built Friendship Village.

And when Kobchai Sosothikul was asked about Friendship Village, he answered: "I am very busy. I cannot talk to you."

Kobchai Sosothikul is William E. Miller's Thai partner in the project.

Why are all these people so reluctant to talk about Friendship Village, a cluster of 674 two- and three-bedroom homes on the outskirts of Bangkok that was supposed to be

a shining example of the American foreign aid program?

Maybe it is because Thai Rath, a leading Thai language newspaper in Bangkok, called Friendship Village a "swindle."

Maybe it is because residents and the builder are still fighting, after four years, over the way the development was completed.

Or maybe it is because Friendship Village, a collection of concrete and cement-block houses on small lots, is not a shining example of foreign aid, but is instead an uncomfortable, lasting reminder of how aid can do more harm than good.

Whatever the explanation, it is clear from a seven-month Inquirer investigation of the American foreign aid program, that Friendship Village is just one of many sorry chapters in the history of the \$172 billion program.

Its middle-class homeowners are unhappy with their State Department-sponsored subdivision. The project itself has been a costly and arduous administrative nightmare. The whole affair has been embarrassing to the United States.

The Inquirer investigation of the nation's \$172 billion foreign aid program turned up failures in agricultural projects in Colombia, economic development programs in Korea and urban redevelopment efforts in many poor countries.

The failure of the Friendship Village project in Thailand is not unique. It is just typical. Here is its story:

Friendship Village was financed under a little-known American foreign aid plan called the Housing Investment Guaranty (HIG), which is administered by the State Department's Agency for International Development (AID).

Under the program, which Congress enacted in 1961 to help provide low-income housing around the world, U.S. investors supply the mortgage money to actually build the housing projects in developing countries.

GUARANTEED

In turn, the mortgage is fully guaranteed by the U.S. government and pays interest to the U.S. investor at a rate up to one percent higher than the going FHA rate.

As The Inquirer disclosed Monday, the housing guaranty program has been far more successful in making money for U.S. builders and investors than it has been in building housing for the world's poor.

It has consistently financed housing for middle- to upper-income families in poor countries—the income groups least in need of help from the United States—rather than housing for low-income families as intended by Congress.

The Inquirer also disclosed that in the process the program has become an extremely attractive investment for the American savings and loan industry, which now supplies most of the money for guaranty projects.

The industry also benefits in millions of dollars in technical-service contracts and expense-paid trips that are awarded by the State Department relating to housing projects.

Conceived in the early 1960s, Friendship Village was the product of the first phase of the guaranty program, during which American builders erected housing from Latin America to Asia.

The Friendship Village site, amid a watery remote region of rice fields on the fringe of Bangkok, far from the bustle of the Thai capital, would seem an unlikely catalyst to produce the partnership it did.

MULTIMILLIONAIRE

One partner was Willard Garvey, a multimillionaire grain dealer from Wichita, Kan., whose World Homes, Inc., had previously

built housing in Latin America under the Food for Peace program.

Another was William E. Miller, a civil engineer from Kansas City, Mo., who manufactured and sold two-way radio systems throughout Southeast Asia in the early 1960s.

The third partner was Charles W. Hess Sr., a Kansas City attorney who specialized in real estate development and law.

Together, they chartered a Missouri company called Intercontinental Housing, Inc., with Garvey owning 50 percent of the common stock, Miller owning 37½ percent and Hess owning 12½ percent.

When they announced the Bangkok development of 915 houses in August 1964, the developers stressed that Friendship Village would cater to the Thai affluent—"largely merchants, supervisory and technical personnel employed by local industry, civil servants, school teachers, military officers and high-echelon office employees of banking and other commercial institutions."

The company made that statement even as it announced it would seek a State Department housing guaranty under a program originally enacted by Congress to aid the poor.

The company had no doubt it could market the houses with selling prices ranging from \$5,610 to \$9,400 and emphasized that it planned to promote the U.S. government's involvement in the project to help sell them.

"Proper public relations, identifying the project with the Agency for International Development," Intercontinental announced, "will be available through press releases, news sources, television, billboards and brochures."

Although William Miller was to be the general superintendent of the project, the actual construction would be done by the Southeast Asia Construction Company of Bangkok, owned by Kobchai Sosothikul, a member of an influential, wealthy Bangkok family.

An internal memo of the U.S. embassy in Bangkok dated March 11, 1964, noted that Kobchai had close connections with the Thai government.

The memo said his father, a leader in Bangkok's Chinese community, is a "close friend of Prime Minister Kittikachorn."

Marshal Thanom Kittikachorn ruled Thailand with the backing of the army until last year, when a revolution toppled his government and sent him into exile. He has been living in the United States.

The American Embassy in Bangkok mistakenly thought Friendship Village was to house low-income families.

Another internal memo, this one dated April 20, 1964, said Kobchai and an American firm were about "to undertake a private welfare housing project," in referring to Friendship Village.

When the developers formally applied for the housing guaranty, Intercontinental was joined by a Thai partner—Siam Housing Company, Ltd., of Bangkok.

That company, which was listed in the proposal as owning the land where Friendship Village would be built, had, as its major stockholder, Kobchai Sosothikul.

SCALED DOWN

When the developers submitted their formal proposal to the housing guaranty office in 1966, they had scaled down the plans for Friendship Village slightly from 915 to 817 homes, with two or three bedrooms each, each selling at prices ranging from \$5,347 to \$7,022.

Their proposal also said that in addition to the houses, "adjoining areas" would be "reserved for commercial purposes, sports, greenbelt and private school." A \$4.8 million guaranty was issued in 1966.

But when Friendship Village officially

opened in May 1969, it did not quite turn out the way everyone had planned.

There were 874 houses, not 817 as planned. And the prices did not range from \$5,347 to \$7,022 as planned, but from \$7,293 to \$9,782.

"It turned out (to be) for high income people," said Somport Bodhisomphorn, an assistant vice president of the Bangkok Bank.

There is much in what Somport says. In January, for example, the minimum wage in Bangkok will rise to 15 cents an hour.

Intercontinental failed to build public recreation areas, the school and all the shops originally proposed to the State Department.

Access roads were narrower than planned. When two cars meet on the streets of Friendship Village, one must pull off to let the other pass.

On the land where Intercontinental said it intended to build the park and other public facilities to serve all residents of the village, homeowners claim, Miller instead built 85 additional houses—all privately financed, without U.S. assistance.

In the new section, the houses are larger, better constructed, more attractive and more expensive than in the U.S. sponsored section. And the streets are wide enough for two cars. But lastly, Miller declined to turn over to Friendship Village home owners additional shares of stock that he held in their own home owners association.

ANGER ERUPTS

All of this exploded into angry denunciations of both Miller and the United States in the summer of 1970.

In June 1970, a letter signed by 343 Friendship Village homeowners was sent to the Bangkok Bank, which received all homeowners' monthly mortgage payments, charging that the project was improperly carried out.

Then in July, homeowners gathered at the bank and flatly asked officials of the State Department's AID if the United States could help.

But AID pretended that the United States was not directly involved in the dispute, and cabled the following message to Washington:

"(AID's) position was that homeowners and Miller should meet and discuss problems and attempt to determine (a) substance of complaints, (b) legal responsibilities, and (c) how to solve problems."

Interestingly, the State Department adopts an opposite approach in cases where the property or assets of American corporations are involved in a dispute with a foreign government.

When that happens, the Department routinely registers a strong protest to the government involved and tries to exert various forms of international pressure on that nation to resolve the differences.

But The Inquirer found that in cases such as Friendship Village, where there is dissatisfaction with the performance of an American corporation in a foreign nation, the Department adopts a hands-off stance and pretends that it is a matter to be resolved by the company and the host country.

In an Aug. 1 story in the Bangkok Post, an embassy spokesman was quoted as saying the United States' only interest in Friendship Village was "paternal."

"The U.S. does not have any control over Intercontinental Housing since it is a private company," the story quoted the spokesman as saying. "But the U.S.-sponsored the original project and still feels it is a sound idea."

But as an article in Thal Rath, another newspaper, made clear on Aug. 3, many buyers were drawn to the project precisely because of U.S. sponsorship through the housing guaranty program. The article said:

"The homebuyers further complained that most of them interested in this project when they first learned, from the brochure, that the project was supported by AID and the Bangkok Bank."

They also contended that the sewer system was not properly constructed and that Friendship Village's streets were in disrepair.

Owners were particularly irritated about the streets because they had been damaged by Miller's construction trucks during the building of the 85 additional houses on the land they said was once earmarked for their park and recreation area.

In short, Friendship Village was hardly the idyllic American-style suburb that owners had been promised.

Although the State Department's AID office in Bangkok was under great pressure from home owners to take a more active role in settling the dispute, AID steadfastly tried to play the role of a third party.

CONSENSUS CITED

"The consensus here," said one internal memo, "is that primary responsibility for resolution must remain with Miller and the homeowners association."

Indeed, AID complained that the fact the homeowners were looking to the agency for help complicated settling the matter.

"The difficulty which we think emerged with this project," AID wrote to a General Accounting Office (GAO) auditor, "is that the homeowners, rightfully or wrongfully, asserting that since the United States Government was involved in the financing it was the United States Government to whom they should look for follow-up to assume the developer's literal compliance with their understanding of the project."

As old problems remained unsolved, new problems began to rise because of them. A sharp increase in the number of delinquencies began to plague the project in 1970, when it was still less than two years old.

The State Department's AID office in Washington warned the AID office in Bangkok of the gravity of the development:

"We suspect that the increase in delinquencies is not unrelated to the current difficulties between the home owners association and the sponsor . . . We must caution that delinquencies threaten jeopardy to the very institutions we are trying to strengthen."

Still, AID was unwilling or unable to apply the pressure to resolve differences between the developer and Friendship Village homeowners. The builder did repair the streets, but most of the other problems remained.

In the meantime, Friendship Village was costing American taxpayers tens of thousands of dollars a year, although supporters of the program have always contended that it costs taxpayers nothing.

It is true that the housing guaranty program's funds come from fees it charges to institutions which use the program. And it is true the salaries and expenses of the program are paid from the funds—not tax monies of Americans.

WORK FOR UNITED STATES

But in cases such as Friendship Village, where the housing project goes awry, other State Department personnel who are paid from tax funds, find themselves drawn into the process of trying to resolve difficulties that arises under the program.

The files of the Friendship Village project are filled with letters and memos from AID officials who spent countless hours at taxpayers' expense answering letters, writing reports or offering opinions about how to resolve problems.

Now, four years after the problems boiled the surface, they are still mostly unsolved.

Delinquencies continue to be a problem. The Bangkok Bank has instituted foreclosure actions against some homeowners in the last year, evicting some and forcing others to make up their delinquent mortgage payments.

Maintenance in Friendship Village is spotty; some yards are well kept while others are overgrown with bushes or weeds. There is

at least one abandoned house in the development.

There was one other potential problem Miller created for homeowners in the way he carried out the project.

When he formed the homeowners association, he used Thailand commercial code by-laws instead of bylaws previously approved by AID.

An AID-financed management review of the project said the association's bylaws, contrary to original guidelines approved by AID, do not require an outside audit of the homeowners associations' accounts.

At the time of the review, the association had \$40,000 in its treasury, and the management review pointed out potential areas for abuse:

"Considering the large amount of money involved, not only now, but especially in the future, there is no protection against misuse of funds to the future without this requirement."

How could so many problems arise in the execution of one foreign aid project?

ACTION DENIED

"There is little government intervention or surveillance of this program, Roger Ernst, director of the State Department's foreign aid program of Thailand, told an Inquirer reporter.

As The Inquirer investigation disclosed, the State Department has failed to effectively monitor the foreign aid program around the world, and no where is that failure more evident than in the housing guaranty program.

A General Accounting Office (GAO) audit of Friendship Village in 1973 concluded that the State Department AID office in Thailand had failed to establish even minimal guidelines for overseeing the project.

"No procedures were established to assure that the provisions of the mortgage contract were followed," the auditor wrote in a letter to the AID office. "We also found that adequate controls were not developed to assure the builder's compliance with the project agreement."

The Inquirer attempted to interview Miller about the project recently at Bangkok, but the developer declined, saying:

"Newspaper people are only looking to screw things up. The stuff gets screwed up so much in the press that I don't talk to newspaper people. Why don't you talk to the people at AID?"

But AID's Bangkok office, it should be recalled, did not want to talk about Friendship Village either and even contended that it had no address for the project.

And Ernst, the foreign aid director in Thailand refused to allow an Inquirer reporter to examine the files on the project.

But Garvey Enterprises in Wichita, Kan., whose owner, Willard Garvey, held 50 percent of the stock in Intercontinental Housing, was willing to discuss the project.

"Let's put it this way," said Terence McDonald, president of Garvey International, "our project was successful."

McDonald said there were major delays due to excessive paperwork required by Washington and due to ignorance of Bangkok housing conditions by the FHA, which surveyed the construction site.

"FHA-Washington doesn't know anything about housing requirements in Bangkok," he explained. "One delay was an FHA requirement that the development be hooked up to the Bangkok sewage system. Well, there ain't such a thing."

Asked in what way he considered Friendship Village a success, McDonald said it was profitable, attractive and "started people thinking in terms of long-term money for housing." He added that the company would like to build more housing overseas if the housing program were streamlined and opened to U.S. builders again.

"Frankly we feel that each person, if he becomes a homeowner, is a responsible citizen," he said. "You might say it's our missionary outlook, if you could call it that. Then we'd like to try, you know, to make a little money out of it."

THE HISTORY OF A MURKY MONEY DEAL (By Donald L. Barlett and James B. Steele)

For three years now, the State Department has been quietly putting together a deal to provide millions of dollars in mortgage money to build a housing development in Bangkok, Thailand.

It is a deal that is entangled in precisely the sort of murky alliances and financial intrigues that have so often diverted the American foreign aid program from its original goal—helping the poor.

It is also a deal in which one arm of the U.S. foreign aid program lends money to a private company that in turn invests the money in a profit-making project arranged by a second arm of the U.S. foreign aid program.

It all began in 1971 when a State Department survey concluded that there was "a substantial housing shortage" in Thailand. Shortly thereafter, an official of a British housing corporation and a friendly State Department official began laying the groundwork to use the U.S. foreign aid program to finance the British company's own profit-making venture.

In three years, the project has mushroomed. Its investors now include two wealthy Thai families and an Asian development company whose stockholders include some of the largest corporations in the United States.

It was in 1971 that Peter M. Kimm, then deputy director of the State Department's Office of Housing—now director—passed a copy of the housing survey on to Jack Burgess, an official of the Commonwealth Housing Corporation in London.

Burgess was delighted.

In a letter dated Nov. 16, 1971, beginning "Dear Peter," Burgess replied to Kimm:

"I have been touring the Caribbean recently so have not been able to write to you.

"I would like to say how much I appreciated your letting me see a draft of the report on Bangkok. This corporation (Commonwealth Housing Corporation) is now sending a mission to Bangkok, and the information contained in your report will be most useful."

PROSPECTS SOUGHT

Burgess then asked Kimm "what prospects would I have," if he formed a mortgage-lending operation in Bangkok, "of persuading you (the State Department's housing office) to invest in such a company?"

The groundwork for the answer to that request had been laid one month earlier when Kimm, in an internal memorandum summing up a meeting with Burgess, wrote:

"We concluded that we should keep each other fully informed about our programs, and that we should look for opportunities for future collaboration, particularly in the form of joint investments. Botswana and Thailand both offer possibilities."

Over the next 12 to 18 months, Burgess' company began mapping plans for the construction of a new town on 1,800 acres of land about 30 miles north of Bangkok, to be called Nava Nakorn. A private company was set up in Thailand called Nava Nakorn Co., Ltd.

According to a June 1974 corporation report, 100,000 shares of stock were issued in the company, with 65,000 shares going to two wealthy Thai families. The rest of the stock was divided this way:

Commonwealth Development Corp., the parent company of Commonwealth Housing Corp., 10,000 shares; Thailand's National

Housing Authority, 10,000 shares; Industrial Estates Authority, 5,000 shares, and the Private Investment Co. for Asia, 10,000 shares.

The Private Investment Co. for Asia (PICA) is a Tokyo-based company whose stockholders include nearly four dozen of the United States major corporations—from Exxon Corp. to Time, Inc., to RCA Corp.

PICA has borrowed \$2 million from the Overseas Private Investment Corp., an that makes loans and insures business investments in less developed countries through the foreign aid program.

In a kind of progress report on their joint Nava Nakorn project, Kimm, the State Department official, wrote to Burgess, the corporation executive, a letter dated Sept. 6, 1973.

He suggested that the best vehicle for possible State Department financing for the Nava Nakorn project would be the Thai National Housing Authority.

Ostensibly at least, one of the requirements of the American foreign aid program is that the country receiving the assistance really wants it. But in this case, Kimm sought out officials of the Thai National Housing Authority, who were not actively pursuing assistance under the State Department's housing guaranty program, and urged them to do so.

Two months after his letter to Burgess, Kimm wrote to Roger Ernest, the director of the State Department's foreign aid program in Thailand, suggesting to Ernst that "... it is time to focus your attention on housing matters."

In the following months, there were more meetings and more discussions, and finally last summer the talks centered on a specific amount of American foreign aid.

PROGRESS IS CITED

In a letter dated July 16, 1974, Burgess wrote to Kimm following a meeting with the State Department's Ernst in Thailand:

"We are making considerable progress with the planning of Nava Nakorn New Town and expect to start development works early in January 1975.

"My main concern is the provision of long-term mortgage finance for the middle-income-group house purchasers... I think I would need an initial assurance of something in the region of \$20 million spread over a period of time."

Ernst wrote to Kimm two weeks later, asking about the availability of funds, and said: "As you are aware, (Burgess) is involved in the Nava Nakorn New Town development and envisions the United States housing guaranty for coverage of the middle-income component of the total project.

"He would like to shepherd through the Thai structure a request from them to AID (Agency for International Development) to bring the housing investment guaranty into play for this project."

What Ernst was saying is this:

Burgess, representing a profit-making British company, would guide the paperwork through which the Thais would request an American foreign any guaranty through the Thai government bureaucracy to the State Department.

Kimm, in a letter dated Sept. 3, 1973 advised Ernst that money would be available for the new town project.

GOOD PROGRAM

Wrote Kimm: "Let me assure you... that were we to put together a good program in Thailand, we could carve out a piece of our available authority.

Despite the fact that there was at the time a depressed mortgage market in the United States, Kimm assured Ernst that there would be no trouble raising the money for the Thai project. Actual mortgage money under the housing guaranty program is largely provided by American savings and loan asso-

ciations, with their investment guaranteed by the government.

"Incidentally," he wrote, "the availability of investment funds in the United States has no bearing on a 'reservation' of funds for Thailand.

"Actually, funds have always been available. The question is, at what interest rate.

"We would like to pursue the possibility of further discussions with you on possible participation in the Nava Nakorn project."

If the State Department ultimately issues the guaranty—which all the department's correspondence indicates it plans to do—it will mean simply this:

At a time when million of Americans cannot get mortgage loans, money from the American savings and loan industry, insured by American taxpayers, will provide cash for a British corporation to build housing at a profit for middle- and upper-income families in a Thai new town.

[From the Philadelphia Inquirer,
Nov. 27, 1974]

WOMAN PREACHER IS JAILED—SHE DARED CHALLENGE U.S.-AIDED INDUSTRY

(By Donald L. Barlett and James B. Steele)

This is a story about the U.S. foreign aid program and a woman minister in South Korea who was arrested and held in solitary confinement nearly three months for delivering a sermon.

It was after she preached on the importance of seeking "the kingdom of God and his righteousness" (Matthew 6:33), that the Rev. Cho Wha Soon, a 40-year-old Methodist minister in Inchon, South Korea, was arrested by agents of the Korean Central Intelligence Agency (KCIA).

That was last May 15. The slight, soft-spoken Rev. Cho, who stands about 5 feet, 4 inches and weighs little more than 100 pounds, was whisked away from her home at 6 A.M. by KCIA agents. She was questioned for six days and then taken to West Gate Prison, where she spent the next 76 days in solitary confinement before her release. No formal charges were lodged against her.

As is the case with most all persons arrested in South Korea—touted by the U.S. State Department as a shining example of this country's successful foreign aid program—Rev. Cho was not permitted to contact her family, friends or a lawyer.

It was shortly after her release from prison that an Inquirer reporter interviewed Rev. Cho in Seoul in connection with the newspaper's investigation into the administration of the \$172 billion U.S. foreign aid program.

What does Rev. Cho have to do with American foreign aid?

Rev. Cho's arrest grew out of a sermon she delivered to workers of a textile plant whose operations—like those of many other Korean textile mills—have been subsidized through the United States foreign aid program.

For several years, Rev. Cho has been attempting to improve the lot of workers at factories and textile mills described by one American labor union official as having "some of the worst working conditions in all of Asia." Those same plants have received American foreign aid both directly and indirectly.

For its part, the State Department remains blissfully stoic about such things. As far as the State Department is concerned, the Korean people are doing very nicely, at least statistically.

As Arthur W. Hummel Jr., then deputy assistant secretary of state for East Asian and Pacific affairs, told a Senate Appropriations Committee hearing in May 1972:

"Korea is an excellent example of increased strength and self-reliance. Its record of economic growth in the last decade is nothing short of remarkable."

What Hummel and other State Department officials neglect to mention are the op-

pressive working conditions and an industrial base heavily dependent on cheap female labor and private profiteering and corruption that are so pervasive in Korea that businesses budget for their bribery payments.

Nor do they talk about the major beneficiaries of American foreign aid: A select group of government officials; private businesses controlled by wealthy Korean families; companies run by onetime government leaders or ex-Army generals, and joint enterprises managed by Koreans in partnership with Japanese and American companies.

Nor do they talk about the major conditions in those plants where the starting wage often is less than 15 cents an hour—sometimes less than 10 cents; where the traditional work week is seven days; where management dictates to employees whom they may, or may not, associate with, and whom they should vote for in elections.

NO MINIMUM WAGE

Nor do they talk about the fact that the unions are controlled by the Korean Central Intelligence Agency; that there is no minimum wage; that there is no collective bargaining; that if a company fails to pay its employees, they must continue working because there is an absolute ban against strikes.

Nor do they talk about the autocratic administration of President Park Chung Hee, who has junked Korea's democratic constitution, eliminated personal freedoms, made criticism of his government a capital offense, outlawed strikes and maintained an economic policy based on what one Korean educator calls a "minimum, minimum wage."

None of this seems to bother the State Department much. It continues to pour foreign aid money into Korea seemingly on the basis that the only really important thing is a steadily rising gross national product.

Since the end of World War II, the State Department has pumped nearly \$12 billion into South Korea through the foreign aid program.

That figure does not include hundreds of millions of dollars spent to maintain American armed forces in the country, or loans from the United States Export-Import Bank, or guaranties on American private investments or assistance furnished by international organizations to which the United States is the major contributor.

There is no sign that the flow of foreign aid money to South Korea will stop. An official in the American Embassy in Seoul ticks off a list of ongoing and upcoming projects financed with foreign aid development loans.

AGRICULTURAL PROJECT

There is a \$5 million agricultural project and a \$2.5 million elementary and middle school project and a \$10.7 million power company project and a \$2 million feasibility study relating to future foreign aid projects.

Officials of the Korean government have their own list for the future. They want more housing projects and more military hardware and more agricultural products, all to be financed through the foreign aid program.

Much of American foreign aid to Korean businesses involves raw materials and manufacturing equipment purchased from the United States through long-term, low-interest loans.

The loans often run for 40 years, with a 10-year grace period, meaning that no payments on the principal are made during the first 10 years. Interest rates generally are a nominal two to three percent.

These kinds of loans and American foreign aid investments generally in private businesses are not unique to South Korea. Neither are the results of those investments.

The State Department has made the same

kinds of grants and loans and loan guaranties in everything from the electronics industry to the food-processing business in less developed countries around the world.

As *The Inquirer* reported Sunday, the State Department has funneled billions of dollars into these foreign aid projects to spur growth in gross national products in the belief that the benefits would trickle down to the poor.

Instead of aiding the poor, the foreign aid money has helped the rich to become richer, further entrenched those already in power and subsidized low-wage industries from the Philippines to Botswana and Jamaica.

Since the mid-1960s, the State Department has invested about \$400 million in the Korean textile industry, with the bulk of the money going to supply American cotton for the mills.

Here is the story of one such mill, the Dong-II Textile Company. It is better than some Korean textile plants, worse than others:

Dong-II Textile manufacturers and exports cotton and man-made fabrics, yarns and threads. The company has two plants, one at the port city of Inchon, another at An- yang.

Bahk Zhin Woong, an official in the company's export section, says that Dong-II employs about 100 persons at its corporate offices in Seoul and another 2,500 workers at its two plants.

Bahk said the company imports much of its cotton from the United States and, in turn, exports the finished products back to the United States.

During the last five years, Dong-II's sales have soared 211 percent, climbing to \$33.6 million last year from \$10.8 million in 1969.

In that same period, the company's exports jumped 680 percent, going from \$3.0 million in 1969 to \$23.4 million last year, with a large share of that volume coming to the United States.

At Dong-II's main factory complex at Inchon, there are 919 looms and 62,496 spindles turning out a variety of products, including cotton fabrics, cotton poplin, cotton yarn and blended yarn.

Of the 1,400 workers at the plant, Woo Young Yoon, a plant manager, estimates that 1,200 are women, mostly in their teens and early 20s.

About 830 of the women live in a dormitory provided by the company. Woo said there is no charge for living in the dormitory. He said that the company provides one free meal each day for all workers and that girls living in the dormitory must pay for two of their meals.

SEVEN-DAY WORK WEEK

Generally, the girls work an eight-hour day, seven days a week, with one day off—called a "holiday"—each month. The plant operates round the clock, and each week the girls rotate shifts.

Because of the slowdown in the economy, however, the plant now is on a six-day week.

Throughout the factory there are signs suspended from the ceiling and stenciled on steel girders imploring the girls to work harder. Roughly translated, they read:

"Whether you are diligent or lazy shows clearly at the work place."

"Increase production."

"I won't put off my work for today. I will complete all of it."

And outside the plant, the company motto: "Do your work well, think well, cooperate with one another."

It was near the end of last April when about 40 girls from the Dong-II plant attended a picnic outside of Suwon, a town 20 miles south of Seoul. There were some 60 girls there, too, from another textile mill.

Rev. Cho, the Methodist minister, remembers the day well.

"I was speaking on Matthew 6:33," she re-

calls. "It says, 'Seek ye first the kingdom of God and his righteousness; and all these things shall be added unto you.'"

"To explain righteousness, I was talking about the present situation in Korea. I said in today's society, of you try to live a righteous life, you are liable to go to prison for 10 years.

"I used as an example two Christian professors arrested a few days earlier and I said it may be even that I will have to spend 15 years in prison for talking about such things, but that's the price a righteous person will have to pay."

It was a little more than two weeks after the picnic that Rev. Cho was arrested by agents of the Korean Central Intelligence Agency, an organization whose functions are about the same as those of the Gestapo in Germany during the 1930s.

One of the things that most upsets the KCIA and the Park government is the industrial mission program being carried out in Korean textile mills and other factories by Protestant clergy like Rev. Cho, and more recently their Catholic counterparts.

Through the industrial missions, the church leaders meet with factory workers to hold religious services, visit them if they are sick or injured, conduct labor education programs and assist the workers if they want to organize or improve an existing union.

TOLD HOW TO VOTE

Rev. Cho first began working in the industrial mission in 1966, the year she was ordained a Methodist minister. And for a time, she even worked at the Dong-II plant.

The company carries on its own educational programs, Rev. Cho says, telling the girls what is best for them and the company. There are anti-Communist indoctrination programs and at election time, the company tells the girls whom to vote for. She continued:

"The whole factory is regimented tightly. It's regulated so that everybody works at their maximum at all times. For example, if you go to the bathroom, you must go and come back in a two-minute period or you're liable for a demerit.

"There is a very strict system of demerits. If someone breaks a rule, they have to write a letter admitting they have done such a thing. If they write three of these letters, they are automatically dismissed.

"There is also a letter of apology. If you've done something like a trespass of etiquette or not followed the company policy, you must write a letter apologizing."

Among those employees required to write such letters are girls who associate with Rev. Cho.

The starting wage at the Dong-II plant, where girls work two to three years and then quit, Rev. Cho said, is about 10 cents an hour—before deductions.

The average wage, again according to Rev. Cho, is around 16 cents an hour. A Dong-II executive maintains that the average wage is close to 30 cents an hour. The government says the average for the textile industry is 23 cents.

Whatever the case, it is agreed that there are many other manufacturing plants and textile mills in South Korea that pay 10 cents an hour or less.

For some measure of what that 10 cents, or even 30 cents, an hour will buy:

One pound of beef costs \$1.60; a black and white 19-inch television set sells for \$254, an apartment-size refrigerator sells for \$594.

The best measure of all perhaps, is the price of sport shirts in a downtown Seoul department store, which ranges from \$6.25 to \$20.

LOW WAGES EMPHASIZED

Thus, the textile plant employees who produce the cloth to make the shirts, even if

they earn 30 cents an hour, must work 21 to 67 hours to earn enough to buy one shirt.

Obviously, the average Korean worker cannot afford to buy his clothing in a Seoul department store. He cannot afford to buy a television set, or a refrigerator, or a pound of beef.

It is precisely the low wages that President Park emphasizes in his effort to attract new industry to South Korea, along with a guarantee to employers that there will be no strikes.

The 1974 "Guide to Investment in Korea," published by the government's Economic Planning Board, phrases the no-strike law more delicately:

"Foreign investors are given special protection from unwanted labor disputes."

Even before President Park's emergency decree outlawing strikes, says an American professor at a Seoul university, "one of the things the Korean government promised an investor was there would be no strikes."

"One of the ways they did this was to make sure they controlled who ran the unions. So the Korean government has become highly incensed that religious figures are meddling in labor affairs."

So it is, then, that except for the work being done by church leaders, there is no effective union movement in South Korea.

This is especially curious, for since 1968 the U.S. State Department has awarded \$5.4 million in contracts to the Asian-American Free Labor Institute, Inc., in Washington, ostensibly to develop a trade-union movement in South Korea and other Asian countries.

Listen to the descriptions of some of those contracts contained in State Department files:

Feb. 8, 1968—Provide advice and assistance in the development and administration of trade union programs and labor related endeavors.

April 7, 1970—Develop programs and training projects in trade union organization, leadership and administrative training for selected participants from Asian and Near East areas.

March 31, 1974—Feasibility study to determine labor needs and personnel capabilities in the less developed countries of Asia.

How are the institute's programs—which are financed by the American taxpayer—coming along in a country where strikes are banned, collective bargaining is non-existent and wages are deliberately held down by government policy, while corporate profits go unchecked?

A professor at a Seoul university who specializes in labor relations offers this assessment:

"The Asian-American Free Labor Institute . . . doesn't deal with the basic rights of workers, and nothing is said about social goals and policies of labor."

"What they are doing is teaching the workers to be passive and supporting the present government and the Korean Central Intelligence Agency."

The institute, the professor explained, carries out its program under a contract with the Federation of Korean Trade Unions (FKTU), which supposedly is the AFL-CIO of Korea.

"In fact," he said, "it is an organization controlled 100 percent by the Korean government and more particularly by the Korean Central Intelligence Agency."

There are a couple of final ironies to the United States foreign aid program in South Korea—a program that calls for the development of a free trade-union movement in a country that will not tolerate free trade unions and that at the same time provides long-term, low-interest loans to improve the profitability of sweatshop factories.

The same American foreign aid program that has provided textile mill jobs for

Koreans at 10 cents to 30 cents an hour has resulted in the loss of jobs for textile workers in this country.

"We know our industry has been hurt," says Howard D. Samuel, an official of the Amalgamated Clothing Workers of America. "They have the lowest wages scales, and conditions in Korean textile plants are horrendous."

Since the late 1960's, the Korean companies have flooded the United States with their cheaper textile products and wearing apparel.

IMPORTS RESTRICTED

Indeed, the volume of textile products and wearing apparel flowing to America climbed so rapidly that the U.S. government placed restrictions on the annual growth in imports.

From 1969 to 1973, according to Department of Commerce figures, imports of Korean textiles and wearing apparel rose from \$101 million to \$250 million—a jump of 148 percent.

The Korean government reported total textile and wearing apparel exports last year of \$837 million, indicating that nearly one-third of all Korean textile exports came to the United States.

In interviews with an Inquirer reporter, officials of Korean textile companies, trade associations and the government expressed their dismay over the import controls clamped on by the United States.

Kim Hyun, managing director of the Korea Chamber of Commerce and Industry, termed the U.S. import controls "quite unfair." Said he:

"Like a golf game, there should be a handicap for developing nations like Korea. Give us a handicap, that's what we are calling

Said an official in the government's Ministry of Commerce and Industry:

"At the time (of the quota negotiations), I blamed the United States government for forcing us to limit our exports. It was unfair and incorrect."

A representative of a Korean business and industry trade association, though, is optimistic about the future, saying he believes the import restrictions will be lifted as soon as the overall economic situation improves in the United States.

"We are anxiously looking forward to recovery of United States business boom," he said.

Even exports of American cotton to Korea were halted temporarily this year to allow the money previously allocated for cotton shipments under the foreign aid program to be used for food distribution in famine-stricken areas of Africa.

With Korean textile workers earning 10 cents to 30 cents an hour, and United States textile workers losing their jobs because of the flood of cheap products into this country, who, exactly, is benefiting from the American foreign aid program?

In Washington, an official of the American Textile Manufacturing Institute, the textile industry's trade organization, offers this answer:

The owners of Korean textile mills.

He says: "The labor cost is so low that the Koreans could have bought the cotton on the open market (without the subsidy paid by the American taxpayer) and still have undersold our mills."

"That might have affected the profits of whoever is getting those profits in Korea. But to find out who, you would have to visit the back alleys of Seoul."

There is yet one final irony.

Rev. Cho, the Methodist minister, may very well be arrested shortly after you read this story.

In agreeing to be interviewed and quoted by name—talking about a company that has benefited from the United States foreign aid program, a program sold on the basis of humanitarianism—Rev. Cho has violated

any number of the arbitrary decrees handed down by President Park.

Observes an American minister who is a long-time friend of Rev. Cho:

"The Korean church leaders have made a commitment to this country and if it means going to jail, then they are willing to go to jail."

MAZE MASKS BENEFICIARY—PRIVATE MONEY-LENDER USES U.S. FUNDS

(By Donald L. Barlett and James B. Steele)

U.S. foreign aid money is parceled out through so many different programs, and so many different organizations that it is difficult to determine where the money really is going or who benefits from it.

This is a case study of one such foreign aid maze:

The Korea Investment and Finance Corp. (KIFC) opened its doors in downtown Seoul on March 10, 1972, the first short-term finance company in South Korea.

On the surface, there is no connection whatsoever between the U.S. foreign aid program and KIFC, the private money-lender.

EARNED \$734,000

In its first full year of operations last year, the company did very nicely, earning \$734,000 on total revenue of \$4.1 million. Net income per share was \$5.84.

The company's financial fortunes were aided by two seemingly fortuitous events in South Korea, a country then and now ruled arbitrarily through decrees by President Park Chung Hee.

Five months after KIFC went into business, the National Assembly—which is controlled by President Park—enacted legislation regulating short-term finance companies.

Coincidentally, KIFC was the only company that met all the requirements.

About the same time that the National Assembly passed Law No. 2339 on short-term financing, President Park issued a decree outlawing the long-term private money market, which had been the traditional source of short-term loans.

The practical effect of the two actions was that potential borrowers, who for one reason or another did not want to deal with commercial banks, had only one source of money: KIFC.

Of the outstanding stock in the Korea Investment and Finance Corp., 60 percent is held by Korean business and individuals, 40 percent by foreigners. The foreign-owned stocks break down this way:

The International Finance Corp. (IFC), an affiliate of the International Bank for Reconstruction and Development (World Bank) set up to encourage private enterprise through direct investments, holds 20 percent of the stock.

Four companies each own 5 percent of the stock: Goldman Sachs & Company, the New York brokerage house; Nomura Securities Company, Ltd., of Tokyo, a Japanese brokerage house; Bankers International Corp., a subsidiary of Bankers Trust Co. of New York, and the Private Investment Co. of Asia, a Tokyo-based investment concern.

The Korea Development Finance Corp. is the single largest stockholder, with 22 percent. The remaining 38 percent of the stock is owned by a variety of banks, businesses and individuals in Korea.

There is, in short, no sign of American foreign aid. But consider the following.

Korea Investment and Finance Corp. was set up by the Korea Development Finance Corp., a development institution that invests in, and makes loans to, Korean businesses and industries.

SUPPORT OF AID

Both companies were organized with the assistance and support of the State Depart-

ment's Agency for International Development (AID).

As of Dec. 31, 1973, the Korea Development Finance Corp. had received a \$2.9 million loan through the United States foreign aid program, to be repaid over 40 years, with a 10-year grace period and an annual interest rate of 2.5 percent.

The World Bank has made loans totaling \$41.1 million to the Korea Development Finance Corp., and has authorized additional loans of \$53.6 million.

Through the foreign aid program, the United States accounts for 26 percent of the paid-in capital of the World Bank.

The Korea Development Bank, another institution which makes loans to and invests in, Korean businesses and industries, has lent \$5.1 million to the Korea Development and Finance Corp.

The Korea Development Bank, in turn, has received \$27.4 million in three long-term low-interest loans through the United States foreign aid program.

\$15.3 MILLION LOAN

The Korea Development Bank also has outstanding a \$15.3 million loan from the Asian Development Bank. Through the foreign aid program, the United States accounts for 16 percent of the paid-in capital of the Asian Development Bank.

The International Finance Corp., which has invested \$1 million in the Korea Investment and Finance Corp., also has loaned \$1.1 million to the Korea Development Finance Corp., the company that, you may recall, organized KIFC.

Through the foreign aid program, the United States accounts for 33 percent of the total subscriptions to the International Finance Corp.

In addition, the International Finance Corp. relies largely on the World Bank as a principal source of funds, and through the foreign aid program, the United States is the single largest contributor to the World Bank Group.

Finally, the Private Investment Co. of Asia, which has a 5 percent interest (a \$163,000 investment) in Korea Investment and Finance Corporation, is operating with a \$2 million loan from the Overseas Private Investment Corporation (OPIC).

The Overseas Private Investment Corporation is a semi-autonomous organization that insures American business investments in developing countries through the foreign aid program.

BILLIONS SPENT TO EASE HUNGER—AND THE EFFORT BACKFIRES

(By Donald L. Barlett and James B. Steele)

The United States foreign aid program has spent 30 years and billions and billions of dollars on agricultural programs designed to alleviate hunger in poor countries around the world.

That effort has largely failed.

In many instances, it has worse than failed; it has backfired, actually holding down food production in foreign countries and increasing their reliance on shiploads of U.S. food and dollars.

Consequently, many of those same countries are now faced with mass starvation, the prospect of certain and recurring food shortages for the foreseeable future and a continuing inability to grow enough food to feed themselves.

U.S. agricultural aid, like the entire \$172 billion foreign aid program, has been undertaken with the best of intentions. And, also like the entire foreign aid program, it is an example of funds misspent, misdirected and, ultimately, wasted.

Poor, hungry people in developing countries are still poor and hungry and more dependent than ever on the outside world for food to stay alive.

The Inquirer's probe of agricultural assistance—part of a seven-month investigation of the flawed U.S. foreign aid program—found that:

The United States has mistakenly tried to transplant primitive societies farming techniques perfected in this country, on the assumption that what works in Iowa and Indiana will work in India and Indonesia. It won't, and for the subsistence farmers in far away places, the results have been catastrophic.

Programs such as Food for Peace, motivated by humanitarian impulses, have actually caused many poor countries to fail to even try to increase their own agricultural production—because it is cheaper and easier for them to obtain food from the United States than to grow it at home.

All too often, aid is spent on expensive, show-case projects that benefit only a handful of farmers and make no contribution to the country's overall agricultural needs.

Even in established projects, aid, instead of flowing to needy small farmers, often benefits large farmers or pays the salaries of educated, elite bureaucracies in the developing countries that have grown up to administer aid programs.

Agricultural assistance has also had the ironic effect of postponing or delaying indefinitely necessary, painful reforms in many nations that, if taken, would substantially increase food production and relieve misery.

In country after country, The Inquirer investigation established, if there is one lesson to be learned after the expenditure of more than \$172 billion in American foreign aid, it is this:

Unless the government receiving the assistance has enacted sound policies of its own, no amount of foreign aid will do the least bit of good.

This is especially true in less developed countries, where corruption is systematic and in countries where governments have failed to institute even the most basic self-help measures.

Says a senior staff assistant for the Senate Foreign Relations Committee:

"External assistance is of minimal value unless the internal society is straightened out. India is a good example of an internal society that has not been straightened out."

Says a State Department official, privately echoing the same sentiments after years of overseas duty:

"There are some countries where assistance is a complete waste. India is a good example. Every dollar we put into India is a dollar down the drain."

Their observations relate to foreign aid in general. But in no other facet of the foreign aid program are their assessments more painfully applicable than in the area of agricultural assistance.

Over the years, the United States foreign aid program has provided a staggering amount of agricultural assistance to the rest of the world in the form of direct food aid or assistance in agricultural planning.

Since the food for peace program was enacted by Congress in 1954, the nation has shipped agricultural products valued at \$22.4 billion to more than 100 countries.

NEW METHODS TAUGHT

Agricultural experts from American colleges and universities have studied exotic tropical diseases and worked closely with poor farmers to teach them new farming methods.

Billions of dollars have been poured into large-scale projects in irrigation, colonization, farm resettlement and tropical agricultural research.

It is true that the United States' foreign aid program has done all of that. Yet whether the vehicle of the aid program has been direct non-repayable U.S. grants, or insurance guarantees to private companies en-

gaged in farming, or agricultural loans from international organizations such as the World Bank, there has also been one failure after another.

In South Korea, the government has implemented a patchwork agricultural policy over the last decade, with the backing of the State Department, which has adversely affected food supplies. Korean farmers explained to The Inquirer what has happened:

Several years ago, the government told farmers to raise chickens. Everyone built chicken coops. Then, the price of chicken feed went up 500 percent due to soaring demand and the price of eggs went up only 20 percent.

Everyone stopped raising chickens.

Then they were told to raise pigs. Then, it was tobacco. Another year, it was angora rabbits (for the fur). Another year, it was cows. All these enterprises had the same predictable result: A farmer would buy a calf for \$150, feed it for six months and then be able to sell it for only \$125.

This year, the Korean government is pushing sunflowers.

In West Africa, a \$1.4 million State Department project to raise chickens for domestic consumption in the three food-short nations of Mali, Mauritania and Senegal failed because U.S. planners did not take into account the fact that those nations did not have enough grain to feed both their populations and support a poultry industry.

In Thailand, the State Department enthusiastically supported a private American company's plan to increase corn production by guaranteeing the project 100 percent.

The idea, according to a State Department release, was to transplant to rural Thailand "the familiar county-agent concept of U.S. agriculture in providing farmers advice on the use of fertilizers, seed selection, cultivation and other aspects of successful farming."

But the project failed because it was undercapitalized from the start by the American company. It ended up costing the American foreign aid program \$6.7 million to cover staggering operating losses.

In India, the United States poured in more than 42 million metric tons of wheat during the 1960s under the foreign aid program.

"By giving her so much food, we gave India a crutch," says a senior aide to the Senate Foreign Relations Committee. "As a result she had postponed all the hard, tough political and economic decisions that must be made."

Those decisions include whether India will continue to pour millions of dollars into her growing military program or divert some of that money to provide food for her hungry masses.

Now, as starvation marches across vast reaches of Africa and Asia, many undeveloped countries have sought to blame their plight on developed nations, especially the United States, and are demanding more help.

But during all of the discussion about famine and its causes and its possible cures, there is one subject that goes unmentioned: The failure of developing countries to institute necessary self-help measures to increase agricultural production—a failure that no amount of American foreign aid can ever overcome.

There is, in short, great potential for increasing agricultural production in many undeveloped countries.

But for one reason or another—all related to the failure of internal government policies or an inability to face certain hard political realities these governments have refused to come to grips with their problems, and agricultural production has suffered.

Take the case of Colombia, one of the nations visited and studied in detail by Inquirer reporters as part of the newspaper's foreign aid investigation.

Long a focal point for American aid in Latin America, Colombia has received \$1.4

billion in loans and grants directly from the United States since 1946.

In addition, Colombia has received loans of \$1.1 billion from the World Bank and \$619 million from the Inter-American Development Bank. Both lending agencies depend heavily on the United States for financial support.

MANY-FACETED PLAN

Of the total aid amount, several hundred million dollars have gone into agricultural programs, ranging from the colonizing of Colombia's vast, sparsely populated eastern plains to the upgrading of national agricultural planning.

It has been poured into a variety of different agencies administering a variety of different programs—all aimed at making Colombia's 23 million inhabitants less dependent on the outside world for certain foods.

But perhaps the story of just one agency which has been a leading recipient of American aid—the Colombia agrarian reform institute (INCORA)—explains why per capita agricultural production in Colombia is just barely keeping pace with population growth.

INCORA, a government agency, was created in 1962 to carry out the provisions of a newly-passed agrarian reform law. The purpose was ostensibly to change the maldistribution of land in Colombia.

As in many developing nations, Colombia's good agricultural land is held by only a few families. They are wealthy aristocrats, for the most part, who can trace their lineage well into the nation's Spanish past.

Colombia is a mountainous country dominated by three separate ranges of the Andes. The best land is in the level, fertile valleys between the ranges. It is there that Colombia's elite have held sway for centuries.

With all the good land taken, small farmers settled for smaller holdings on the sides of the mountains where farming conditions are more difficult and soils are poorer than in the valleys below.

The 1960 census showed the extent of this pattern. Large farms of 247 acres or more made up only 3.5 percent of Colombia's total farms. But small farms of 12.4 or fewer acres comprised 62.5 percent of the nation's farms.

Even though Colombia is rich in soils and climates, and capable of producing a wide variety of crops, productivity has always been low.

One reason is that land taxes are very low, thus encouraging underuse of the good land, and the Colombian government has never applied pressure on large landholders to force them to use their land more efficiently.

Thus in Colombia, the problems of agriculture are largely political and a World Bank study of 1970 summed it up this way:

"The soil and climate endowment of much of this land is good . . . What is needed is well-directed pressure to bring the land into greater productivity."

In its own way, INCORA was supposed to exert "well-directed pressure," but the agency was probably doomed to fail from the start.

There never has been broad-based support for true agrarian reform from either of Colombia's two major political parties which have governed the country in recent years.

Both the liberal and conservative parties contain members who are large, wealthy landowners and whose interests would be directly affected by any ambitious program of radical reform.

NO MAJOR CHANGES

Consequently, in the 13 years since the agrarian reform act was passed, there has been no fundamental change in the way land is owned in Colombia.

At the same time, there has also been a genuine difference of opinion in Colombia, as elsewhere, over whether radical redistribution of land by expropriation or other forceful means would help or hurt agricultural production.

Whatever one believes, the problem is that Colombia has been unable to decide on whether to institute true agrarian reform or drop the program altogether.

"If anything, agrarian reform has been an impediment to agricultural production in Colombia," believes one U.S. official who spent years observing Colombian agriculture. "It has created uncertainty."

On one hand, INCORA has been unable to make any fundamental change in the country's maldistribution of land.

But on the other, every Colombian government usually pays at least lip service to the agrarian reform idea, which in turn creates some unwillingness on the part of major farmers to invest heavily in agriculture for fear their land might one day be expropriated.

None of Colombia's indecision, however, has deterred the United States foreign aid program from consistently pouring money into INCORA, even when it was obvious that the agency was making no strides toward land reform at all.

Even when INCORA's performance is criticized by other U.S. agencies, such as the General Accounting Office (GAO), the State Department speedily rushes to INCORA's defense.

A 1967 GAO audit, for example, concluded that INCORA, even with heavy U.S. support, had been unable to achieve "any appreciable success in effectively transforming the maldistribution of land in Colombia."

The State Department's AID office in Bogota prepared a seven-page answer to the GAO criticism that was, in short, an endorsement of INCORA policies, saying the agency's main objective "was to continue its steady progress" in solving Colombia's old-age rural problems.

"Even more significant," read the AID memo, "is INCORA's recognition both of the magnitude of the problems which face overall agrarian reform in Colombia, and the fact that it is adopting what we consider to be reasonable solutions to these problems. . ."

Seven years later, INCORA is no closer to achieving agrarian reform than it was in 1967.

INCORA has been such an obvious flop that now even AID's Bogota office is saying, at least privately, what critics of INCORA have been saying for years.

"I don't think the performance of INCORA has been very effective," one high AID official told The Inquirer.

Colombia's National Planning Department was unable to provide The Inquirer with up-to-date statistics showing current land ownership patterns, but one high department official said there has been virtually no change.

"Big interests stood in the way of land reform," he said, "so there has been little change at all. And it is not a high priority with this government either."

Although Colombia has achieved some success in producing more export commodities such as cotton and beef, per capita food production has just kept pace with population growth the last decade.

LITTLE CREDIT GIVEN

An American agriculturist who has spent years observing Colombian agriculture told The Inquirer that U.S. aid to Colombian agriculture has played little, if any, role in the increase.

"The crops that show the increase are exports such as coffee, cotton or beef," he said. "And these are produced mostly by commercial farmers using modern technology."

The aid money has not helped the small, subsistence farmers who comprise the backbone of Colombia's rural society, as evidenced in part by the continuing exodus of the rural poor to Colombia's big cities.

Bogota, the capital, was a city of 664,000 in 1951. By 1964, the population was 1.5 million. Today, the population is estimated at 2.7 million.

In fact, it may be much higher. No one has any scientific way of counting the thousands of poor farmers who yearly stream into Bogota and other large cities to escape the desperate poverty of the countryside.

"We have just operated an international social welfare program in agriculture," says one disillusioned American of the Colombian program. "The money that has gone to INCORA has not prepared anyone for the future or to become a productive member of Colombian society."

Colombians are still debating over who benefited from the millions that INCORA has spent since 1962—since there are so few visible signs of agricultural progress.

There have been repeated charges in the Colombian legislature of corruption in INCORA. Lawmakers have charged that in cases where INCORA has actually purchased land from wealthy owners for redistribution to needy peasants, the agency paid excessive prices.

INEPT PLANNING

But in most projects examined by The Inquirer in Colombia, there was another possible explanation for INCORA's poor performance—politics and inept planning.

In 1968, for example, the Inter-American Development Bank (IDB) loaned INCORA \$35.9 million for a major colonization project on Colombia's vast, largely unpopulated eastern plains.

The bank, which is largely supported by the United States, put up the funds to build access roads, schools, hospitals and other community facilities to encourage the colonization of potentially productive agrarian land.

For its part, INCORA was to provide teachers, hospital beds, educational facilities and other assistance as part of the total development package.

The schools, hospitals and roads were built largely with U.S.-supplied funds. But the Colombian government then failed to provide the teachers or the other facilities because the national government decided to de-emphasize agrarian reform in 1970.

"We built the hospitals, but they did not provide the beds," said Nestor Sanchez, assistant director of the IDB in Bogota. "You go into some of those areas today and you find empty schools."

"The idea was to aid the spontaneous settlement of those areas that was already underway. People have been going there, but conditions are bad and getting worse all the time."

While Colombia has been unable to make tough political decisions that conceivably might greatly spur food production, South Korea has aggressively adopted policies in the last decade that have actually retarded agricultural production.

A few statistics on imports and prices perhaps best underscore the dismal failure of President Park Chung Hee's autocratic administration in dealing with the problem of food.

Rice has long been the staple of the Korean diet. In the years following the Korean War, the United States exported rice to Korea, but by 1960 those exports were no longer needed.

In 1961, then-Gen. Park came to power in a military coup. Shortly thereafter he launched what was called a "New Life Campaign," dispatching his army troops to the countryside to fight poverty.

News accounts at the time reported that troops explained to the rural folk that Korean farmers were "lazy and suffer from feudalistic thinking" and only through a massive reconstruction effort would there be "jobs and rice for all."

By 1970—after nine years and millions of dollars in American foreign aid money plowed into Korea's agricultural sector to increase production and organize 4-H Clubs—the Korean government had managed to:

Drive tens of thousands of farmers from their land; hold down the living conditions of those farmers who remained behind; and make Korea dependent on American rice and other food products once again. Indeed, Korea's increases in rice production have failed to keep pace with the country's population growth.

From 1970 to 1973, the United States had to export 1,553 million metric tons of rice to Korea—or nearly four times as much rice as was shipped during the 10-year period from 1950 to 1959, when the country was in the midst of, and recovering from, the war.

LOW-INTEREST LOANS

Much of the rice, along with a substantial volume of wheat, that was shipped to Korea the last few years, was sold through low-interest, long-term loans, running up to 40 years, under the American foreign aid program.

At the same time President Park has been increasing rice imports from the United States, he has been urging Koreans to eat less rice. Restaurants are not permitted to serve rice two days a week and barley is blended in with the rice that is served, a combination many Koreans find distasteful.

For the Park administration, the rice imports have served several purposes.

They have enabled the government to avoid dealing seriously with the agricultural economy, so that all its energies could be focused on building an industrial base and increasing exports.

As *The Inquirer* disclosed earlier this week, that industrial base is built on low wages and poor working conditions and is heavily dependent on cheap female labor.

The government also has used the cheap American rice to hold down the price of rice in Seoul, undercutting the price of rice grown by Korean farmers.

Last July, the retail price of a bag of rice sold in Seoul was \$3.51. In the provincial city of Kwangju, the price was \$3.76. In the port city of Inchon, it was \$4.26. Red beans that sold for \$3.38 in Seoul went for \$3.51 in Kwangju and \$4.01 in Inchon.

By keeping food prices down in Seoul, long-time American residents in Korea say, President Park has reduced the chances for large-scale demonstrations against his other policies and decrees which curtail individual freedoms and liberties.

SEOUL MIGRATION

With the government's disastrous agricultural policies and the emphasis in non-farm jobs and cheap food, rural folk, as might be expected, have flocked to Seoul. The city now holds nearly one-fifth of Korea's entire 32 million population, and is one of the world's most densely populated cities.

The resulting urban sprawl has aggravated the country's food problem in another way:

Apartment complexes, factories, squatters' huts, houses and expressways continue to push out from Seoul, taking more and more of what once was some of Korea's best rice growing land.

As for the farmers, the more things change, the more they remain the same. Like the government's experimental agricultural policies and the government's agricultural cooperatives, all backed and often financially supported by the American State Department.

The names of the farmers are not important, only what they have to say. They remain anonymous because Koreans who speak with an American reporter are risking arrest. And Koreans who speak critically of their government are risking long prison sentences.

It is sufficient to say that their ages range from the 30s to the 60s and that they live on Yong Jong Island, located a slow, 20 minute boat ride from Inchon.

There are, on the island, about 14,000 Koreans a Catholic church that has been there some 70 years, an American priest who has been in residence since the mid-1960s, one doctor who has treated more than 7,800 patients in the last eight years, and hundreds of mud-brick and concrete block houses with thatched roofs that do not have amenities like floors or running water or electricity.

CO-OPS CRITICIZED

One farmer is talking about the agricultural cooperative.

"You have to belong to the co-op to buy fertilizer so there is no real love for it. The orders to join come from above (the government). If you don't belong to the co-op, you can't get any fertilizer. It is a threat they hold over the farmer's head."

As a requirement for membership in the co-op, the farmer says he must donate about 65 pounds of rice each year to the organization.

In return, he can buy co-op fertilizer at the same price he could buy it on the open market and he can shop in the co-op store, a kind of general store where prices are higher than in Inchon. So, he says, "there is no use to co-op."

What happens to the rice the farmer turns over to the co-op?

"The co-op sells the rice to the government. The money they get from the government goes to pay the salaries of the co-op people. There are no benefits to the farmer," he says.

The farmers say they have gone through all this before, with other cooperatives. Each time the cooperatives failed for the same reason—corruption.

GAMBLING PHILOSOPHY

The farmers complain, too, about the low price for rice—which is deliberately held down by the government—and a variety of other government policies that allow some prices to rise while others are controlled.

In other countries, observes a longtime American resident of Korea who has worked closely with the rural people, the farmers say "the weather is a gamble. Here they say tomorrow's government decision is a gamble.

Curiously, the American State Department—undaunted by the Park, government's 13-year string of agricultural failures—continues to pour money into the agricultural sector, pretending that modern technology somehow can overcome disastrous government policies.

A State Department official says, talking of plans for the future:

"We're going to bring in United States scientists to work on research breakthroughs in all grains—rice, wheat and barley."

WORLD BANK HAILS PROJECT BUT LACKS SUPPORTING DATA

"As far as the bank is concerned, the project is successful," said Carlos N. Quijano, the World Bank's representative in Bogota, Colombia.

Quijano was talking about the multimillion-dollar Atlantico irrigation, flood control and farm settlement project largely financed by the World Bank near the port of Barranquilla in northern Colombia.

Pressed to pinpoint Atlantico's successes, Quijano referred an *Inquirer* reporter to the bank's public relations department in Washington.

But the bank's public relations department was unwilling to give *The Inquirer* a 1972 bank study evaluating Atlantico.

"That paper was produced for internal use," said Jorge Bravo, a bank official. "It is not a public paper. When we do an evaluation, it is for the information of some people in the bank."

Although the World Bank is generally reluctant to provide information evaluating specific projects, *The Inquirer* investigation

found that there may be special reasons why the Atlantico project is one that bank officials are not particularly eager to discuss.

Named for the northern Colombia state where the project is located, Atlantico called for extensive irrigation and flood-control projects to open up more than 20,000 acres for small farmers and farm workers.

Two World Bank loans in 1967 and 1972 totaling \$14 million have provided most of the financing for the project, which is administered by the Colombian agrarian reform institute (INCORA), an agency of the national government.

The bank had high hopes for Atlantico. A June 23, 1967, press release said the project would "create employment and provide valuable experience in the production and export of fruit and vegetables."

The release went on to say, "The irrigated area will be extensively cultivated mainly with high value crops for export . . . oranges, pineapples, tomatoes, guavas, papaya, tobacco, peanuts, beans and grain sorghum."

To do all this, the bank said, "modern agricultural methods" would be introduced in Atlantico to help improve crop yields. About 1,800 farmers and workers would be resettled.

In short, Atlantico's goal was to grow crops for export, presumably to the United States. That in turn would earn valuable foreign exchange earnings for Colombia and raise the living standards of Atlantico's poor farmers.

There was one major flaw.

"The whole project was based on a false assumption," says one U.S. official who has observed Colombian agriculture but asked not to be quoted by name.

"The marketing was the largest failure. There was no way to market the products they wanted to produce. The idea was to export the citrus to the States. But they could never come into the U.S. market because of regulations on insects and diseases.

"Then they switched to tomatoes and vegetables. But what are they going to do with tomatoes? They can't export them to the States, either. And the nearest major markets in Colombia are very far away."

Another American official of an international lending agency who was familiar with Atlantico added:

"Some very fundamental things that you would have thought would have been covered in the feasibility study were not covered at all by anyone. You would think an institution such as the World Bank would have been more cognizant of this, but it wasn't."

Since Atlantico was a sophisticated project from the start, using modern machinery and methods, including intricate irrigation systems, the farmers quickly found themselves heavily dependent on INCORA to run their farms.

The official of the international agency explained what happened:

"They took people who used to harvest rice by hand and put them down on land where the rice is now harvested by huge self-propelled machines like you would see harvesting wheat in Kansas.

"But the worst thing is the psychological impact it's having on the campesinos. They don't associate the production on their farms with their own effort.

"INCORA makes all the decisions—when to plant, when to harvest, when to fumigate the fields. The farmers are totally dependent on INCORA, and it's hard to see the day when INCORA will ever be able to turn this over to them.

"The farmers don't feel like they are working their own land. They feel like they are workers for INCORA, and that the whole area is just one big INCORA plantation."

The Atlantico project has also run up extraordinarily high unit costs.

In an interview in Barranquilla with an *Inquirer* reporter, Jose Vicente Llinas regional INCORA director, said that so far 1,300 farmers had been settled in the project,

which had cost about 500 million pesos (\$20 million).

That works out to roughly \$15,000 per farmer, in a nation where per capita gross domestic product is about \$375 a year.

UNITED STATES PAYS FOR BUNGLING THAI PAPER COMPANY

(By Donald L. Bartlett and James B. Steele)

The man speaking is an executive of the Siam Kraft Paper Company Ltd. of Bangkok, Thailand, a company that was organized under the auspices of the American State Department.

He is explaining why hundreds of Thai citizens today find themselves holding stock in Siam Kraft—stock that is worth little more than the paper it is printed on:

"It looked like IBM on the local stock market. A big United States firm with offices all over the world was going to handle all the technical work.

"A former assistant secretary in the United States Department of Commerce was promoting it. The State Department and the United States Export-Import Bank (Exim Bank) were supporting it. Hell, I would have bought stock myself."

Now, the former assistant commerce secretary has long since bailed out, the Exim Bank has had to reschedule loans to Siam Kraft because the company was unable to meet its payments and the big United States company which provide the technical assistance has been sued for fraud.

And Siam Kraft, a company that employs about 800 Thais in the manufacture of industrial grade paper—its chief product is used for making corrugated boxes—is operating from month to month, its long-term future at best uncertain.

An American businessman in Bangkok, who has been involved in Exim Bank and Foreign aid projects for a number of years, and who has made a study of the Siam Kraft Paper Co.'s operations, told The Inquirer:

"I have never seen the agency for International Development (the State Department agency which administers the foreign aid program) and the Exim Bank so eager to give away money as they were in this project.

"On the basis of the available information, this project never should have been undertaken."

But it was, and so were dozens of other projects like it—all undertaken with the backing of the American State Department in less-developed countries around the world and all with similar or equally disastrous consequences.

The State Department's involvement in these international business deals was documented during a seven-month Inquirer investigation into the administration of the nation's \$172 billion foreign aid program.

For years, the State Department has been encouraging American business development abroad, supposedly to help the needy in less-developed countries, arguing that such investments are essential in order to raise living standards.

But as The Inquirer disclosed earlier this week, the foreign aid program often has had the opposite effect—providing subsidies to sweatshop textile mills, holding wages down to subsistence levels in poor countries and resulting in the loss of tens of thousands of jobs in the United States.

That same State Department foreign aid program, though, has proved to be a source of very profitable deals for a select group of businessmen, government officials and wealthy families in less-developed countries, as well as a select group of businessmen and investors in the United States.

In the background of many of these deals is the politically well-connected American businessman who often uses the foreign aid program while moving easily between jobs in private industry and jobs in the federal government.

COURT RECORDS

This is the story of one such deal and the interlocking business arrangements behind it. The story was pieced together by The Inquirer from court records in Washington and New York, and from legal documents and interviews in Bangkok. It involves:

Henry Kearns, the former president of the Exim Bank who received a half-million dollars in a stock deal that involved one company he helped start under the foreign aid program and a second company that benefited from multi-million-dollar loans guaranteed by the Exim Bank while he was its president.

Parsons and Whittemore, Inc., a New York-based construction company that has been involved in several controversial foreign aid projects. The company says it "could not have achieved success without the support" of such institutions as the State Department and the Exim Bank.

The State Department, which has awarded millions of dollars in contracts to Parsons and Whittemore for a variety of services under the foreign aid program, but now claims it really is unable to say just how many such contracts there were, or the total value of those contracts.

The Exim Bank, an arm of the U.S. government, which has subsidized the sale of everything from equipment for low-wage factories in South Korea to airplanes for Saudi Arabia, a country that tripled its oil prices last year. The bank makes loans at interest rates below the prevailing market rate and also guarantees loans made by commercial banks.

Siam Kraft Paper Co., a paper mill in Bangkok that charges, in lawsuits filed in Washington, New York and Bangkok, that it was defrauded by Parsons and Whittemore and by Henry Kearns. The company now is operating almost entirely on borrowed capital.

It all started in 1962 when, Kearns says, got the idea for a paper mill after talks with officials of the Thai government's Board of Investment.

At the time, Kearns—a onetime Los Angeles car dealer and assistant secretary of commerce for international affairs during the Eisenhower Administration—was president of Kearns International Business Development Corp., a private company engaged in promoting business investments in less-developed countries.

IDEA PROMOTED

Kearns then approached Parsons and Whittemore with his idea, and both he and the construction company proceeded to sell the proposal to the State Department's Agency for International Development (AID).

AID agreed to guarantee loans that would be necessary if a feasibility study determined that a paper mill would be a successful venture, or to pay 50 percent of the cost of the feasibility study if it showed that such a mill would not be practical.

In the months that followed, officials of Parsons and Whittemore and Kearns prepared and revised feasibility studies and lined up financial support for the planned project from the State Department and the Exim Bank.

Throughout 1963 and 1964, Kearns said the Bangkok offices of two of his companies, Kearns International and American Capital Corp. "maintained regular contacts with officials of the Thai government, the (Thai) Board of Investment . . . the American Embassy and potential investors . . . in an effort to keep their interest in the Kraft paper project alive, to obtain favorable decisions from all who might have an effect upon the success of the project, and to achieve understanding and support for the project."

He said that he "persuaded five leading Thai banks to make a general offer (of Siam Kraft stock) to their depositors" and that

this resulted in about 1,200 Thai individuals and companies "investing sums of \$50 or more" in Siam Kraft.

He stated that he "also played a large part in securing commitments from the Exam Bank, AID (the State Department's Agency for International Development), and a number of private United States banks to provide additional loan financing which was necessary."

But Parsons and Whittemore was no stranger, itself, to the State Department.

The privately owned company, which reported gross revenue of \$230 million in its last fiscal year, has been involved in several controversial foreign aid projects.

There were disputes over a pulp and paper mill the company built in Ethiopia, and extended litigation over a pulp mill in Chile.

Court records show that Parsons and Whittemore has entered into at least 11 agreements with the State Department, which guaranteed the company's investments abroad, and that nine of those agreements were still in effect this year.

In addition, court records show that since Jan. 1, 1970, Parsons and Whittemore has submitted 21 applications to the State Department to sell equipment to mills in various developing countries under the foreign aid program.

NOT LOCATED

Curiously, the State Department told The Inquirer that it was unable to locate any of the contracts or agreements with Parsons and Whittemore, or to determine the total value of the contracts.

In July 1965, Kearns, operating through his American Capital Corp.—a company he incorporated in Panama—formally organized the Siam Kraft Paper Co. in Thailand.

In a contract entered into that same month between Siam Kraft and subsidiaries of Parsons and Whittemore, the New York construction company agreed to build and manage the paper mill.

Of the project's estimated \$28 million cost, the Exim Bank agreed to provide half, or \$14 million. Loans of \$4 million from other sources were guaranteed under another foreign aid program.

The other major investment groups in the project were Thai individuals and companies, who put up \$4.5 million, and Parsons and Whittemore and other investors in the United States, who put up \$1.5 million.

By late 1966, a revised feasibility study prepared by a consultant retained by Kearns concluded that:

"This project appears to be technically and economically feasible . . . Earnings forecasts indicate that by 1969 the company will have an indicated operating profit of 35 percent on sales."

Those profits never materialized, though. And by the end of 1970, little more than a year after Siam Kraft had started operations, the interest in the struggling firm previously held by Parsons and Whittemore had been sold to Thai investors, who recruited a new management team from the United States to replace the Parsons and Whittemore executives who had been running the mill.

Then in 1973, Siam Kraft halted payments on loans from Parsons and Whittemore. The New York construction company filed a lawsuit against the paper mill in Bangkok.

The new management of Siam Kraft promptly filed a counter-claim in Bangkok and brought legal actions against both Kearns and Parsons and Whittemore in the U.S. district courts in Washington and New York. The lawsuits allege, among other things, that:

The new management of Siam Kraft also charged that the project proposals for the mill were false, citing a number of examples such as the following:

Expensive and unnecessary equipment was installed by Parsons and Whittemore at the

paper mill, although it was not called for in the original contract; other equipment that was listed in the contract was not provided; cost overruns were concealed, and the mill was accepted "even though (it) was incomplete and, in several respects, inoperative."

"The revised project proposal projected sales of wrapping paper during the first 15 months of approximately 11,500 tons, with revenues of approximately \$4 million; sales of multi-wall bags of approximately 3,800 tons, with revenues of \$1,300,000, and sales of grocery bags of 1,500 tons with revenues of approximately \$600,000.

"In fact, no wrapping paper, multi-wall bags, or grocery bags were sold. The fact that there was almost no market for said products was undisclosed and misrepresented in the revised project proposal."

By 1970, when it was clear that all was not going well at Siam Kraft, Henry Kearns already had moved on to become president and chairman of the Exim Bank, taking with him the 100,000 shares of stock in Siam Kraft that he had received for his efforts in setting up the company.

When worried senators had asked Kearns about his stockholdings at Senate confirmation hearings in 1969, the former president of the national Junior Chamber of Commerce pledged that he would place all his stock in trust.

Here is in fact what Kearns had done prior to 1969 and what he did thereafter:

From 1963 until he became president of the Exim Bank in 1969, Kearns worked closely with officials of Mitsui & Co. Ltd., a leading Japanese trading company, on a number of projects and discussed Siam Kraft with those officials.

During his Senate confirmation hearings in 1969, Kearns balked at suggestions he sell his Siam Kraft stock—it was virtually worthless at the time—although he agreed to place the stock in a blind trust to be administered by the Bank of America.

At the same time, Kearns did sell his stock interest in another Thai business venture, a Firestone Tire and Rubber Co. project. The buyer of the stock was Mitsui & Co. Ltd.

Early in the summer of 1970, when Kearns was president of the Exim Bank, the State Department and the bank jointly sent a consultant to Thailand to determine what had gone wrong with Siam Kraft operations.

Later in 1970, the Exim Bank, with Kearns as president, rescheduled Siam Kraft's \$14 million loan. Under the terms of the original agreement, the company was to repay the loan in 12 equal semiannual installments beginning Dec. 1, 1970.

The new loan agreement postponed the first payment until Dec. 1, 1973, and extended from 12 to 40 the number of semiannual installments, with the final payment not falling due until June 1, 1993.

At the same time, the State Department arranged a similar rescheduling of \$4 million in private loans to Siam Kraft that had been guaranteed under the foreign aid program.

After the debt reschedulings, the Exim Bank guaranteed a variety of loans, running into the millions of dollars, which benefited Mitsui & Co. Ltd., the Japanese trading company that Kearns did business with before becoming president of the Exim Bank.

In about June 1972, representatives of Mitsui & Co. Ltd. expressed an interest in Kearns' stock in Siam Kraft. Kearns referred them to the Bank of America.

In December 1972, Mitsui & Co. Ltd. purchased Kearns' 100,000 shares of stock in Siam Kraft for \$5 a share—or a half-million dollars—when the stock was selling in Thailand for a reported \$1.75 a share.

For his part, Kearns maintains that he was unaware that Mitsui & Co. Ltd. had bought his Siam Kraft stock until five months after the transaction was completed.

He also maintains that he played no part

in the Exim Bank's rescheduling of the \$14 million Siam Kraft loan, that those negotiations were carried out by another Exim Bank executive specially named by the bank's board of directors.

Indeed, Walter C. Sauer, first vice president and vice chairman of the Exim Bank, told the Senate Appropriations committee last year that he had handled all the Exim Bank dealings with Siam Kraft.

Interestingly, though, court records show there are a number of transactions and dealings involving Siam Kraft and the Exim Bank which Kearns prefers not to discuss.

He objected to, and did not answer, a series of questions posed by attorneys for Siam Kraft during pre-trial proceedings. For example, he declined to answer:

"Identify any individuals whom you recommended be employed by the Export-Import Bank. State in each case whether such individual was ultimately employed by the Export-Import Bank. State whether each of these individuals played any role whatsoever in the (Siam Kraft) project either before or after his employment by the Export-Import Bank, describing the said role and stating the time period in which it took place."

PART OF ANSWER

Here is a part of answer to those queries:

One of Kearns' business associates, Don Bostwick, who was a vice president of Kearns International from 1961 to 1965, became executive vice president of the Exim Bank after Kearns was named president of the bank.

During the mid-1960s, when Siam Kraft was being organized, Bostwick assisted in preparing a prospectus in the new company—for potential Thai investors.

Kearns also objected to answering specific questions about Bostwick. He refused to respond to:

"State when Mr. Bostwick became employed by the Export-Import Bank and give each position he held with the said bank and the dates applicable to his tenure in each position.

"State whether Mr. Bostwick's access to files of the Export-Import Bank related to the (Siam Kraft) project were restricted in any way and, if so, describe the applicable restrictions."

Kearns did say, however, that he never discussed the Siam Kraft project with Bostwick while he was employed at the bank.

While Kearns insists that he played no part in the Exim Bank and State Department decisions to reschedule the \$18 million in Siam Kraft loans, the results of those decisions clearly benefitted Kearns financially.

For it is generally agreed in Bangkok that without the loan reschedulings, Siam Kraft would have gone into bankruptcy. Now there is even cautious optimism over the company's future.

"The last two years we made a small profit," says a Siam Kraft official who asked not to be identified. "We're having difficulty now because of a general sales decline.

"We're operating a company 100 percent on borrowed money. When the market declines, as it has been, we have no strength at all.

"The balance sheet is a complete disaster. The entire equity of the company was lost in its first year of operation. Back in college they used to talk about debt ratios, but I don't think they had in mind a debt ratio of 100 percent."

Both Kearns and Parsons and Whittemore have denied the charges in the Siam Kraft lawsuit, which is not expected to go to trial for some months.

In fact, Kearns has filed a counterclaim seeking \$500,000 from Siam Kraft, contending that if the paper mill "had been capable

of operating efficiently and in accordance with the performance specifications of the contract," his stock would have been worth \$10 a share instead of the \$5 a share he received from Mitsui & Co. Ltd.

It is worth noting that the State Department, Kearns and the Exim Bank all were involved in another business venture in Thailand.

That one ended early this year with the scrapping of plans for a \$100 million-plus airport after Kearns stepped down as president of the Exim Bank to return to his Kearns International offices in San Francisco.

The project began with a proposal in 1971 by the Northrop Corp., the California aerospace company, to build and operate a new airport in Thailand under a long-term franchise agreement.

SERIES CITED

A year later, the Exim Bank's Kearns was in Bangkok endorsing the project, saying that the bank would provide much of the financing.

And shortly thereafter, Thailand's then ruling military government gave its approval to plans to build the airport in a swamp on the outskirts of Bangkok.

To help guide the project through its formative stages, Northrop hired Jack P. Bailhe, who had worked as the private enterprise officer in the Bangkok office of the State Department Agency for International Development.

Bangkok businessmen interviewed by The Inquirer said it was generally understood that the Exim Bank had made a firm commitment to finance the airport.

But in 1973, that firm commitment became shaky when Kearns began insisting that the Thai government would have to make certain guarantees assuring the financial success of the project.

On March 11, 1973, the Bangkok World quoted Kearns as saying that Northrop also "must convince the bank that there are sufficient safeguards to prevent loss in case the government changes its attitude toward the project."

In the months that followed, there was a series of inter-related events and of which contributed to the cancellation of the airport project.

Opposition began to grow among some Thai government officials and citizens groups, who argued that profit from an international airport in Bangkok should go to the Thai government rather than a multinational American corporation.

In August 1973, Kearns confirmed that he intended to resign from the Exim Bank. In October, Thailand's ruling military regime headed by Field Marshal Thanom Kittikachorn, which had given the go-ahead to the airport—was forced from power.

That same month, a Far East economics magazine published a detailed account of the proposed airport, labeling it "Bangkok's Watergate."

During its planning stages, the airport project had received the approval of the State Department.

By the end of last year, however, with Thailand's military government ousted, and sensing that the airport could become a public embarrassment to the United States, the State Department applied pressure on the Exim Bank to withdraw its loan offer.

Commenting last January on the decision to drop the project, a Northrop Corp. executive was quoted by a Thai newspaper as saying:

"The reason we could not carry out the deal was because of the present political situation here and also because we couldn't get enough financial support from the Exim Bank."

**"EXIM" BANK MAY BE GOING OVERBOARD
ON ITS LOANS**

(By Donald L. Bartlett and James B. Steele)
Like the steadily growing \$172 billion American foreign aid program that it helps support the United States Export-Import Bank (Exim Bank) appears to be running out of control.

In the five fiscal years in which Henry Kearns served as president and chairman of the Exim Bank, the bank's authorizations—loans, guarantees and insurance—exceeded its total authorizations for the previous 36 years.

From 1970 to 1974, Exim Bank authorizations amounted to \$34.2 billion—or \$3.3 billion more than the \$30.9 billion in authorizations dating from the day the bank went into business in 1934 until Kearns took over in 1969.

The figure includes direct loans as well as Exim Bank guarantees and insurance covering loans by other institutions.

Long an enthusiastic supporter of foreign trade subsidies, Kearns, addressing a World Trade Week luncheon in San Francisco back in 1960, recommended the creation of:

"More favorable and responsive credit terms (for export loans) preferably by the financial community, but if not forthcoming from this source, by the federal government."

Nine years after delivering that speech—he was assistant secretary of commerce for international affairs at the time—Kearns assumed the top post at the Exim Bank. The bank's authorizations soared.

Lending money at interest rates below the prevailing market rate, Kearns' Exim Bank:

Subsidized the sale of American aircraft to airlines around the world—from the Dutch KLM to Germany's Lufthansa to Japan Air Lines—at the expense of competing U.S. airlines.

Subsidized the sale of equipment for the enlargement of oil refineries in Iran and Indonesia and the expansion of oil fields in Nigeria—three countries that tripled the price of their oil exports to the United States last year.

Subsidized the sale of machinery and equipment to a variety of low-wage plants in countries like South Korea, the Philippines, Thailand and the Republic of China—including textile plants that in turn have exported finished products back to the United States, undercutting the prices of American manufactured products.

While Exim Bank officials traditionally have maintained that the bank's chief purpose is to support the sale and export of American manufactured goods, the fact is that bank loans quite often are included as part of an overall foreign aid package to a particular country.

Thus, when the State Department was arranging foreign assistance funds for the National Police force in Colombia, the Exim Bank agreed to provide the money for the purchase of police vehicles and spare parts.

And when Henry Kearns helped set up the Siam Kraft Paper Company Ltd. in Thailand—again with the support of the State Department's foreign aid program—it was the Exim Bank that provided half the money for the project.

The close working relation between the Exim Bank and State Department—which passed on bank loans—was attested to last year by Sidney Weintraub, deputy assistant secretary for the international finance and development.

Weintraub told a subcommittee of the Senate Committee on Banking, Housing and Urban Affairs:

"Since the Export-Import Bank supports transactions in a variety of countries and in constantly changing political and economic conditions, mechanisms have been established to insure that there is appropriate

coordination between the bank and the Department of State.

"State has provided the bank with detailed analyses of country conditions when the bank was considering new programs or when problems seemed to be developing."

While Exim Bank officials and its supporters say the bank is necessary to support American exports, there's a growing belief that the bank's loans in many cases have harmed businesses in the United States and resulted in a loss of jobs.

And as expenditures by the banks continue to spiral, there also is mounting skepticism as to whether the government should subsidize exporting industries at the expense of non-exporting industries.

William H. Branson, professor of economics and international affairs at Princeton University, put it this way when he testified before the Senate banking subcommittee last year:

"Exports aren't a good in themselves. Exports are national output that U.S. consumers don't get to consume."

Mr. CHURCH. Mr. President, two of the best reporters from the Philadelphia Inquirer who wrote these articles reached the conclusion that, as presently constituted, the foreign aid program has become a subsidy for the rich and the powerful in foreign countries, and a gravy train for the American companies which have learned how to use its diverse opportunities.

Foreign aid money subsidizes luxury housing, builds luxury hotels, puts machines in sweatshops owned by the powerful. The money has come in increasing amounts through a series of backdoor guarantees and loan programs holding the bag when the debts go bad.

Because the programs cut across the committee jurisdictions in Congress, and appeal to diverse constituencies, few people appreciate the full scope of the commitment which has been made in the name of the American people.

Mr. President, if the beneficiaries were the poor and the hungry of the world, I would be less concerned with what we have done. But when scarce American resources are taken to finance luxury hotels and to supply airlines competing with American companies with cheaper interest rates, I must protest.

This program no longer serves the interests of the United States. It ought to be scrapped. We cannot even get it cut. We have already increased it \$700 million above the present level, despite the worsening economic conditions in our own country.

For those who say, "But here and there it has enlarged the gross national product" of some foreign countries, let me point out that in those few cases careful analysis has shown that it has simply increased the gap between the rich and the poor.

It is not a reform program. It is not designed for the people who really need help. At least, we should hold to the level of spending of last year, which was approximately \$5 billion, which the Senate approved, by a vote of 62 to 21, just a few weeks ago.

I hope the Senate will reaffirm that position.

Mr. BAYH. Mr. President, may I pose a unanimous-consent request?

For the sake of clarity in debate, may

I ask unanimous consent that the Senate accept a similar amendment—

Mr. CHURCH. Mr. President, in response to the statement that the distinguished Senator from Indiana is about to make, may I say that the amendment to which he refers has already been incorporated in this amendment, holding safe the amount of money that has been stipulated for Israel.

Mr. BAYH. Mr. President, will the Senator yield for 1 minute so that I might thank him for that courtesy? I think I expressed when discussing the earlier amendment, and will not repeat it now, why the special problem in the Middle East requires us to balance the forces there. I think the amount in the bill is the bare minimum to balance the kind of resources that are being brought into that area by the Soviet Union. Thus, if the Senator succeeds, as I hope he will, this will deny the President the opportunity otherwise available to cut below the balance necessary.

Mr. CHURCH. Mr. President, I ask unanimous consent that, at the request of the distinguished Senator from Delaware (Mr. ROHR), his name be added as a cosponsor of this amendment.

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

Mr. HUMPHREY. Mr. President, did I understand that the Senator from Indiana to ask unanimous consent that his amendment be added to this one?

Mr. CHURCH. It was already added. I had already put it in.

Mr. HUMPHREY. How much time remains on the amendment?

The PRESIDING OFFICER. The Senator from Minnesota has 15 minutes. The Senator from Idaho has 5 minutes.

Mr. HUMPHREY. Mr. President, we are arguing pretty much the same thing as we did on the previous amendment.

There is a difference, of course, in the amounts. The actual foreign aid level for programs last year was \$5,161,000,000, exclusive of Israel. That is for all kinds, including the Peace Corps and contributions to the United Nations. That includes Public Law 480 food assistance programs. It includes military assistance, economic assistance, and humanitarian assistance.

The simple fact is that if we authorize the President in this amendment to cut, I believe it is, approximately \$700 million, I think we have a right to ask, "Where do you think that cut will be made?"

I do not think it will be made in the Indochina program, which we have outlined in this bill, in which we have already cut \$600 million, and \$1 billion in military assistance. They are very substantial cuts below the administration's request in this foreign assistance bill.

There is an 18-percent reduction in the authorization request, exclusive of military assistance to Vietnam.

I believe the committee report indicates that there was something like a \$1 billion reduction in that military assistance.

This bill has reduced the administration's request for military assistance to Indochina by over \$300 million.

It has reduced the military assistance in other parts of the world by about 45 percent.

There is an overall reduction in Indochina of 35 percent.

What we are really saying here is that we want to have the ceiling levels of all programs for the coming fiscal year at \$5 billion, even though last year it was \$5,161,000,000.

On top of that you would have to have what we all know in this country is a very serious rate of inflation.

Mr. President, last year we did not have funds in here for Egypt. I want to say that while I have not been very happy with those funds, I think Secretary Kissinger has done more to ease tensions in the Middle East than all the Senate put together.

I believe if he comes here and suggests that that is necessary, in light of the fact that it is substantially less than 1 day of war in the Middle East, possibly we ought to give him the benefit of the doubt.

If there are cuts to be made by the President under the Church amendment, those cuts will most likely have to be made in food assistance, in disaster relief, in the United Nations programs such as UNICEF, and the United Nations development programs.

You know and I know that the President is not going to further reduce military aid. This is what our struggle has been about.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. SYMINGTON. Why does the Senator say that?

Mr. HUMPHREY. Why do I say that?

Mr. SYMINGTON. Yes.

Mr. HUMPHREY. Because every bit of argument we have had with the administration is for them to get the military assistance up.

Mr. SYMINGTON. Does the able Senator have inside information the President does not plan to reduce military aid?

Mr. HUMPHREY. I know that the President supports the bill we have here and that after weeks of tough negotiating, this is the best we could do. In fact, the administration wants substantially more military assistance than is in this bill.

I do not believe that anybody who has had anything to do with the State Department or the military establishment is of the mind that the President is going to reduce the military aid under the Church amendment.

What is going to happen is that food aid will be reduced. There will be a reduction in the economic aid to certain parts of the world—family planning, education, health, and that will be turned over to the President. If Senators want to do that, amendments will be offered here which will enable the authorizations to be cut individually.

I do not know any reason why we should give a blanket authority, after all the up-the-hill and down-the-hill problems we have had with the executive branch as to whether the Senate had anything to say about foreign policy.

I recognize that the amendment that has been offered by the distinguished Senator from Idaho has a great deal of sex appeal. There is no joy in standing here trying to defend foreign aid. Many times we have to make investments and expenditures which at the moment do not seem to be desirable, but were they not to be made, the results might be very difficult for us to take.

We could stand here today and say, "Let's not give assistance to Korea, no assistance to Vietnam." We could wash our hands of the whole thing and not give any assistance to anybody, and then see what happens. We would have nothing but chaos.

We are a part of a world. I would like to have less funds authorized in this bill in many areas, but I would rather have a bill that has a little more authorization in it with some tight controls than to have a continuing resolution.

I warn the Senate that it is not a choice between whether we have a foreign assistance bill, as before us, or no bill, because the Senate will authorize a continuing resolution. We have done it ever year, and we are going to do it; and in authorizing the continuing resolution, we had nowhere near the controls on foreign aid that are in the measure now before the Senate. This measure has a phaseout on military aid. This measure has no drawdown authority in the Department of Defense. This measure puts severe restrictions upon transfer of funds. There is much in this bill that is a decided improvement over any bill we have ever had.

We are apt to throw it all down the river in an argument over \$700 million of authorization on ceilings, which does not affect this bill particularly.

As a matter of fact, under the Church amendment, this foreign aid bill could be left intact, without one dollar being hit, and that all could be taken out of Public Law 480, all of it. The Peace Corps could be abolished under the Church amendment. I do not think it would be, but it could be done. You could take a half-billion dollars out of Public Law 480. There are other things that you can reach in and grab and do away with and leave everything intact in this foreign aid bill, because this is a blanket amendment, an overall reduction on all forms of assistance—assistance that is authorized under the jurisdiction of the Armed Services Committee, assistance authorized under the jurisdiction of the Committee on Agriculture and Forestry. Anyone who wants to change Public Law 480 should come and testify before the Committee on Agriculture and Forestry. We have some jurisdiction in this matter.

I will venture to say that Congress does not have the guts to cut it, in the face of the public outrage about famine in the world. But we are perfectly willing to shove it over to the President and say, "Mr. President, you cut it," so that we can go home and appear before the Methodist Church and say, "In the name of the Lord, I voted for food aid." Then we say, "President Ford, that penny-pincher in the White House, cut it out."

When the President cuts out some food stamp money, we raise Cain around here.

We say, "Look what he did." We authorized all this money for food stamps, and right away Senator MCGOVERN and Senator HUMPHREY issue a statement blasting him when he cuts out \$300 million.

Mr. CASE. And Senator CASE joined.
Mr. HUMPHREY. And Senator CASE joined. [Laughter.]

What are we going to do? We are going to say, "You know what we did around here? We voted all kinds of money to save the poor starving folks in the Sahel. We voted all kinds of money to save the poor folks in India. We voted all kinds of money for the suffering folks in Pakistan." We go home to the church folks and the PTA and stand up there and say, "Look at us, what we did. But look at that President, that mean, nasty man." We put a ceiling on, and when he cuts, we are going to say we did not expect him to cut that; we expected him to cut it out of Indochina.

Wake up. He is not going to cut it out of Indochina, and we know it. The only way he will reduce money for Indochina is if we authorize it. In this bill we cut more out of Indochina, in this one foreign assistance act, than all the Indochina cuts put together prior to this.

I think we have a pretty good case. I grant that it does not make me very happy to say that we ought to help other people while there are many people at home to help. I think this country is big enough to do a little better at home and a reasonable amount abroad.

I say to the Senator from Missouri that I am concerned about what the multinational corporation does. We have a trade bill coming up, and we will deal with that. I do not think foreign aid has been a phenomenal success, but with the exception of Coca-Cola, much has not been a success. There have been many failures. I guarantee that without some foreign aid, the world would have been a whole lot different from the way it is today. We have made mistakes in foreign aid. We have made mistakes in wars. We have made some mistakes in our country. We have made mistakes in taking care of our environment. But I am not about ready to say, "Get off the world," because we are in it.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I will have to withhold on my time.

Mr. SYMINGTON. Mr. President, will the Senator from Idaho yield me 2 minutes?

Mr. CHURCH. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER (Mr. ABOUREZK). The Senator from Idaho has 5 minutes remaining.

Mr. CHURCH. I yield 1 minute to the Senator from Missouri.

Mr. SYMINGTON. Mr. President, I have known my able and beloved friend, the Senator from Minnesota, for 30 years, and have been hearing the same speech every year. [Laughter]. I heard it when this country had all the gold and the bomb and nobody else had them; and when there were a lot of countries in deep trouble.

As a delegate from this body to the United Nations, I can say there are few

countries today in worse shape economically than we are.

For many years, I voted for foreign aid. For many years I have voted against it.

Under present conditions, with this economy approaching a depression—a recession is when your friends lose their jobs, and a depression is when you lose your own—with thousands of Americans a week losing their jobs, we would now be voting to spend billions upon billions of dollars abroad in support of these other countries. I just cannot see it.

Mr. MCGEE. Mr. President, the series of articles written by Bartlett and Steele, alluded to by the distinguished senior Senator from Missouri (Mr. SYMINGTON), are filled with many myths and misstatements of fact.

Their first assertion is that worldwide disillusionment has set in about foreign aid. However, most people would agree that the aided countries—and the world—are better off than they would have been without foreign assistance.

Current and recent events have dramatically illustrated the interdependence of nations has underlined the need for international cooperation among all countries.

Every President and every Congress since World War II has supported foreign aid. A recent public opinion poll showed 68 percent of the people think the United States should help the poor nations. In 1971, when the Senate rejected and then revived a foreign aid bill, 83 percent of newspaper editorials supported restoration of the program.

The 24 developed nations making up the Organization for Economic Cooperation and Development say of the poor nations that "all of their governments recognize that without aid they would have reduced prospects for achieving even moderate rates of improvement in their situation."

Barlett and Steele say the U.S. program is "swollen." In fact, it is growing leaner, and has been for several years.

In 1949, at the beginning of the Marshall Plan, foreign economic assistance took 11.5 percent of the Federal budget.

In 1949, economic aid represented 2.78 percent of our gross national product, and has moved downward ever since.

By 1973, the figure had fallen to 0.23 percent.

It is morally right that the world's richest nation should share some of its know-how and some of its wealth with those less fortunate. Barlett and Steele seem to deplore the cost of our economic and military assistance to other nations since 1946.

About everything we have done in the field of foreign policy since World War II has been to prevent World War III, and so far it has been successful.

Barlett and Steele say economic and military aid comes to \$9 billion a year, which is nearly true, having been \$8.6 billion in 1974. This figure includes the Peace Corps, the Food for Peace program, and the international financial institutions.

Then, amazingly, they say this is "nearly triple the official stated amount passed out to Congress, the news media, and the American people." This is un-

adulterated falsehood, for these figures are regularly published by AID and are available to all. We made them available to Barlett and Steele.

For most projects, AID does not send money overseas. It sends paid for, American-made tools to do a development job; that is, trucks, tractors, pipes, pumps, electric motors, tin plate, and steel rods. American manufacturers make a normal profit on these sales. This is not "profitteering"—it is profitmaking—fortunately, still legal in this country.

Let me deal with a few of the misleading accusations made by the Messrs. Barlett and Steele.

Barlett and Steele score Indian food production for increasing only two-tenths of 1 percent, far below the increase projected in the spring of 1969. They illustrate this point by selectively choosing two periods of 3 years each.

If instead the period of 3 years before the spring of 1969 were compared with the 3 following years the record shows an average production of 87.7 million tons of food grains before and 104.2 million tons afterward, an increase of 18.8 percent, or 6.2 percent a year, not 0.2 percent.

The article states that the change in production had "little to do with weather." This is flatly wrong. That fact, and the danger of wrong conclusions from selecting certain statistics only is confirmed by looking at a longer series of years as follows:

India Food Grain Production
[In million tons]

Year:	
1965	85
1966	72
1967	74
1968	95
1969	94
1970	99
1971	108
1972	104
1973	95
1974	107

The truly bad years—bad weather years—and the moderately bad years are clearly shown but the overall trend is solidly upward.

India still has a food problem because population growth continues and places a constant pressure on the rising food supply.

The article also faults AID's projections of expanded fertilizer use by India. Fertilizer use has not risen as high as projected, partly for the very reason given in the article—global shortage of fertilizer, and partly for a reason not given—a trebling of world fertilizer prices. Despite these problems, fertilizer use in India has risen from 1.8 million tons in 1969 to 2.6 million tons in 1974.

These facts are a more accurate assessment of the situation.

Again, on the Korean economy, all the facts tell a more accurate story. Barlett and Steele says a decision by the Korean government and U.S. Government turned Korea into a "low-wage haven."

Wages are low in Korea, but so are wage scales in all developing countries when compared to those paid in the United States.

Because the technology involved in the textile industry is relatively simple, and

the industry is labor-intensive, Korea had and still has a comparative advantage. But Korean wages are rising—particularly in the textile industry, and Korea is slowly losing that comparative advantage.

MONTHLY WAGES—KOREA

	Average		Textile		Manufacturing	
	Amount	Per-cent	Amount	Per-cent	Amount	Per-cent
1971	\$46.26		\$35.59		\$57.28	
1972	50.26	8.6	40.97	15.1	62.64	9.3
1973	55.82	11.0	47.85	16.8	68.74	9.7

From the above table it can be seen that although textile wages are still below the average, the rate of increase in the textile industry is greater than the rate of increase in other sectors. Therefore, the statement that "the entire system depends on keeping wages down" is fallacious, since wages have kept pace with increases in the gross national product.

In regard to unemployment, the following table shows the percentages of Koreans unemployed among the economically active population:

Year	Active population (thousands)	Unemployment	Percentage
1969	9,888	474	4.79
1970	10,199	454	4.45
1971	10,542	476	4.51
1972	11,058	499	4.51
1973	11,600	461	3.97
1974 (3 mo.)	11,835	636	5.37

Since Korea is still a developing country, with a per capita GNP of \$375, it is fallacious to compare U.S. standards with Korean standards, particularly since U.S. per capita GNP is over \$4,000, or more than 10 times the Korean GNP.

It is true that the United States and Japan "have since moved to place tight restrictions on the growth of imports of the cheaper Korean textile products and wearing apparel."

As a result of bilateral negotiations in the 1960's and in 1971, the Government of Korea agreed to limit exports of textiles and textile products to the United States. However, the level of permitted exports increases each year by a mutually agreed-upon percentage.

Korea has not been singled out in this case, as the United States has similar bilateral agreements with 28 other nations such as Japan, Hong Kong, Singapore, Taiwan, the Philippines, and Mexico.

Barlett and Steele wind up with the rhetorical question:

How is it that after all the waste and fraud and deception, after the loss of tens of thousands of jobs, after the expenditure of tens of billions of dollars, the United States foreign aid program continues unchecked?

The answer, of course, is that if the foreign aid program were in fact responsible for such calamities, there would be no foreign aid program.

The Congress, which is far more diligent in its annual scrutiny of AID than Barlett and Steele give them credit for, would see to that.

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By any standards of accountability, and despite the problems of operating in foreign environments, AID's stewardship of these large amounts of public funds has been highly creditable. It is inevitable that some mistakes have been made over the years, in both project planning and execution. In most cases it is AID's own audits that have discovered these deficiencies and AID has been rigorous in correcting them.

As further assurance of sound business management, there are few programs of the U.S. Government under closer and more continuous scrutiny. From initial planning through final completion, AID programs are under constant review by AID's own professional audit staffs, as well as by other U.S. Government oversight and audit groups. Through on-site inspections, AID supervisors stationed abroad make sure that AID-financed goods and services are used as intended.

In addition to these internal controls, AID operations are again reviewed by the Inspector General of Foreign Assistance and by the auditors of the General Accounting Office, the audit agency of the U.S. Congress.

The Congress also maintains close surveillance of AID programs through frequent investigations and studies conducted by the several congressional oversight and substantive committees of jurisdiction.

In the last 2 years AID's programing emphasis has been more and more on "people-to-people" help. But the suggestion that change producing assistance can be provided outside a country's institutional framework, and the idea that it can somehow be delivered directly to the poor, like a sack of groceries, and still make any lasting improvement in their lives, is not realistic.

The ancient saying is, "give a man a fish and he can eat for a day; teach him how to fish and he can eat for the rest of his life."

The fact is, nations must grow economically if they are to provide for their poor. Jobs must be created, education advanced, effective demand mobilized, and so on. On a national scale this is a complex process, and early perceptions of the time required for it were badly underestimated.

The solution is not an easy one. The development process that worked with such success in the United States and Europe must accommodate to new realities—inordinate rates of population growth, for example, greater sensitivities to social justice, and widening participation by the middle and lower economic classes in political decision.

The challenge of development, and it is one recognized by donors and recipients alike, is to make the benefits flow faster and deeper. The AID program helps the poor countries meet this challenge by focusing on structural and institutional changes and technical breakthroughs that facilitate a more equitable distribution of the benefits of economic growth. To this end, it gives priority emphasis to such people-oriented problems as income distribution, food production, land reform, education, family planning, and health.

Mr. HUMPHREY. Mr. President, how much time do we have?

The PRESIDING OFFICER. The Senator from Minnesota has 3 minutes remaining, and the Senator from Idaho has 3 minutes remaining.

Mr. CHURCH. Mr. President, I listened to the apocalyptic remarks of my good friend from Minnesota. I was struck by the fact that, although his eloquence was overwhelming, its relevance to my amendment was minimal. He spoke of the terrible things that might happen if we gave to the President the discretion to make a few cuts. He said whole programs might be swept away: The Peace Corps might go down the drain; Public Law 480 might be devastated, depriving millions of people of food in famine-stricken areas of the world. One would have thought that I was proposing to gut this bill in the most unconscionable manner and that chaos would ensue if this amendment were to be passed.

What am I proposing? I am almost ashamed to admit the modesty of this amendment. I am proposing an overall ceiling of \$5 billion. Last year, for the same programs, the Government spent \$5,160,000,000.

I am proposing a cut of \$160 million, while leaving the Government authority to spend another \$5 billion.

Now, do we really think that this can be done, even if it is left to the discretion of the President, without such catastrophic and devastating impact upon all the established programs to which the Senator from Minnesota has referred? Of course, it can be done. It could be squeezed out of miscellaneous cash and no one would know the difference.

Somewhere, somehow, this Senate has to take a stand against the further expansion of spending in view of the fiscal conditions in our own country, and in view of the whole new era that has been ushered in by the decision of the OPEC governments to increase the price of crude oil by 500 percent.

The Senator from Minnesota talks about a world that no longer exists. It is the same speech that I heard when I first came to the Senate in 1957. But the world has changed. Unless we change with it, the last failure of all of those failures to which the Senator referred will be the failure of the economy of this country and the devastating consequences that will inflict upon the American people and those beyond our shores.

In the name of commonsense, let us reassert the position we took a few weeks ago, by a vote of 62 to 21, and simply assert that we shall not spend more than \$5 billion this year on bilateral aid programs, which is approximately what we spent last year. I assure you the Republic will not crumble; the foundations will not collapse beneath this Capitol.

Mr. JAVITS. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield 1 minute to the Senator from New York.

Mr. JAVITS. Mr. President, the argument made by Senator CHURCH runs exactly on itself. If all we are saving is \$160 million—and we know that the Committee on Appropriations is going to be after this authorization, too—and we are giv-

ing up the prerogatives of Congress to give the priorities on where this money goes and how it goes, the answer must be decidedly no.

We lawyers have a doctrine called *de minimis*. If there was ever anything called *de minimis*, this is it. I think this is precisely the reason for rejecting this amendment.

Mr. HUMPHREY. Mr. President, this is not the same old speech. This is not the same old bill. When I was here in earlier days, we were talking about \$5 billion for foreign assistance alone in one bill, exclusive of Public Law 480, exclusive of all of these other things. We are talking today about foreign assistance at 30 percent of the level we used to talk about it, despite—may I say, Mr. President, the value of the dollar. That dollar does not buy what it used to buy, No. 1.

No. 2, this bill has cut \$1 billion from the administration's request for Indochina, for economic and military assistance in Indochina alone. It is not as if we have not been careful of the public's money.

Third, may I say that there are reforms in this bill that are vital. I have the feeling that if we tamper with it too much, we are going to have a veto, and if we have a veto, we shall have a continuing resolution. If we have a continuing resolution, we shall have the continuation of what the distinguished Senator from Idaho has talked about for a long time.

Mr. President, I just remind my colleagues of a couple of things. There is in this bill food assistance. There are in this bill funds for the Middle East, over and beyond Israel, that are necessary for the peace that we hope to get there.

There is in this bill some additional funding for some of the valuable work of the United Nations agencies—not the United Nations Assembly. I do not think that Members of this body are ready to get up and condemn the children's fund. I do not think that they are ready to condemn the World Health Organization.

I am not saying, Mr. President, that President Ford will eliminate a program. I simply say it is within the realm of possibility.

I see the gentleman here who is the chairman of our Committee on the Budget, the Senator from Maine (Mr. MUSKIE). We have tried to get hold of this budget, and we have tried to get hold of authorizations. One of the things we have tried to do is deny the President the impoundment power, and here we are legislating impoundment.

The PRESIDING OFFICER. The time of the Senator has expired. All time has expired.

Mr. HUMPHREY. The yeas and nays have been ordered.

The PRESIDING OFFICER. All time has expired. The yeas and nays have been ordered. Is there a sufficient second? There is a sufficient second.

The question is on agreeing to the amendment of the Senator from Idaho.

The clerk will call the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from North Carolina

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(Mr. ERVIN), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Indiana (Mr. HARTKE), the Senator from Colorado (Mr. HASKELL), and the Senator from Washington (Mr. MAGNUSON) are necessarily absent.

I also announce that the Senator from Georgia (Mr. TALMADGE) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from New York (Mr. BUCKLEY), and the Senator from Nebraska (Mr. HRUSKA) are necessarily absent.

The result was announced—yeas 43, nays 48, as follows:

[No. 520 Leg.]

YEAS—43

Abourezk	Eagleton	Muskie
Allen	Gravel	Nelson
Bayh	Gurney	Nunn
Bentsen	Hollings	Packwood
Bible	Huddleston	Pastore
Biden	Hughes	Pell
Brook	Jackson	Proxmire
Burdick	Johnston	Randolph
Byrd	Long	Ribicoff
Harry F., Jr.	Mansfield	Roth
Byrd, Robert C.	McClellan	Schweiker
Cannon	McClure	Scott
Chiles	McGovern	William L.
Church	McIntyre	Symington
Dole	Montoya	Weicker

NAYS—48

Aiken	Fong	Mondale
Baker	Goldwater	Moss
Bartlett	Griffin	Pearson
Beall	Hansen	Percy
Bennett	Hart	Scott, Hugh
Brooke	Hatfield	Sparkman
Case	Hathaway	Stafford
Clark	Helms	Stennis
Cook	Humphrey	Stevens
Cotton	Inouye	Stevenson
Cranston	Javits	Taft
Curtis	Kennedy	Thormond
Domenici	Mathias	Tower
Dominick	McGee	Tunney
Eastland	Metcalf	Williams
Fannin	Metzenbaum	Young

NOT VOTING—9

Bellmon	Fulbright	Hruska
Buckley	Hartke	Magnuson
Ervin	Haskell	Talmadge

So Mr. CHURCH's amendment was rejected.

Mr. CASE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHURCH. Mr. President, I send an amendment to the desk, which will take very little time because the distinguished floor manager is acquainted with it.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk proceeded to read the amendment.

Mr. CHURCH. I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 12, between lines 2 and 3, insert the following new section:

DISPOSITION OF LOAN RECEIPTS

SEC. 5. Section 203 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 203. FISCAL PROVISIONS.—On and after July 1, 1975, none of the dollar receipts scheduled to be paid during any fiscal year from loans made pursuant to this part or

from loans made under predecessor foreign assistance legislation are authorized to be made available during any fiscal year for use for purposes of making loans under chapter 1 of this part. All such receipts shall be deposited in the Treasury as miscellaneous receipts."

On page 12, line 4, strike out "Sec. 5." and insert in lieu thereof "Sec. 6."

On page 12, line 11, strike out "Sec. 6." and insert in lieu thereof "Sec. 7."

On page 16, line 7, strike out "Sec. 7." and insert in lieu thereof "Sec. 8."

On page 16, line 12, strike out "Sec. 8." and insert in lieu thereof "Sec. 9."

On page 16, line 17, strike out "Sec. 9." and insert in lieu thereof "Sec. 10."

On page 16, line 21, strike out "Sec. 10." and insert in lieu thereof "Sec. 11."

On page 17, line 9, strike out "Sec. 11." and insert in lieu thereof "Sec. 12."

On page 19, line 10, strike out "Sec. 12." and insert in lieu thereof "Sec. 13."

On page 20, line 21, strike out "Sec. 13." and insert in lieu thereof "Sec. 14."

On page 21, line 14, strike out "Sec. 14." and insert in lieu thereof "Sec. 15."

On page 25, line 6, strike out "Sec. 15." and insert in lieu thereof "Sec. 16."

On page 26, line 11, strike out "Sec. 16." and insert in lieu thereof "Sec. 17."

On page 26, line 17, strike out "Sec. 17." and insert in lieu thereof "Sec. 18."

On page 27, line 10, strike out "Sec. 18." and insert in lieu thereof "Sec. 19."

On page 27, line 13, strike out "Sec. 19." and insert in lieu thereof "Sec. 20."

On page 27, line 23, strike out "Sec. 20." and insert in lieu thereof "Sec. 21."

On page 30, line 4, strike out "Sec. 21." and insert in lieu thereof "Sec. 22."

On page 30, line 25, strike out "Sec. 22." and insert in lieu thereof "Sec. 23."

On page 32, line 6, strike out "Sec. 23." and insert in lieu thereof "Sec. 24."

On page 33, line 10, strike out "Sec. 24." and insert in lieu thereof "Sec. 25."

On page 33, line 24, strike out "Sec. 25." and insert in lieu thereof "Sec. 26."

On page 36, line 4, strike out "Sec. 26." and insert in lieu thereof "Sec. 27."

On page 38, line 2, strike out "Sec. 27." and insert in lieu thereof "Sec. 28."

On page 39, line 6, strike out "Sec. 28." and insert in lieu thereof "Sec. 29."

On page 39, line 18, strike out "Sec. 29." and insert in lieu thereof "Sec. 30."

On page 45, line 19, strike out "Sec. 30." and insert in lieu thereof "Sec. 31."

On page 45, line 20, strike out "section 29" and insert in lieu thereof "section 30."

On page 49, line 20, strike out "Sec. 31." and insert in lieu thereof "Sec. 32."

On page 49, line 21, strike out "sections 29 and 30 (a)" and insert in lieu thereof "sections 30 and 31 (a)".

On page 52, line 16, strike out "Sec. 32." and insert in lieu thereof "Sec. 33."

On page 52, line 17, strike out "sections 29, 30(a), and 31" and insert in lieu thereof "sections 30, 31(a), and 32."

On page 53, line 5, strike out "Sec. 33." and insert in lieu thereof "Sec. 34."

On page 53, line 6, strike out "sections 29, 30(a), 31, and 32" and insert in lieu thereof "sections 30, 31(a), 32, and 33."

On page 53, line 19, strike out "Sec. 34." and insert in lieu thereof "Sec. 35."

On page 59, line 10, strike out "Sec. 35." and insert in lieu thereof "Sec. 36."

On page 63, line 11, strike out "Sec. 36." and insert in lieu thereof "Sec. 37."

On page 63, line 19, strike out "Sec. 37." and insert in lieu thereof "Sec. 38."

On page 64, line 3, strike out "Sec. 38." and insert in lieu thereof "Sec. 39."

On page 64, line 25, strike out "Sec. 39." and insert in lieu thereof "Sec. 40."

On page 65, line 22, strike out "Sec. 40." and insert in lieu thereof "Sec. 41."

On page 68, line 16, strike out "Sec. 41." and insert in lieu thereof "Sec. 42."

On page 69, line 16, strike out "Sec. 42." and insert in lieu thereof "Sec. 43."

On page 70, line 13, strike out "Sec. 43." and insert in lieu thereof "Sec. 44."

On page 19, line 11, strike out "section 11" and insert in lieu thereof "section 12."

On page 20, line 22, strike out "sections 11 (a) and 12" and insert in lieu thereof "sections 12(a) and 13".

On page 21, line 14, strike out "sections 11, 12, and 13" and insert in lieu thereof "sections 12, 13, and 14".

On page 25, lines 7 and 8, strike out "sections 11(a), 12, 13, and 14(a)" and insert in lieu thereof "sections 12(a), 13, 14, and 15(a)".

Mr. CHURCH. Mr. President, I will explain its purpose very briefly.

Mr. HUMPHREY. Mr. President, this is a very important amendment and may we have the attention of the Senators. By the way, the amendment is one we have agreed to.

The PRESIDING OFFICER. I will ask the Senate Chamber to come to order before anyone proceeds. The Senate will come to order.

Mr. CHURCH. Mr. President, last year—

The PRESIDING OFFICER. Will the Senators suspend until the Senate comes to order, please. Will the Senate come to order. Would those Members and staff members conversing please remove those conversations from the floor of the Senate.

The Senator may proceed.

Mr. CHURCH. Mr. President, last year, through an amendment which I proposed, the Congress added a new provision to the Foreign Assistance Act concerning the use of loan repayments. Theretofore, repayments from past loans had been available to AID for use in funding new programs every year without any new authorization by the Congress. Averaging over \$200 million a year, these repayments had constituted a kind of revolving fund, allowing AID a significantly higher program level than was apparent in the annual authorization bill.

The provision enacted last year was directed toward bringing this practice to an end. By the terms of that provision, only one-half of the loan reflows in fiscal years 1974 and 1975 would be available for use as new loans. This was intended as a phaseout period after which all loan reflows every year would revert to the Treasury.

In order to make this policy explicit in the law, I now propose an amendment which states in unambiguous language that beginning in fiscal year 1976 no reflows from past loans will be available for use as loans or grants—in other words, that all such reflows will revert to the Treasury.

This amendment simply states what was implicit in last year's bill, and what was declared expressly in the statement of managers after the House-Senate conference on last year's bill: that fiscal year 1975 will be the final year in which any loan reflows will be available for expenditure. Beginning in fiscal year 1976 all program money will have to be provided explicitly through the annual authorization bill.

Mr. President, this is a simple and, I believe, uncontroversial amendment which will serve the cause of clear legis-

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lative procedure and improved congressional budgetary oversight. I urge its adoption.

Mr. HUMPHREY. This is an extremely important amendment and a distinct contribution to this legislation. I do believe that Congress should have control over the recycling of the funds, and I believe that the Committee on Appropriations should have the authority and the power to decide the amount of the funds to be appropriated. It ought not to be just backdoor financing.

Therefore, as the manager of the bill, and having consulted with our colleagues here on the other side of the aisle, we are more than pleased to accept it, and I want to thank the Senator from Idaho for his amendment.

Mr. CHURCH. I thank the Senator very much.

Mr. STENNIS. Mr. President, just one question. Give us the definition of what recycling is. What is the recycling of the funds illustrated.

Mr. HUMPHREY. What happens is, let us say, for example, a country had development loans made to it, a country in Latin America, for example. Under its repayment schedule it pays back after the grace period a certain amount each year in interest and principal that, under present law, has gone right back into the Administration without any control by the Committee on Appropriations or the legislative committee.

This would put an end to it, and is what the Senator from Idaho is seeking.

I yield back my time.

Mr. STENNIS. I thank the Senator.

Mr. CHURCH. I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Idaho (putting the question).

The amendment was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. BAYH. Mr. President, a parliamentary inquiry, please.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAYH. Mr. President, I would like to know what disposition will be made of some of our amendments that are at the desk. Some of us have been sitting here all afternoon trying to permit other Senators to work their will when the hour of 6 o'clock comes, and the Senator from Indiana has been here. I intended to call up my amendment prior to that of the Senator from Idaho. I waited until afterward, and now I find I am somewhere down on the pecking order.

The PRESIDING OFFICER. The agreement is that the vote on final passage shall occur no later than 6 o'clock, which means that any amendments offered cannot have any debate on them after 6 o'clock.

Mr. BAYH. A further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAYH. What about some of us who, after discussing them with the floor manager of the bill, thought that the

national interest might be better served if we did not pursue to a rollcall vote the amendment which we had previously intended to pursue to a rollcall vote, but felt that a record should be made so that certain action on appropriation bills, on the concurrent resolution under one of the sections, might be taken advantage of by some of us at a later date?

Mr. HUMPHREY. I wonder if the senior Senator from South Dakota would yield to the Senator from Indiana, who has waited so long.

Mr. McGOVERN. Under the circumstances, I will yield. I wonder how much time the Senator wished.

Mr. BAYH. Under the circumstances, let the Senator have 4 or 5 minutes. I will call up my amendment to get the time. I understand that is required.

Will the Senator yield just for a moment?

Mr. McGOVERN. Mr. President, I think we have 15 minutes.

Mr. HUMPHREY. We only have 7½ minutes on each side, so might I suggest if I might yield to the Senator from Indiana to call up his amendment and make a quick presentation of what he has in mind, and then we will go back to the regular order.

Mr. McGOVERN. Perhaps the Senator will yield equal time.

Mr. HUMPHREY. Yes, I will be happy to yield when the Senator calls up his amendment.

Let us do it this way: I would be happy to yield 2½ minutes of my time.

The PRESIDING OFFICER. Does the Senator from South Dakota wish to call up any amendment?

Mr. McGOVERN. I wish to call up my amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. McGOVERN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 16, line 14, strike out "\$550,000,-" and insert in lieu thereof "\$500,000,-".

On page 38, line 10, strike out "\$617,000,-000" and insert in lieu thereof "\$537,000,-000".

On page 38, line 12, strike out "\$449,900,-000" and insert in lieu thereof "\$411,900,-000".

On page 38, line 15, strike out "\$100,000,-000" and insert in lieu thereof "\$94,000,-000".

On page 38, line 18, strike out "\$40,000,-000" and insert in lieu thereof "\$34,000,-000".

Mr. McGOVERN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. McGOVERN. Now I will yield 2 minutes to the Senator from Indiana, with the understanding that the manager of the bill will also yield.

Mr. HUMPHREY. I will also yield whatever time the Senator needs.

Mr. BAYH. I appreciate the courtesy of my colleagues. I hate to bring this up at this time. I think it is important to

have on the record the concern that I have and, I think, shared by others, relative to section 903, the special requirements fund, which is sort of a catchall \$100 million provision in this bill.

It seems to me that this is most unfortunate. We do not specify how this money is going to be used and, thus, we really are, I think, derogating our responsibility as Members of the Senate.

Second, I am concerned with the reference in this measure, there is indication in this bill that some or all of this \$100 million may be used to benefit Syria. In light of all funds that have gone into that area, specifically to Syria from the Soviet Union, as one Member of this body I see no reason for the United States to be prepared to ladle out \$100 million.

I think Syria needs to be rebuilt. It seems to me some other Syrian neighbors, because of the oil situation, are in a much better position.

I just wanted to make a record here to suggest that I am going to be watching this very carefully. I will not put it to a vote here tonight. We are about to run out of time. We do not have sufficient time to debate it adequately, but when that matter comes before the Appropriations Committee, that is something all of us should look at.

Plus, in my judgment, speaking as one Senator, if there are efforts made to use some of this \$100 million, provide that assistance to Syria, I intend to take advantage of the provision in the bill to introduce a concurrent resolution to try to move Congress in the opposite direction.

Mr. HUMPHREY. Will the Senator yield and may I take a moment to respond?

The Senator has touched on a subject I brought up in the committee. I have not been at all happy with this so-called special fund. That is why there is language in the bill that required, before there can be any funds obligated in excess of \$1 million, the President has to submit a written report to the Foreign Affairs Committee of the House, Foreign Relations Committee of the Senate, and the President must make such obligation 30 days after the problem has been transmitted.

Let me say this further, in going before the Appropriations Committee I am sure the Appropriations Committee is going to demand specific detail as to how this money is going to be used.

We also, by the way, have a veto over the funds, as the Senator knows, by concurrent resolution, which is not too easy, as the Senator recognizes.

Mr. BAYH. As I discussed with my colleague, I think the Senator would be in a position to take advantage of that. I can look at this more closely in the Appropriations Committee.

Mr. HUMPHREY. Right.

Mr. BAYH. I think much development is needed, but we are in the process now of developing both sides of the controversy. At the same time, we have to face reality.

There are other neighbors and areas in much better financial position today

to provide that assistance to Syria and some other nations.

Mr. HUMPHREY. I assure the Senator, he will have my help on this item, I am as unhappy as the Senator is.

Mr. BAYH. I thank my colleague.

Mr. HUMPHREY. Mr. President, if the Senator from South Dakota will let me yield 2 minutes of my time on his amendment to the Senator from Oregon, we can clear up another matter here, but we will not use any more time.

Mr. CASE. Except for Senator PERCY.

Mr. HATFIELD. Mr. President, I thank the Senator from Minnesota.

Mr. President, I address myself to the Public Law 480 section of the bill and I would like to call up my amendment, I ask it be in order to call up my amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. HATFIELD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 39 lines 24 and 25 and page 42 line 19 delete "\$1,274,900,000" and insert in lieu thereof "\$1,189,900,000.";

On page 40 line 8 delete "\$125,000,000" and insert in lieu thereof "\$40,000,000."

Mr. HATFIELD. Mr. President, my amendment would reduce the level of \$125 million presently in the bill of the Public Law 480 program for South Vietnam to a \$40 million level.

Basically, for the purpose of recognizing that we have this time projected only \$19.5 million for the first 6 months of the fiscal year, that would then be followed through for the \$40 million level for the full year.

This last August and September, the production of rice was up 100,000 metric tons over the last year in South Vietnam and, therefore, is the basic reason why the level has been reduced.

This would also free the \$85 million for other use of foodstuffs for the 32 countries listed by the United Nations as the most seriously affected by the global economic condition.

This would not affect the economic aid level in the bill, which is \$50 million over last year.

Mr. President, during recent months the Congress has become increasingly aware of the prostitution and politicalization of the "food-for-peace" program. Specifically, almost half of the modest and shrinking surplus commodities under this program were diverted last fiscal year to support the war economies of South Vietnam and Cambodia, in heartless insensitivity to the threat of famine which grips much of the world. Further, those actions constituted a blatant attempt by the executive branch to nullify congressional action which placed limits on appropriations to the governments of those countries.

Last year, the Congress appropriated \$450 million for "Indochina reconstruction assistance." The administration had requested \$632 million; the Senate, following the recommendation of the For-

eign Operations Subcommittee of the Appropriations Committee, appropriated \$400 million, and the House appropriated \$500 million, \$450 million was the conference figure. Food-for-peace funds are appropriated separately, through the agriculture budget, and were not subject to this limitation on the Foreign Operations Appropriation bill.

There has been nearly total flexibility on the part of the administration to change and divert these funds to different countries as they see fit. Thus, while the administration proposed in fiscal year 1974 that \$176 million would be made available in agricultural commodities for South Vietnam, and \$30 million for Cambodia, by the year's end, they had allocated \$235 million in loans to South Vietnam for the purchase of Public Law 480 commodities, and \$168 million to Cambodia. Thus, those two countries actually received \$197 million more than was originally projected. So while it was the intent of Congress to cut appropriations for Indochina reconstruction by \$182 million, from a proposed \$632 million to \$450 million, the executive branch more than recompensated that reduction by this \$197 million increase in "Food for Peace."

As a member of the Foreign Operations Subcommittee of the Senate Appropriations Committee, this is particularly distressing to me, for we struggled diligently to set certain limits to Indochina reconstruction assistance, only to see them totally nullified by this action of the administration.

This action becomes particularly tragic when we realize how the countries of Indochina came to nearly monopolize our food for peace program. Title I food peace funds were diverted in such added massive amounts to Indochina not primarily to meet the needs of its hungry people, but rather to generate an added source of revenue for the South Vietnamese Government to pay for its budget. The same holds true for Cambodia.

Consider these facts. While more than \$400 million in food-for-peace funds was allocated to Indochina in fiscal year 1974, the Sahel region of Africa, where a quarter of a million have died of starvation and millions more suffer from severe malnutrition and are struggling to live, received only about \$61.5 million under the food-for-peace program. Pakistan received only \$37.5 million. Bangladesh received a mere \$20.1 million, despite the severe malnutrition that continues to afflict millions of its young. And India, which alone has 20 times the population of South Vietnam and Cambodia, and which is faced with the threat of famine, received only \$67.1 million.

In fact, the two continents of Africa and Latin America together, with a population of 550 million people, received an estimated total of \$190.5 million under food-for-peace allocations, almost the same as that given to the one country of Cambodia, with a population of 7 million.

The priorities governing the food-for-peace program are clear: They are to support economies geared to war, rather than relieve famine and starvation. Almost half of last year's food-for-peace

allocations turned out, in fact, to be food for war.

The budget presentation for fiscal year 1975 showed the same criteria at work. Of the original world program of \$891.7 million the following projected allocations are clearly political and strategic in nature: Cambodia, \$77 million; Vietnam, \$160.6 million; Indonesia, \$120.9 million; Korea, \$155 million; Philippines, \$26 million; and Chile, \$37.1 million. These countries account for more than 60 percent of the total program.

When we examine the quantities under title I of Public Law 480 approved for programming through December 31 of this year, as opposed to the original budget projections, we continue to see how the political motivations overwhelm humanitarian ones in the allocation of our food aid. For instance, \$78.8 million has been approved for Cambodia, \$27.1 million for Chile, \$60.6 million for Egypt, \$21.6 million for Korea, \$22.5 million for Syria, \$19.5 million for Vietnam, \$3.3 million for Jordan, \$900,000 for Thailand, \$5.8 million for Indonesia, \$200,000 for the Philippines, and \$1.5 million for Jamaica.

By contrast, \$75.5 million has been approved for programming to Bangladesh for the first half of this fiscal year, but only \$200,000 to Pakistan, and \$800,000 to the Sudan. About \$50 million has been approved for India, although this figure is not yet certain.

It will be argued as to when food aid is political and when it is humanitarian. However, the United Nations, acting in response to a resolution adopted by the General Assembly last May 1, has adopted a list of the nations most seriously affected by the global economic crisis. This list was set forth on September 24 of this year, and done in cooperation with the World Bank, the FAO, and other international organizations. I ask unanimous consent that this list appear in the RECORD at this point.

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

Bangladesh.
Central African Republic.
Chad.
Dahomey.
Democratic Yemen.
El Salvador.
Ethiopia.
Ghana.
Guinea.
Guyana.
Haiti.
Honduras.
India.
Ivory Coast.
Khmer Republic.
Kenya.
Laos.
Lesotho.
Madagascar.
Mali.
Mauritania.
Niger.
Pakistan.
Senegal.
Sierra Leone.
Somalia.
Sri Lanka.
Sudan.
United Republic of Cameroon.
United Republic of Tanzania.
Upper Volta.
Yemen.

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Mr. HATFIELD. Mr. President, if we examine the trends in our title I Public Law 480 program for the first half of this fiscal year in light of this list of most serious affected nations, it is clearly seen how political objectives continue to play a large part in the allocation of our food aid. Of those nations I previously cited as receiving major portions of our title I food aid this fiscal year for political purposes, only Cambodia appears on the list of most serious affected nations prepared by the U.N.

There is one very encouraging note in this picture, however. Title I food for peace to South Vietnam projected through the first half of this fiscal year equals only \$19.5 million. Only \$7.2 million has actually been sent so far this fiscal year. Thus, we have substantially reduced the amount of our overall limited food for peace commodities which are going to South Vietnam. This trend is most encouraging, and I applaud the administration for it. It should be noted that last year, when South Vietnam was receiving major amounts of our food for peace program, it rendered a 50,000-ton "loan" of rice to Cambodia. Further, several times that amount was privately smuggled out of South Vietnam. There have been reports of peasants in central South Vietnam who died of starvation. But that was due not to the lack of foodstuffs in the country, but rather because of amounts smuggled out of the country as well as speculators who created deliberate shortages for personal gain.

This year, the harvest in South Vietnam has increased over last year substantially. Vietnam Economic Data for July through September, published by the Agency for International Development, showed that the end month stock of rice for August and September of this year were 263,000 metric tons and 243,000 metric tons, respectively. This compared with 123,000 metric tons for August of last year, and 159,000 metric tons of stocks last September. Thus, the harvest in South Vietnam has substantially improved this year, lessening the need for our imports, and especially our food aid. This is particularly true in light of the dire needs of nations throughout the world whose citizens face starvation, and who are in desperate need of immediate food relief—relief which may not be forthcoming.

This bill puts a ceiling on food-for-peace funds to South Vietnam of \$125,000,000. But in light of their improved harvest, and reduced levels being sent for this first half of fiscal year 1975, there is no likelihood that this limit will be reached. Further, in light of dire world need, it would be utterly unconscionable to send such a vast amount of our limited food aid to the one country of South Vietnam—a country not even listed as being one of the 32 nations most seriously affected by global economic conditions.

My amendment reduces this limit from \$125 million to \$40 million. That allows the present rate of food aid to South Vietnam for the first half of this fiscal year to continue. It will allow for \$20 million more food aid to go to this nation for political purposes during the second

half of this fiscal year. Moreover, it will insure that the commendable trend during the first half of this fiscal year in reducing food aid to South Vietnam will continue through the rest of fiscal year 1975.

Let me be candid in conclusion. There is no problem faced by this world more likely to breed instability and conflict, and increase the magnitude of mankind's suffering in the years directly ahead of us, than the shortage of food.

International politics, relationships between the "superpowers" and the poor countries, the durability of political regimes, and the political character of nations, including our own, will be shaped by the growing scarcity of the world's basic resources, and especially food, more than by any of the other factors that have monopolized our attention.

The people of America have demonstrated that they will give out of their generosity to those who are in need. But what has disillusioned the Nation about our foreign aid program are the instances of compromise and manipulation which can eventually destroy the original ideals and purposes of these efforts. The history of our food for peace programs, and its domination by political motives, is a prime cause of why Americans have been losing their belief in foreign aid.

In addition, there are thousands of people, both working for our Government and with voluntary agencies throughout the world, who have a sincere and total commitment to meeting human need. But the policies and decisions made at levels totally beyond their control can undermine and erode the equality of such individual humanitarianism. Corrupting the purposes of the food for peace program has its costs both in human lives throughout the world and in the equally incalculable cost of mocking and destroying the force of humanitarianism and love.

This amendment is one small step in trying to restore integrity and humanitarianism to our food for peace program.

Mr. President, I ask the manager of the bill to respond to the proposal of reducing this level as I have indicated in my amendment.

Mr. HUMPHREY. May I say to the distinguished Senator that I agree with him that the level of \$125 million is excessive, as I see it, and in light of all I have heard from the AID administration, it is more ceiling than we need, and in the conference with our Members from the other body, I am sure we can make a very substantial reduction in that and still not in any way cripple the program.

I understand what the Senator is driving at. I spoke about it, I talked to the AID administration people about it. I see no reason that we cannot handle this in a manner to the satisfaction of the administration and the Senator from Oregon and myself.

Mr. HATFIELD. Mr. President, on the pledge from the leader of the bill that he has just made, I withdraw my amendment and I express my appreciation for his understanding and look to his good leadership for reducing this level in the conference committee.

Mr. HUMPHREY. I thank the Senator very much.

Now, Mr. President, if the Senator from South Dakota will permit it, I believe I still have a little time left, do I not?

The PRESIDING OFFICER. Three minutes.

Mr. HUMPHREY. I yield a minute to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, with the understanding that the distinguished Senator from South Dakota will not lose his right to the floor, I ask unanimous consent to set aside the amendment of the Senator from South Dakota (Mr. McGOVERN), to take up an amendment I am introducing for myself, Mr. HUMPHREY, Mr. MATHIAS, Mr. PELL, Mr. McGEE, Mr. MONDALE, Mr. HART, and Mr. JAVITS. I call the amendment up.

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

The clerk will state the amendment.

The assistant legislative clerk proceeded to read the amendment.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of the bill add the following new section:

SEC. 44. Part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following:

Chapter X. ASSISTANCE TO PORTUGAL AND PORTUGUESE COLONIES IN AFRICA, GAINING INDEPENDENCE

Sec. 496. (a) There are authorized to be appropriated to the President for the fiscal year 1975, in addition to funds otherwise available for such purposes, not to exceed—

- (1) \$5,000,000 to make grants; and
- (2) \$50,000,000 to make loans;

to remain available until expended, for use by the President in providing economic assistance, on such terms and conditions as he may determine, for Portugal and the countries and colonies in Africa which were, prior to April 25, 1974, colonies of Portugal. Of such assistance, not more than 50 per centum shall be furnished to Portugal.

(b) It is the sense of the Congress that the new government in Portugal should be commended for its commitment to independence for Portuguese African colonies. The Congress declares it to be the policy of the United States to support the democratic experiment in Portugal, and the independent development of the nations emerging in Africa.

Mr. KENNEDY. Mr. President, I have had a chance to talk with the floor manager of the bill, as well as the distinguished minority manager. The State Department and the administration also support this amendment.

Mr. President, 2 weeks ago, I visited Portugal, as part of a trip to nine European countries and the Middle East. I went at the invitation of the Portuguese Foreign Minister, on behalf of the Government, and met with a number of leading Portuguese officials, journalists, and ordinary citizens.

I have been deeply impressed by two things: first, the actions taken by the Armed Forces Movement last April 25, in overturning without bloodshed the repressive government that had ruled Portugal for 48 years; second, the deci-

sion of the Portuguese Government to end 500 years of colonial rule in Africa. Guinea-Bissau is now independent and a member of the United Nations. Mozambique will be independent next summer; agreement has been reached on the independence of Sao Tomé. A referendum on independence for the Cape Verde Islands has been proposed. Only in Angola, where opposition to Portuguese rule has been divided among three contending liberation organizations, is there as yet no clear means for bringing about independence.

What Portugal has done in the past 7 months accords with the hopes expressed over many years by many Members of the Senate. We opposed the tyranny in Lisbon; we opposed continuing colonialism. For this reason alone—that Portugal has now taken actions we long supported—I believe that it deserves our support.

But there is a more immediate reason for our concern. At the moment, Portugal is struggling to create democratic institutions that will lead it out of nearly five decades of repressive government. This will be a difficult process for a country without a tradition of a free press, free unions, free universities, and free elections.

Yet I am encouraged that there are democratic forces at work in Portugal, seeking to bring their country into the mainstream of West European political democracy, while rejecting political extremes of either the right or the left. Whether or not they will succeed will be largely determined during the next few months—in particular, between now and elections for a constituent assembly now scheduled for March 1975. Thus it is important that we act now, while the issue hangs in the balance.

Mr. President, I believe that the United States should support efforts by Portuguese democrats to forge popular institutions in their country. Let it not be said that this experiment was jeopardized because we turned a blind eye to what is happening in Portugal; because we failed to demonstrate our concern for what these people are trying to do.

At the same time, there are critical needs in each of the new nations emerging in Africa. Only Angola, among the five, has important economic resources. For the rest, progress towards independence is complicated by poverty, illiteracy, and disease. And the Cape Verde Islands face a particularly difficult time, because of a 7-year drought that has also laid waste to their near neighbors in the Sahelian region of the African continent.

Finally, I believe that showing our concern for Portugal now—at this critical time in its history—will also increase the chances that Portugal will continue its close association with the Western Alliance. In particular, I believe that a positive demonstration of concern for Portugal's democratic experiment—and for its economic development—will help in negotiations on the Azores base, which has new value because of the situation in the Middle East.

Mr. President, for all these reasons—and especially because of the democratic experiment in Portugal—I am today pro-

posing a special authorization of economic assistance to Portugal and to those new nations now emerging in Africa. The authorization is for \$50 million in economic loans and \$5 million in technical assistance grants. Half would go to Portugal; half would go to the African States that were colonies when the Caetano regime was overthrown.

I appreciate that the United States has not provided aid to Portugal before, and that Portugal has actually been a member of the Development Assistance Committee of the OECD. Yet those facts must be set against a recognition that the previous regime brought Portugal to the point of being the poorest country in Europe. Indeed, the Government in Lisbon has now dropped out of the Development Assistance Committee, and is actively seeking economic support from abroad. Furthermore, I believe that real and tangible economic support from the United States today will give encouragement to those people in Portugal who are seeking to develop their country and decolonize—and do so firmly within a democratic framework.

There are other things that the United States could do to support Portuguese democracy, particularly in the field of education. There are 15,000 university students without adequate classrooms; and there is a great lack of books and libraries after three generations in which liberal education was discouraged.

We could provide portable classrooms for student use;

We could expand teacher training opportunities here in the United States for Portuguese teachers;

We could increase the number of Fulbright students and lecturers at Portuguese universities;

We could insure that language training for State Department and other officials would emphasize continental as well as Brazilian Portuguese.

We would urge American publishers to make available American books—especially paperback books—to a country and people for so long starved of these important tools of education;

And we could support the establishment and operation of an American bookstore in Lisbon, and emphasize the translation of books from one language to the other.

These are modest steps. But they illustrate both the practical details of helping to build the institutions of a democratic society, and the wide range of ways in which we in the United States can express our concern.

At the same time, I believe we can begin providing vitally needed assistance to the people in Portugal's African territories now gaining independence.

We could bring African students to America for training in our colleges and universities.

We would provide aid to the families that have suffered from the ravages of the wars of liberation.

And we could determine the need for food and health assistance throughout those African countries, and particularly in the Cape Verde Islands.

These are some of the measures that I believe would be useful in responding

directly to the problems of transition for the citizens of Angola, Mozambique, Guinea-Bissau, Cape Verde, and Sao Tomé.

Finally, I believe it is important that the United States refrain from interfering in Portugal's political process. As members of the Senate will be aware, there have been widespread charges in Portugal that the CIA is actively interfering in politics, there.

In part, these fears are a natural outgrowth of the CIA's tragic involvement in Chile; and I was repeatedly questioned on this subject both in Portugal and in some other countries I visited on my recent trip to Europe and the Middle East.

I therefore welcome the statement by the new U.S. Ambassador, Mr. Frank Carlucci, that the CIA is not interfering in Portuguese politics. I sincerely hope that this is so.

Mr. President, I urge the Senate to support our amendment to the Foreign Assistance Act, providing economic assistance for Portugal and the African states emerging from Portuguese rule.

Mr. HUMPHREY. Mr. President, I feel we ought to accept that. There is no objection on this side.

Mr. CASE. There is no objection. The Senator from Massachusetts is correct that the State Department supports this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts (Mr. KENNEDY).

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, how much time remains?

The PRESIDING OFFICER. Seven-and-a-half minutes.

Mr. HUMPHREY. I think there was 5.

The PRESIDING OFFICER. Five-and-a-half minutes and the Senator from Minnesota has 1 minute.

Mr. McGOVERN. Mr. President, this amendment is a very simple one and each Senator has a synopsis of it on his desk.

The amendment makes two modest reductions in the bill now before us.

There was considerable objection raised to the ceiling reduction offered by the senior Senator from Idaho (Mr. CHURCH) and I think there was some logic in that objection.

The objection was that it would deny Congress the right to decide where these reductions should occur and would give the administration complete freedom to make cuts wherever it saw fit without regard to the wishes of Congress.

That is the great strength in the amendment I now offer in that it pinpoints where the reductions should be made.

It reduces, first of all, by \$50 million the worldwide military assistance program and, secondly, it reduces, again by \$50 million, the so-called Indochina postwar reconstruction program.

I would like to emphasize, Mr. President, that even with these reductions, the bill would still allow more money in both of those categories than was allowed in the original bill as reported by the Foreign Relations Committee after many

days of study and hearings and evaluation.

Mr. President, I regret that I cannot comply with the request of the distinguished floor manager to refrain from proposing amendments to this bill. I was prepared to support the bill as it was previously reported by the Foreign Relations Committee, but I regret to say that, in this new version, I believe the committee has conceded too much to the executive branch and its continuing incantations that the United States can buy foreign allegiances and international tranquility with huge expenditures on military aid.

I could support the original version of this bill, Mr. President, because the committee had provided generous funding in areas of legitimate and pressing need, while at the same time making justifiable cuts in program areas which represented simply the fruitless perpetuation of obsolete activities. Specifically, the committee had granted essentially the full administration request for worldwide development assistance and for Middle East assistance—two areas in which a clear and compelling case can be made for American aid. But the committee had made cuts in worldwide military aid and in the deceptively labeled "Indochina Postwar Reconstruction" program—two areas in which expenditures would be made simply to continue misguided and wasteful programs that should in fact be brought quickly to a close.

The bill now before the Senate, Mr. President, contains considerably more money than the bill previously reported by the Foreign Relations Committee, I ask unanimous consent that there appear in the RECORD at this point a table which shows where these increases have been made.

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

Increases in S. 3394 made in committee after recommitment
(In thousands)

I. Changes in Authorizations:	
Economic aid to Indochina.....	+ \$67, 000
Food and nutrition.....	+ 39, 000
Middle East (Israel).....	+ 89, 500
<hr/>	
Total Additions.....	195, 500
Military Credit sales.....	- 50, 000
<hr/>	
Net addition.....	+ 145, 500
II. Other additions:	
Use of loan reflows for disaster aid.....	+ 110, 000
Additional military aid funds as a result of delay in effective date for charging costs of military missions.....	+ 57, 000
Additional military aid from changes in excess defense articles provision (estimate).....	+ 35, 000
<hr/>	
Total additional foreign aid in revised version of S. 3394.....	+ 347, 000

Mr. McGOVERN. These increases, Mr. President, total approximately \$350 million. In addition, if the discussion in the committee is any indication, there seem to be some plans afoot to recede in conference to the House on the question of the \$150 million drawdown authority. If so, that would mean that the

committee has now given us a bill allowing \$500 million more than the bill previously reported.

To use an automotive analogy, Mr. President, what we originally had before us was the "compact car" version of S. 3394. It had the essentials, but was economical and tightly structured. It contained few ornaments and allowed little waste. What the committee has now given us, in an attempt to appease a gluttonous bureaucracy pursuing outdated policies, is the "Fishtail-8" version of S. 3394. It is large, extravagant, heavy with excess and unnecessary expense, altogether too costly at a time when budget austerity is a necessity. Beyond this it is a glaring example of misguided priorities.

I am therefore now offering an amendment, Mr. President, which would help to bring this bill back in the direction of the tightly structured version originally reported by the Foreign Relations Committee. My amendment makes two modest reductions: a. It reduces by \$50 million the worldwide military assistance program, and b. it reduces by \$50 million the so-called Indochina Postwar Reconstruction program. I should emphasize, Mr. President, that even with these reductions the bill would still allow more money in both categories than was allowed in S. 3394 when it was previously reported by the Foreign Relations Committee. In the new version of S. 3394, an additional \$57 million has been made available for the military assistance program by the removal of a provision contained in the original bill which charged all military mission costs against military aid funds. And \$67 million has been added to the Indochina program. My amendment would simply reduce those increases. Even with my amendment, there would still be \$7 million more available for the military assistance program than the committee originally allowed, and \$17 million more in the Indochina program than the committee originally allowed. Thus we would have made some small move in the direction of the executive branch's desires—but without giving the whole game away.

In the new version of the bill which is now before us, an additional \$57 million has been made available to the military assistance program, and \$600 million more has been added to the Indochina program. This amendment would simply reduce those increases.

Even with this amendment, there would still be \$7 million more available for the military assistance program than the committee originally allowed, and \$17 million more in the Indochina program than the committee originally allowed.

Even if the amendment is adopted, we are still moving in a modest direction toward the executive branch's desire without giving away the whole game.

Mr. President, I supported the original version of the bill because the committee had provided adequate funding in the areas of most pressing and legitimate need, while at the same time making modest cutbacks in areas that I think do not serve the national interest. Specifically, the committee had granted

essentially the full administration request for worldwide development assistance and the Middle East assistance, to areas in which we have a clear and compelling case for American assistance. But the committee had made prudent cuts in worldwide military assistance, and in what I believe is erroneously labeled as the Indochina postwar construction program. Those are two programs that have contained a great deal of waste, that have been misguided and should, in fact, be reduced.

Mr. STENNIS. Will the Senator yield?

Mr. McGOVERN. I yield to the Senator from Mississippi.

Mr. STENNIS. Will the Senator review briefly just what items with reference to the military program he would reduce? I did not have an opportunity to hear his remarks.

Mr. McGOVERN. I will say to the Senator from Mississippi that in the bill now before us there is some \$550 million for military assistance purposes worldwide, except for Vietnam for which military assistance is provided through the Defense Department budget.

Mr. STENNIS. I know the time of the Senator is short. May I direct his attention to South Vietnam? I am concerned because there is evidence of new pressure on them in the last few days.

Mr. McGOVERN. I will say to the Senator that it would result in a \$38 million cut in the so-called Vietnam postwar reconstruction program.

Mr. STENNIS. Is that the military part or the economic part?

Mr. McGOVERN. That is the economic part.

Mr. STENNIS. But this would not reduce anything that is in Vietnam involved in the current fiscal year?

Mr. McGOVERN. Not in the military program.

Mr. STENNIS. I thank the Senator.

Mr. McGOVERN. Mr. President, this amendment does what the Congress ought to do. That is to concentrate its attention, its concern, on those areas where we can make prudent reductions without hurting development assistance, without in any way reducing our commitment to fostering a Middle East peace. I hope that these modest reductions will be accepted.

We turned down the Senator from Idaho on the ceiling that he attempted to put on foreign assistance spending, largely on the ground that his amendment did not earmark where those cuts should be made. Here is an amendment that gives us a chance now to show our concern about priorities, our concern about waste. I hope very much the amendment will be adopted.

Mr. President, I reserve the remainder of my time.

Mr. HUMPHREY. Mr. President, how much time do we have?

The PRESIDING OFFICER. The Senator from Minnesota has 1 minute, and the Senator from South Carolina has no time remaining.

Mr. HUMPHREY. In the 1 minute, Mr. President, I want my colleagues to know that in this bill we now have an agreement between the administration and a majority bipartisan group in the

Senate Foreign Relations Committee on the levels in this bill. We have cut Indochina grant aid from \$985 million to \$555 million, a reduction of 45 percent from the administration's request.

We have cut economic aid to Indochina from \$939,800,000 to \$617 million, a reduction of 34 percent.

We have cut military assistance funds for Indochina from \$1,450,000,000 to \$700 million in the Armed Services Committee.

So you have had reductions of 45 percent, 34 percent, and 50 percent. I think that is a pretty good record.

Obviously, you can always get up and say we should reduce it some more. But I think once we have tried to tie something down, we should stick with it.

The PRESIDING OFFICER. The Senator's time has expired. The yeas and nays have been ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask that the Senator from Illinois be recognized for not to exceed 1 minute.

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

Mr. PERCY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. PERCY. Mr. President, I ask further reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of the bill add the following new section:

INTEGRATION OF WOMEN

SEC. 33. Chapter 3 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 305. INTEGRATION OF WOMEN.—The President is requested to instruct each representative of the United States to each international organization of which the United States is a member (including but not limited to the International Bank for Recon-

struction and Development, the Asian Development Bank, the Inter-American Development Bank, the International Monetary Fund, the United Nations, and the Organization for Economic Cooperation and Development) to carry out their duties with respect to such organizations in such a manner as to encourage and promote the integration of women into the national economies of member and recipient countries and into professional and policy-making positions within such organizations, thereby improving the status of women."

Mr. PERCY. Mr. President, this amendment would direct our representatives in those international organizations of which we are a member to carry out their duties so as to encourage and promote the integration of women into the national economies of member and recipient countries and into professional and policymaking positions within those organizations.

Mr. President, last year during consideration of the foreign aid bill the Senate passed an unpretentious piece of legislation, now known as the Percy amendment. In one sentence the amendment directed the Agency for International Development to administer our foreign aid effort in such a way as to promote the integration of women into the national economies of recipient countries, thus improving the status of women and assisting the total development effort.

This amendment, although simple, has reaped highly significant results. In September of this year AID issued the Percy amendment policy implementation plan directing all agency development assistance plans to contain clear statements as to how women in developing countries will be involved in the development process and how the plan or proposal will benefit women and use their capabilities. More important, in the approval of all development plans and projects, strong preference will be given to those which provide for the effective utilization of women. International and voluntary organizations working with AID will also be encouraged to give spe-

cific attention to the role of women in development. Moreover, AID Washington bureaus and missions overseas have been instructed to collect information pertinent to the understanding of the role, status, and contribution of women in developing countries. Finally, our missions overseas will be required to report on the general progress of integrating women in the development process, highlighting effective projects.

The Percy amendment, however, is incomplete as it stands, for it affects only our bilateral aid programs. The United States also participates in and makes substantial contributions to multilateral aid programs such as those supported by organizations like the World Bank, the International Monetary Fund, and the United Nations, to name but a few. I am, therefore, introducing an amendment today to reinforce the Percy amendment and make U.S. policy where women's equality is concerned consistent regardless of whether we are dealing with bilateral or multilateral aid programs. As I stated earlier, this amendment would direct our representatives in those international organizations of which we are a member to carry out their duties so as to encourage and promote the integration of women into the national economies of member and recipient countries and into professional and policymaking positions within those organizations.

Mr. President, I offer the amendment for the consideration of my colleagues. The integration of women into the national economies of countries around the world deserves serious consideration. Equity and equal opportunity should be basic to the economic and social development process of all countries.

Mr. President, I ask unanimous consent to have printed in the Record at this point a tabulation showing the number of women on the staff of the United Nations and related agencies.

There being no objection, the table was ordered to be printed in the Record, as follows:

TABLE 19.—NUMBER OF WOMEN ON THE STAFF OF THE UNITED NATIONS AND RELATED AGENCIES

Organization	ASG	D-2	D-1	P-5	P-4	P-3	P-2	P-1	Total	Total staff	Percentage of female staff
United Nations.....	1	2	6	36	105	213	188	48	599	3,015	19.87
UNICEF.....				2	2	15		2	30	227	13.22
UNDP.....		1	1	7	9	17	30	3	68	694	11.45
UNHCR.....				1	3	4	8	1	17	105	16.19
H.O.....			2	3	19	39	25	31	119	735	16.19
FAO.....				6	48	52	61	33	200	3,908	5.70
UNESCO.....			3	13	44	51	60	17	188	794	23.68
WHO.....			3	9	75	207	94	21	409	1,885	21.70
IBRD ¹									165	4,652	9.99
IMF ²					2	3	9	1	127	743	17.09
ICAO.....									20	237	8.44
UPL.....						2		4	6	54	11.11
IFU.....					1	6	11	2	20	172	11.63
WMO.....					1	3	3	5	12	100	12.00
IMCO.....						2	2	4	8	124	6.45
GATT.....						3	6	3	21	96	21.88
IAEA.....				1	6	12	15	10	44	332	13.25
Total.....	1	3	15	78	318	630	531	185	2,053	14,373	14.28

¹ Includes IDA and IFC.

² As the grades of IBRD and IMF differ from those of the United Nations common system, only the total figure is given.

Mr. PERCY. Mr. President, I have discussed this amendment with both managers of the bill, and I understand it is acceptable.

Mr. HUMPHREY. Mr. President, I am pleased that the Senator has brought up

this amendment. I agree with the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois. (Putting the question.)

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, I have an amendment that I want to submit, if I may, out of order. I ask for 1 minute to do so.

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The PRESIDING OFFICER. It will require unanimous consent to do so.

Mr. HUMPHREY. I ask unanimous consent that I be permitted to offer the amendment.

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

The amendment is as follows:

At the end of the bill insert the following new section:

POLICY WITH RESPECT TO COUNTRIES MOST SERIOUSLY AFFECTED BY FOOD SHORTAGES

"SEC. 44. (a) The Congress finds that tight food availabilities throughout the world threatens the citizens of many countries with serious hunger and malnutrition. While in the past foreign policy considerations have represented a significant factor in the allocation of available food and fertilizer assistance, the current food emergency requires an immediate reordering of priorities under which such assistance is distributed worldwide. The United Nations has designated 32 countries as "most seriously affected" by the current economic crisis. These are countries without the internal food production capability nor the foreign exchange availability to secure food to meet their immediate food requirements. The Congress calls upon the President and Secretary of State to take immediately the following actions designed to mobilize all appropriate resources to meet the food emergency.

(1) Immediately review and make appropriate adjustments in the level of programming of our food and fertilizer assistance programs to make the maximum feasible volume of food and fertilizer available to those countries most seriously affected by current food shortages.

(2) Call upon all traditional and potential new donors of food, fertilizer, or the means of financing these commodities to immediately increase their participation in efforts to address the emergency food needs of the developing world.

(3) Make available to these most seriously affected countries the maximum feasible volume of food commodities, within appropriate regard to the current domestic price and supply situations.

(4) Maintain regular and full consultation with the appropriate committees of the Congress and report to the Congress and the Nation on steps which are being taken to meet this food emergency. In accordance with this provision, the President shall report to the Congress on the following:

(A) a global assessment by country of food needs for Fiscal Year 1975, specifying expected food grain deficits by country and current arrangements for meeting such deficits, (B) currently planned programming of commodities under Public Law 480 by country and within such country, by volume and commodity and, (C) steps which are being taken to encourage other countries to increase their participation in food assistance or the financing of food assistance. Such report should reach the Congress within 30 days of enactment of this Act and should be supplemented quarterly for the remainder of Fiscal Year 1975.

(6) The Congress calls upon the President to proceed immediately with the implementation of resolutions and recommendations adopted by the World Food Conference. The Congress firmly believes that it is incumbent upon the United States to take a leading role in assisting in the development of a viable and coherent world food policy which would begin the task of alleviating widespread hunger and suffering prevalent in famine-stricken nations. The President shall report to the Congress within ninety days of enactment of this Act on the implementation of the resolutions and the extent to which the United States is participating in

the implementation of resolutions adopted at the World Food Conference.

(5) Notwithstanding any other provision of law, no funds authorized to be appropriated by this or any other law may be obligated in any amount in excess of \$250 million during the fiscal year ending June 30, 1975, for the purpose of providing concessional food aid assistance, or in excess of \$90 million for the purpose of providing fertilizer under our foreign assistance programs, unless such funds are used to purchase commodities for countries "Most Seriously Affected" by the economic crisis as designated by the United Nations, or unless the President demonstrates to the appropriate Committees of the Congress that the use of such funds to purchase food assistance is solely for humanitarian food purposes.

Mr. HUMPHREY. Mr. President, Mr. S. A. Marei, secretary general of the World Food Conference, stated at its conclusion:

Despite our resolutions, a large number of people face starvation.

Just how large that number is and will be depends directly on what actions the food-rich nations, and especially the United States, take in the weeks ahead. Unfortunately, the callous indecisiveness to date of our Government in responding to the scourge of hunger offers little solace to the world's starving millions.

Bangladesh's former food minister told the conferees at Rome that 1 million people will die in the next 6 weeks in his country if additional food assistance is not received. India is confronting a famine which many predict will be the worst in a quarter century. And experts in Rome estimated that in the next 8 months half a billion people throughout the world are faced with starvation or malnutrition unless additional relief reaches them.

Last week the major grain exporting and importing nations met in Rome to consider the food emergency and what might be done to deal with it. This group, which included the United States, agreed that 7.5 million tons must be provided by next July and that such amount could be made available in light of current supplies.

Presently, the United States is providing or planning to provide about 1 million tons of the 7.5 million ton total. At the same time, we are planning to commit more than twice that amount for political uses.

Of the nearly \$1 billion in food aid projected in fiscal year 1975, between \$250 to \$300 million will go to Cambodia and South Vietnam.

Roughly between \$120 to \$140 million is projected to go for political purposes to nations in the Middle East, and Chile has already received \$35 million worth of food aid, with more likely to come. By comparison, even under the highest option for food aid before the President, India and Bangladesh combined would receive less than \$150 million, and Pakistan would receive less than \$50 million. Those three nations, all faced with mass starvation, will together receive less food from the United States than the total which we will send direct to Southeast Asia. The extent of the present crisis requires all nations to take whatever steps necessary to mobilize

food and funds to purchase food in order to meet immediate humanitarian needs.

Is it morally defensible that, in view of the current food emergency, such a large proportion of our food assistance goes not to where the most people are starving, but where we want to support a friendly political regime or exert our diplomatic leverage?

A decision to allocate more of our surplus food according to the needs of the world's hungry could result in hundreds of thousands more tons available to prevent famine.

It is time that the Congress demonstrate our humanitarian concern through positive legislative action. We are therefore offering specific amendments to do the following:

Call for an immediate review and adjustment of our food and fertilizer assistance priorities to make food available to those who need it the most;

Request that the United States take steps to secure greater participation of other countries in meeting the emergency food and fertilizer needs of the developing world;

Request that the administration reconsider the current domestic supply and price situation to see if any new food resources might be made available to countries most seriously affected by food shortages;

Provide for regular reports to the Congress on the current food situation and actions which are being taken to deal with it;

Limit to \$250 million funds which can be used to purchase food and \$90 million to purchase fertilizer under our assistance programs for other than humanitarian purposes for fiscal year 1975 only; and

Call upon the President to take immediate steps to implement the resolutions and recommendations of the World Food Conference and to report to the Congress on such initiatives.

As the world watches starvation take its toll this fall and winter, many will ask whether there is food, somewhere, for those who are dying. There is. The United States can still decide to combat global famine; fortunately, the issue is not yet whether we have the food, but whether we have the humanitarian will. The prospects for freedom from the scourge of hunger in years and decades ahead depend upon scores of actions which the poor nations, as well as the rich, must undertake. The agenda for these actions was identified, at least in part, by the World Food Conference. But without a resolute commitment to eliminate the immediate prospect of starvation for millions, words and plans about long-term actions have a hollow ring, and are mocked by the deaths of thousands each day who have no food.

This is a policy statement with respect to food assistance which results from the resolutions adopted with the support of the U.S. delegation at the Rome Food Conference. It is a policy statement, and I hope that it would be readily accepted. I have cleared it with the distinguished leadership of the Republican Party (Mr. ARKEN) and with Senator CASE, of New Jersey, and others.

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Mr. PASTORE. Mr. President, can we have a short explanation of the policy?

Mr. HUMPHREY. The resolutions which were supported and adopted by the U.S. delegation to the World Food Conference.

Mr. PASTORE. Relating to what?

Mr. HUMPHREY. Relating to the assistance by food on the international scene. There is no new money in it at all. It does not commit money.

Mr. PASTORE. I am talking about policy.

Mr. HUMPHREY. It is what our Government supported at the World Food Conference.

Mr. PASTORE. Now I know what I am voting on.

Mr. KENNEDY. Mr. President, I am pleased to join the distinguished Senator from Minnesota (Mr. HUMPHREY), in sponsoring this amendment to the pending Foreign Assistance Act relating to the role which the United States will play in meeting humanitarian food needs abroad.

Just over 3 weeks ago—at the World Food Conference in Rome—Secretary of State Kissinger committed the maximum available resources of the United States toward an international effort aimed at alleviating hunger and malnutrition in famine-stricken nations. Our active participation at the World Food Conference hopefully marked the beginning of a new era of international food assistance cooperation.

Now that the speeches have come to an end in Rome, we must encourage through deed what had been recommended in word. The American pledge in Rome not only promised greater participation in international efforts to end world-wide hunger—it also committed the United States to a new policy in the shipment of humanitarian American food abroad.

Since the passage of Public Law 480—the food for peace program—nearly 20 years ago, it has been the intention of Congress that this program have a humanitarian dimension—to provide food assistance to nations in need. The legacy of America's generous contributions under the food-for-peace program can be seen in the millions of lives saved from the ravages of hunger and famine around the world.

Unfortunately, for those Americans who travel abroad today—particularly to Africa and Asia—one can only find widespread hunger, deprivation, and disease, afflicting millions of people who simply cannot find enough food.

Thousands have already perished from starvation, and millions more have little hope left as famine casts its dark shadow over the globe. While no one can expect the United States to arrest world hunger alone, we can do more to help minimize the suffering so prevalent in hungry nations today.

All too often nations no longer have the resources to grow their own food, nor purchase humanitarian food abroad. The world-wide cost of food grains is not only growing prohibitively high—but in order to meet this burden, foreign exchange reserves are being diverted from essential development programs to pur-

chase food. If we are to stop this drift toward greater international famine, steps will have to be taken now to minimize the suffering abroad.

For food is the most fundamental commodity needed to sustain human life—more so than oil, or gas, or other energy commodities that so occupy our attention today. Obviously, the threat of world shortages of food is menacing, not only to the physical and mental health of the people involved, but also to the social and economic order of individual countries including our own. We have the choice today of uncontrolled competition for scarce resources, or cooperating in new ways for their more equitable distribution.

Over the past few years, the humanitarian dimension of Public Law 480 has been neglected in favor of security objectives. We have seen food for peace become "food for cash", and in too many instances that cash has been used for military, rather than peaceful purposes. Despite the assumption of the American people and the intent of Congress that the Public Law 480 program should reflect the humanitarian concern of the American people, in recent years our Government has distorted this objective and tilted the program toward defense purposes—to the neglect of starving millions around the globe.

That is why we can no longer export the bulk of commodities purchased under Public Law 480 for purposes other than those of vital humanitarian concern. We have given our pledge to increase America's international food commitment—this amendment provides our Government with the means to do it.

Our amendment imposes a \$350 million ceiling upon Public Law 480 food exports and a \$90 million ceiling on fertilizer exports under title I which do not meet the criteria established by the United Nations as set out in the amendment or which have not been designated by the President solely for humanitarian food needs. The administration has claimed that it is impossible to increase America's humanitarian food exports under Public Law 480. The fact is that such humanitarian food exports are possible, so long as the bulk of our shipments abroad are not to nations which do not meet the humanitarian criteria established by this amendment.

Also, the amendment calls upon our Government to review and undertake appropriate adjustments in the level of programming of American food and fertilizer programs so as to make the maximum feasible volume of food and fertilizer available to those countries most seriously affected by current economic problems and food shortages.

Second, our amendment calls upon the international community to actively contribute toward this humanitarian goal of arresting world hunger. While it cannot be expected that all food exporting nations will be able to match our food contributions abroad, what is available to starving nations should become the primary objective of international food export policies. Additionally, many oil-producing nations have the available funds to help finance this international rescue effort, and I am hopeful that the

Secretary of State will do whatever he can to promote greater participation of these nations in this effort.

Third, this amendment calls upon the President and appropriate officials of the executive branch to keep Congress informed of our efforts to meet this growing food emergency. The amendment calls upon the President to provide Congress with a global assessment of food needs for this coming fiscal year, and the progress of commodity export programs under Public Law 480.

Mr. President, I urge adoption of this amendment to reassert the humanitarian purposes of the Public Law 480 program, and to establish the precedent that greater fiscal controls and limitations on the use of Public Law 480 food must be tied to humanitarian criteria of need.

The overriding objective of the food-for-peace program must be to provide food to those who need it the most. We must begin to establish the point that food for the "common defense" is, and must be, food for those who face starvation and pervasive poverty. We must begin to understand that threats to the peace require more than military assistance. Famine can be a threat to the peace. Poverty, and the widening gap between the rich nations and hungry nations, spawn conflict and instability. Uncontrolled competition for food and other resources threatens peaceful relations around the world. And disaster, such as the drought in the Sahel, and hunger in Asia, have produced human tragedy as great as any war.

Our food must no longer be used to feed armies or support military programs. It is too scarce a commodity for such purposes. Our foreign assistance program—especially the food-for-peace program—can no longer be blind to the real and growing threat to the peace and security of the world—which is famine, poverty, disease, and dwindling resources.

Mr. CLARK. Mr. President, the time that we have left to address the emergency food needs of those countries currently afflicted with famine and hunger is drawing to a close.

The major grain exporting and importing countries agreed that we must immediately find 7.5 million tons of foodgrains to meet the emergency between now and next July.

We have recently returned from the World Food Conference where the need was extensively elaborated upon.

The problem, then, has been recognized. Now comes the time for action.

The United States has the capability of making substantial increases in our contribution to the immediate needs without even raising the question of availability. We have already plans to program millions of tons of food for political purposes under our food assistance programs during the second half of this fiscal year.

Simply by altering our priorities under the food for peace program we can make a substantial contribution to meeting these emergency food needs.

We can no longer delay action on food aid to those most seriously affected countries.

I call upon my colleagues to join with us today on this amendment which rep-

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resents positive action to deal with the food crisis.

What we are calling for is a review and reallocation of the food assistance resources we have already provided for. No additional expenditures are entailed. There still would be flexibility in the allocation of food assistance resources for political purposes. In fact, more than a third of our food for peace program could be used to augment our foreign policy objectives. We are only saying in this amendment that in view of the food emergency facing the poorest countries of the world that all appropriate resources should be mobilized to meet this need.

I believe the American people possess a basic humanitarian spirit to help if they could be assured that the food made available through our food assistance programs was going to feed hungry people. I ask my colleagues to join us in a meaningful effort to help those most severely affected by the food crisis.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the two managers of the bill may have the remaining time before the vote occurs.

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

Mr. HUMPHREY. May we have a vote on my amendment?

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota. (Putting the question.)

The amendment was agreed to.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. CASE. Mr. President, first, I want to express the most extraordinary admiration for the job the Senator from Minnesota did in handling this bill. This applies not only to the work on the floor, which was superb, but includes his magnificent remarks in regard to many, many important matters.

The PRESIDING OFFICER. Will the Senator suspend until the Chamber comes to order. The Chair cannot hear the speaker. Will the Senators and staff members who are conversing either stop conversing or go to the cloakroom, please?

Mr. CASE. In addition to expressing my appreciation to the Senator from Minnesota, I want to express appreciation to the members of the committee who worked so hard to make this a good bill, and to the people in the State Department, AID, and the Defense Department, who worked with us to that end.

This is quite an accomplishment, Mr. President, and I think it is going to cause a very great improvement in the handling of foreign aid from now on.

I am thoroughly in sympathy with the objectives of the Senator from Hawaii (Mr. INOUE).

Mr. President, we will accomplish a great deal when we pass this bill.

I want to call attention to one amendment which the committee accepted that I had offered. It applies, of course, to the funds for UNESCO.

The bill, as the committee approved it, as the Senate will vote on it, provides that no funds authorized to be appropriated under this or any other law may be available to UNESCO until the Secretary of State certifies that each resolution passed by such organization, not of an educational, scientific, or cultural character, has been repealed. The purpose of that is to prevent the misuse of the agencies of the United Nations.

The PRESIDING OFFICER. The hour of o'clock having arrived, there can be no further debate.

The question now is on agreeing to the amendment of the Senator from South Dakota.

Mr. CASE. Mr. President, I ask unanimous consent that we have 1 additional minute, so that I can finish a sentence.

Mr. HUMPHREY. And 1 minute for Senator MCGOVERN to state his case.

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

Mr. CASE. I think that this action by this body and by Congress as a whole will be a very wise and salutary warning to stop, look, and listen before we get too far down the path of misusing the organizations of the United Nations for political purposes. There is one United Nations organization, the General Assembly, which is a political organization. The others are not supposed to be that. I hope that people there will come to their senses before these useful and valuable agencies, having been misused, are destroyed.

Mr. ABOUREZK. The Senator from South Dakota has 1 minute.

Mr. MCGOVERN. Mr. President, I will conclude by saying that this is a very prudent and modest amendment, involving two programs on which we should be scaling back. One is the worldwide military assistance program, which the amendment would reduce by \$50 million. It still would leave a half billion dollars for that program. The other is a reduction of an equal sum, \$50 million, in the so-called Indochina postwar reconstruction effort.

Even if the amendment is adopted, it would still leave both these programs with more money than the Committee on Foreign Relations originally allowed in the bill that was reported to the floor shortly before recess.

So I am hopeful that the amendment will be overwhelmingly adopted and then accepted in the House-Senate conference.

The PRESIDING OFFICER. The time for debate has expired.

Mr. ROBERT C. BYRD. Mr. President, I should like to ask this question: Will any other amendments be offered?

Mr. HUMPHREY. I believe they all have been called up.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on passage of the bill.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the second rollcall vote, which will be on passage of the bill, be limited to 10 minutes.

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

The question is on agreeing to the amendment of the Senator from South Dakota. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from North Carolina (Mr. ERVIN), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Washington (Mr. MAGNUSON), the Senator from Colorado (Mr. HASKELL), and the Senator from Indiana (Mr. HARTKE) are necessarily absent.

I also announce that the Senator from Georgia (Mr. TALMADGE) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from New York (Mr. BUCKLEY), and the Senator from Nebraska (Mr. HRUSKA) are necessarily absent.

The result was announced—yeas 44, nays 47, as follows:

[No. 521 Leg.]

YEAS—44

Abourezk	Huddleston	Packwood
Allen	Hughes	Pastore
Bayh	Jackson	Pell
Bible	Kennedy	Proxmire
Biden	Mansfield	Randolph
Burdick	Mathias	Ribicoff
Byrd,	McClellan	Roth
Harry F., Jr.	McClure	Schweiker
Byrd, Robert C.	McGovern	Scott,
Cannon	McIntyre	William L.
Church	Metcalf	Stevenson
Clark	Metzenbaum	Symington
Cranston	Mondale	Tunney
Eagleton	Montoya	Weicker
Hart	Muskie	
Hatfield	Nelson	

NAYS—47

Aiken	Eastland	McGee
Baker	Fannin	Moss
Bartlett	Fong	Nunn
Beall	Goldwater	Pearson
Bennett	Gravel	Percy
Bentsen	Griffin	Scott, Hugh
Brock	Gurney	Sparkman
Brooke	Hansen	Stafford
Case	Hathaway	Stennis
Chiles	Helms	Stevens
Cook	Hollings	Taft
Cotton	Humphrey	Thurmond
Curtis	Inouye	Tower
Dole	Javits	Williams
Domenici	Johnston	Young
Dominick	Long	

NOT VOTING—9

Bellmon	Fulbright	Hruska
Buckley	Hartke	Magnuson
Ervin	Haskell	Talmadge

So the amendment was rejected.

Mr. CASE. Mr. President, I move to reconsider the vote by which that amendment was rejected.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. HUDDLESTON). The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

Mr. BROCK. Mr. President, I rise to support the amendment of the distinguished Senator from New Jersey (Mr. CASE) which was accepted by the Com-

mittee on Foreign Relations during its consideration of this legislation.

The Senator has, with the support of other members of the Committee on Foreign Relations, had the courage to take the first step to put a halt to the immoral act of the new gangsters of world politics, by requiring that no funds be paid to UNESCO under this authorization until resolutions not of an educational, scientific, or cultural nature have been repealed.

Not since the gangland terror tactics of the early rise of Hitler has truth been so distorted, reports so maliciously slanted, and human rights so wantonly trampled. The action taken by UNESCO in adopting a resolution "inviting the Director General of UNESCO" to withhold assistance from Israel is deplorable.

The joining of the Arab-Communist bloc to vote to exclude Israel from further participation in UNESCO affairs should be rebuffed by refusal of the American public to pay the bill to these new shakedown artists.

The report of the so-called Special Committee on which UNESCO members based their passage of these distortions of the truth is replete with distortions and fabrications. A recent article in the magazine Times of Israel reports that every neutral nation approached to serve on the Special Committee had refused. The reason why is not hard to find. The very resolution, No. 2443, passed to bring the Special Committee into existence had already judged the results before the evidence had been collected or introduced.

Further, during the life of the Special Committee, testimony was consistently ignored, including that of its own Director General, which acknowledged the care taken by Israel in preserving historic sites. Rabbi Arthur Hertzberg, president of the American Jewish Congress, conveyed the truth of Israel's contribution to protecting holy sites when he contrasted Arab and Israel stewardship in saying:

When Jordan, during its occupation of Jerusalem from 1948 to 1967, used the headstones of ancient Jewish cemeteries for paving blocks, desecrated Jewish holy places and barred Jews from worshipping there, UNESCO was silent. Now that Israel has been meticulous in restoring and protecting all religious places, UNESCO suddenly manifests an exquisite concern for the archeological character of the city.

I find myself in complete agreement with Rabbi Hertzberg that the UNESCO resolution is nothing more than an act of naked political reprisal imposed on that body by the Arab countries that have clearly intimidated other member states by their Arab oil blackmail. It is without a doubt an expression of fear, not of reason.

The statement of our Ambassador to UNESCO, Mr. William B. Jones, confirms this act of political reprisal can only be answered by our country's show of strength and resolve. This can be done by denying further misuse of U.S. tax dollars in this tragically abused organization until the wrong is corrected.

Soon this Congress must accept its own responsibility to lay bare the true nature of some states, how they live to

terrorize Jewish minorities, how they have herded them together and imprisoned Jews in Arab lands, holding them hostage to the fate of Israel, to die if Israel lives, to die if Israel dies. This should have been the investigation of the U.N. It truly reveals an attempt at religious and cultural genocide.

I wish once more to commend the distinguished Senator from New Jersey on this act of statesmanship.

I ask unanimous consent to have printed in the RECORD the text of the full Times of Israel article, Ambassador Jones' speech, and Rabbi Hertzberg's remarks be appended to my own, as well as an article on this subject published in the Memphis Hebrew Watchman.

There being no objection, the material is ordered to be printed in the RECORD, as follows:

[From the Hebrew Watchman, Nov. 28, 1974]
UNESCO VOTES TO BAR ISRAEL FROM ITS EUROPEAN GROUPING

PARIS.—The United Nations Educational, Scientific and Cultural Organization, in its second anti-Israel action this week, voted to reject Israel's bid for membership in UNESCO's European regional group, one of five regional groupings in the UNESCO structure. Israel is not a member of the other four groupings.

The vote, engineered by the same Arab-Communist bloc which voted the previous day to condemn Israel and withhold UNESCO aid on the ground that Israel "persisted in altering the historical features" of Jerusalem by excavations, was 48 against Israel and 33 for, including the United States, Canada, 14 West European countries and 12 Latin American nations. France was one of the 31 delegations which abstained.

The UNESCO General Conference meeting in Paris also adopted a resolution by a vote of 81-27 which 26 abstentions calling on the UNESCO Director General to withhold aid from Israel in the fields of culture, science and education, and to stop cooperating with Israel.

The Arab-Communist bloc inspired resolution, which had earlier been approved in commission, said such aid would be stopped until Israel abides by UNESCO resolution calling for a halt to archaeological diggings in Jerusalem.

The resolution charged that Israel's "persistence in altering the historical features" of Jerusalem constitutes a "danger to its monuments."

The resolution had been approved November 7 in UNESCO's cultural committee by a vote of 54-21 with 25 abstentions. In the vote this week the U.S. and all nine European Common Market countries, including France, Italy and Ireland, were among those nations voting against the resolution. (In Washington, D.C., the U.S. government regretted the adoption of the resolution because it puts one of the United Nations' principal bodies in a dangerous path.)

The former director general of UNESCO, Rene Maheu, condemned the organization's anti-Israel decisions "as inappropriate" and called for a continued UNESCO presence in Israel and the occupied territories.

[From Times of Israel]

UN ATROCIOUS ATROCITY REPORT

To Algeria, it has done its work seriously and conscientiously.

To Kuwait, it has acted with integrity and impartiality.

To Egypt, it produces excellent reports.

To Israel, it is "a body tainted with political bias and procedural irregularity" that "since its inception . . . has merely served as a tool of Arab propaganda."

"It" is the United Nations General Assembly's Special Committee to Investigate Israeli Practices Affecting the Human Rights of the Population of the Occupied Territories.

The unit was spawned by Assembly Resolution 2443 of December 19th, 1968, which declared the organization's desire for data about Israeli activities in the areas captured in the 1967 war, asked the Assembly President to appoint members to a Special Committee, and asked Israel to "receive the Special Committee, cooperate with it and facilitate its work." The measure was passed on the strength of Arab and pro-Arab votes that fell short of 50 per cent of the membership.

Nine months later, on September 12th, 1969, Ceylon, Somalia and Yugoslavia were named to the unit. Every neutral nation approached to serve had refused. None of the three who agreed maintains diplomatic relations with Israel, and all have taken pro-Arab stances on Mideast issues. (Yugoslavia has 7,000 Jews in a population of 20.8 million; Ceylon, now Sri Lanka, has a handful of Jewish women of European origin in a population of 13 million; Somalia has about as many Jews as the Knights of Columbus).

The Special Committee defined "Israeli practices" in the Territories as "those actions which, irrespective of whether or not they are in implementation of a policy, reflect a pattern of behavior on the part of the Israeli authorities towards the Arab population" of the Golan Heights, the West Bank (including Jerusalem), the Gaza Strip and the Sinai Peninsula. Lebanon pledged "fullest cooperation," Egypt and Jordan "full cooperation" and Syria "all necessary cooperation."

Israel, in a letter dated January 6th, 1970, rejected the Special Committee's appeal. Resolution 2443, Jerusalem asserted, had "attempted blatantly to prejudice the very allegations, the Special Committee was supposed to investigate and . . . evaded altogether the genuine humanitarian plight of the Jewish communities in certain Arab countries . . . whose human rights were being viciously trampled upon." It was "clear," Israel said, that the resolution "lacked all moral validity, was a purely propaganda exercise and did not represent the views of the responsible and impartial majority."

GUARANTEED BIAS

Furthermore, Israel protested, the Special Committee appointments were not made, as required, by an Assembly president—the incumbent had died—but by a representative chosen at a meeting of former Assembly vice presidents convened by then Secretary General U Thant—a move "wholly without precedent (and) without any legal basis whatsoever." The meeting's choice, a Peruvian, had proceeded, in Israel's view, to appoint "a committee whose composition automatically guaranteed its anti-Israel bias." Israel concluded tersely that she was "not prepared to extend cooperation or facilities to the Special Committee."

This did not stop the Special Committee. It proceeded to gather evidence in the form of in-person testimony, articles, published statements by "responsive representatives of the occupying Power," various reports and surveys, and "graphic evidence in the form of films." Although barred from Israel proper and the Territories and denied Israel Government cooperation, the Committee derived what it called "sufficient evidence . . . from outside (the occupied) territories to justify certain clear findings and conclusions."

Some witnesses praised Israel's administration of the territories, but the bulk of what the Committee heard made Golda Meir look like Pancho Villa. The Israeli authorities allegedly:

Compromised the inhabitants' rights; Deported some inhabitants, including community leaders, or forced them to move from one territory to another;

Pressured other inhabitants to leave through use of harassment and intimidation

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tactics ranging from unnecessarily repressive security measures to indiscriminate collective punishment;

Manipulated the Territories' economy to goad inhabitants into fleeing;

Intended to annex the Golan Heights;

Carried out summary executions and other killings; bulldozed, dynamited, looted, confiscated and expropriated private property, and infringed on the legal rights of detainees;

Subjected detainees to cruel and inhuman treatment—torturing for up to 42 days, beating, subjecting to dogs, blinding, driving to insanity, hanging by the feet and one arm, burning with cigarettes, using as targets for thrown garbage, forcing homosexual acts, extracting fingernails, subjecting obscenely to a serpent, subjecting to dripping water on the head, eye-gouging, burying up to the neck, and forcing the drinking of urine 48 hours after forcing the eating of salted fish without water.

CHARGE OF DISTORTION

In the Special Committee's debate on the report of its investigative committee, Israeli Ambassador Netanel Lorch charged the latter with compiling dated and refuted Arab propaganda allegations, ignoring evidence favorable to Israel, disdaining the genuine plight of Jews in certain Arab lands, stressing Israeli withdrawal while disregarding secure and recognized borders and a just and permanent peace, and otherwise distorting and falsifying. Citing testimony that one Israeli officer was declared insane and a second freed in the shooting death of two young Arabs, Lorch stated that in fact, a month after the shooting, both Israelis were sentenced to life imprisonment for premeditated murder.

The investigative committee, he continued, had failed to acknowledge that Ahmed Khalifa, a witness whose objectivity it had praised, had been a political officer of the terrorist Popular Front for the Liberation of Palestine. Furthermore, he said, all damage to property in The Territories was compensated for, there was strict punishment of Israelis in the rare cases of looting or rape and every detainee had the right to a local Israeli lawyer. At the height of King Hussein's suppression of the terrorists in Amman, Lorch noted, the wife of a leader of the Palestine Liberation Organization had found it safer to cross into the Israeli-held West Bank with two children than to remain in Jordan.

On November 13th, 1970, permanent Israeli representative Yosef Tekoah maintained in a letter to U Thant that most of the investigative committee's witnesses had been "supplied by the Arab governments and organizations" and that "the long list of pre-selected, coached and rehearsed witnesses . . . produced lurid and often pathological tales of alleged ill-treatment and atrocity."

Israel had documented proof, he added, that a man who claimed to have been forcibly castrated by an Israeli doctor in Haifa after the 1967 war had actually undergone medically necessary operations by Arab surgeons in the Gaza Strip in 1965 and 1966. This, the ambassador said, "clearly demonstrates how human misfortune is exploited for cheap propaganda" and how the Special Committee lacked the competence "to evaluate any evidence, to expose fabrications or to punish perjury."

JUDGMENTS AND ALLEGATIONS

An independent study of the reports makes this obvious. They are filled with such careful judgments as "the allegations . . . lead the Special Committee to believe that the occupying Power is pursuing a conscious and deliberate policy calculated to depopulate . . ." or "the Special Committee has little reason to doubt that the Government of Israel hoped to enervate the community . . ." or "Mr. Ahmed Khalifa's evidence was particu-

larly impressive because . . . he seemed to have retained his objectivity."

Such "objectivity" can become ludicrous. A Beersheva tailor testified he had been assaulted by an Israeli soldier with a meat axe, losing his left eye. The Special Committee, in a remarkable display of evenhandedness, noted that the witness was minus his right eye and cautioned that "the evidence is circumstantial and the allegations can be substantiated only by reference to hospital records and other witnesses." Yet, while admitting that it was "not in a position to verify . . . allegations," it agreed that "he had been assaulted by the Israeli soldier with the meat axe."

The Committee also put its foot into its mouth in claiming that an investigation by Amnesty International "corroborates in detail the accounts of ill-treatment described" by witnesses. In Amnesty International's own conclusion, handily quoted in the Special Committee report, the former said it had received "very extensive material to support the assumption that torture does in fact occur" but had "never claimed that the allegations about torture had been proved" (emphasis added).

(Nearly a year later, on October 5th, 1971, the Committee advised the Secretary General "with regret" in Report A/8389 that Israel "continues to ignore" appeals for co-operation. That report charged that Israeli policy was "designed to effect radical changes in the physical character and demographic composition of several areas . . . by the progressive and systematic elimination of every vestige of Palestinian presence in these areas . . . obliterating Arab culture and the Arab way of life in the area and, contrary to international law . . . transforming it into a Jewish state . . ." The "most effective way" to safeguard the inhabitants' human rights, the Committee reiterated, was to "end the occupation of these territories."

On October 26th, 1970, in Report A/8089, the Committee concluded that Israel "is pursuing in the occupied territories policies and practices which are in violation of the human rights of the population of those territories." It said the ideal way to end these alleged violations was by termination of "the occupation itself," but that until then, Israel had "both a legal and a moral obligation" to implement the Geneva Conventions. This, the report commented, included restoration of Jerusalem and its judicial system to pre-Six-Day War status.

VIOLATIONS—REAL AND IMAGINARY

Israeli Ambassador Shamal Cahana said the report played on humanitarian concerns to promote—in the UN's name—the Arab campaign of agitation and hostility. The real violations, he said, were the murder and maiming of innocents by Arab terrorists backed by Arab governments.

In Report A/8828, on October 9, 1972, the Special Committee advised the Secretary General "with regret again this year" that Israel "continues to ignore this appeal." It concluded that "there is a deliberate policy of annexation and settlement of the occupied territories" and that this policy "is in contravention of the human rights of the population . . ." It added that although it had not been able to conduct "a free investigation," this was "not an indispensable requirement for the substantiation of other types of allegations," and therefore it would rely on the "compelling" evidence and conclude that "general prison conditions . . . still leave much to be desired (and) interrogation procedures very frequently involve physical violence."

Israeli Ambassador Jacob Doron replied that the facts were that the inhabitants' human rights were fully respected and protected and that they enjoyed a free, open, tranquil society with constantly improving housing, educational facilities, public health and other social services.

In October 1973 the committee submitted its most recent report, A/9148, sighing that it "must again observe, with regret, that the Government of Israel has persisted in its refusal to cooperate . . ." In so doing, it continued, Israel "continues to keep the inhabitants of the occupied territories . . . from returning to their homes." Such measures, it concluded, "are not only a grave infringement of the (ir) rights . . . but present the most formidable obstacle to peaceful negotiation and to a just settlement of the Middle East problem."

UNBALANCED VIEWS

Doron objected that the report had relied on the conjectures of Dr. Israel Shahak, whom he called a man of strange and unbalanced views. He said the Israeli League for Human and Civil Rights had been suspended from the International League for the Rights of Man after members protested Shahak's unilateral assumption of the chairmanship of that organization.

Doron also contended that the Territories were being populated by Israelis for defensive, not annexationist reasons, and that as of November 1973, Israelis totaled 3,150 of the Territories' million-plus population.

Barring the unforeseen—such as the sudden disappearance of Sri Lanka, Somalia and Yugoslavia—the Special Committee will produce another, similar report at the end of this year. It should provide sufficient controversy and opportunity for headline-making, but will perform no more of a constructive service than its predecessors until the Mideast territorial deadlock is broken—at which time there will be no need for additional reports. Call it Catch-2443.

APPENDIX A

STATEMENT BY U.S. PERMANENT REPRESENTATIVE TO UNESCO, WILLIAM B. JONES, ON NOVEMBER 7, 1974

The United States has consistently supported, and indeed has provided substantial material assistance to, the goals of preserving and restoring cultural monuments throughout the world.

However, Mr. Chairman, the United States voted against this Resolution and opposes it totally because, in our firm view, the essential objective of this Resolution is not—I repeat: is not—the preservation or protection of historical sites and monuments, whatever the claimed intentions of those who sponsored it might be. The Resolution in fact imposes a completely unjustified sanction upon a member State of this Organization for reasons that seem to us to be largely motivated by political considerations.

As such, this Resolution marks a fateful—and possibly, for this Organization, a tragic—departure in the direction of turning UNESCO into a purely political arena and away from its intended function as a forum for exchange of ideas and knowledge, as well as a medium of assistance in the fields of education, culture, science and other disciplines to member States. In a word, Mr. Chairman, this resolution severely damages UNESCO as a place of dialogue and debate and the beginning of UNESCO's transformation into a place of bitter and vindictive confrontation.

We therefore wholly deplore the passage of this unjust Resolution and oppose entirely its implementation. This Resolution will not contribute constructively either to the protection of cultural property in Jerusalem or to the very fragile negotiation process among the parties involved in the Middle Eastern dispute.

[From the American Jewish Congress, Nov. 27, 1974]

NEWS RELEASE

The American Jewish Congress called on the Vatican today (Friday, Nov. 22) to "reconsider" and "withhold" the granting of its

annual Pope John XXIII International Peace Prize to the United Nations Educational, Scientific and Cultural Organization.

Citing the UNESCO vote on Friday excluding Israel from its European regional group, Rabbi Arthur Hertzberg, president of the Congress, declared:

"Nothing could be more incongruous or incompatible with the memory of Pope John XXIII than the announcement of the Vatican of an award in his name to UNESCO. It is astonishing that a prize for international peace activities should be given to a specialized agency of the UN which has gone out of its way to abandon its concerns with education, science and culture in order to engage in extraneous acts of political coercion and duress.

"The General Conference of UNESCO has voted to withhold assistance to Israel and bar her from membership in its European regional group because Israel has allegedly imperiled monumental and historical sites in Jerusalem.

"This action, fomented by the Arab states, was taken despite the fact that personal representatives of UNESCO's own Director-General, including Prof. Lemaire of the (Catholic) University of Louvain, have favorably reported on the painstaking steps taken by Israeli authorities to insure against disturbing historical places while opening the city to modernization; and despite the fact that every study commission that has ever looked into the matter has verified that within past centuries no prior custodian of that sacred city has ever exercised such scrupulous concern in preserving the religious and historical features of Jerusalem, in safeguarding the integrity of sacred places and in opening access to worshippers of all faiths.

"When Jordan, during its occupation of Jerusalem from 1948 to 1967, used the headstones of ancient Jewish cemeteries for paving blocks, desecrated Jewish holy places and barred Jews from worshipping there, UNESCO was silent. Now that Israel has been meticulous in restoring and protecting all religious places and in protecting the rights of all worshippers, UNESCO suddenly manifests an exquisite concern for the archeological character of the city.

"The UNESCO resolution is an act of naked political reprisal imposed on that body by the Arab countries that have clearly intimidated other member states by their oil blackmail. It is an expression of fear, not of reason. It is a deplorable intrusion of political considerations into the deliberations of an agency mandated to restrict itself to educational, scientific and cultural concerns. It demeans and corrupts the work of UNESCO.

"For this very UNESCO to be the recipient of a major international peace prize awarded by the Vatican is simply incredible. The spirit of Pope John connotes an eagerness for peace and reconciliation. The actions of UNESCO militate in precisely the opposite direction.

"We therefore respectfully urge the appropriate authorities in the Vatican to reconsider their decision and to withhold the granting of this award until UNESCO demonstrably re-establishes itself as an agency divorced from political power plays and genuinely dedicated to the advancement of science, culture and education.

"The award to UNESCO is a travesty of the memory of a religious figure whom men of all traditions claim and cherish as an exemplar of generosity, peace and compassion."

UNITED STATES OPPOSED UNESCO VOTE

The action Friday followed by one day a vote by the UNESCO general conference of 64 to 27, with 26 abstentions, to deny assistance to Israel because of what it called her "persistence in altering the historical features" of Jerusalem "by undertaking excavations which constitute a danger to its monuments."

The United States and most Western European countries, including France, voted

against the UNESCO resolution condemning Israel and in support of a motion by Israel to be part of the European regional group.

The Arab nations, the Communist bloc and a number of third-world countries voted against Israel.

The award of the Pope John XXIII International Peace Prize to UNESCO was announced on Nov. 14 by the Vatican. It is a money award, but Vatican officials would not immediately reveal how much had been granted to UNESCO.

The award was established by the Vatican using funds provided by the Balzan Peace Prize, which had been awarded to Pope John XXIII shortly before his death in 1963.

Mr. CASE. I want to thank the Senator from Tennessee for supporting the UNESCO cutoff amendment I introduced. Senator Brock quite rightly calls attention to a problem that has received less than adequate notice, the plight of Jewish people living in Arab countries. I thank the Senator both for his support and for the service he is performing on behalf of oppressed people.

Mr. THURMOND. Mr. President, it is unfortunate that the foreign assistance bill in its present form eliminates all forms of military assistance to Chile.

It is worth noting that U.S. military relations with Chile span many decades and many governments. These relations have been built around a great deal more than the mere providing of material. They have entailed the physical presence of a small but dedicated body of American military attachés and advisers, exchange visits, and limited U.S. military training for selected Chilean officers.

Through the course of face-to-face contacts between American and Chilean military men, personal friendships have developed and an inestimable amount of influence—some of it too subtle to be readily appreciated—has accrued to the benefit of our political relations. It is therefore a precipitous and potentially unwise act to sever military relations through overreaction to an alleged set of events which may be of a transitory nature. Once severed, our hard-won good will among various echelons of the Chilean Armed Forces will be difficult to maintain. No one can predict the future of the present government. However, it is reasonable to assume that some junior or middle-level officers who today have developed respect and admiration for the United States through our cooperative military assistance programs and sincere interest in their country's welfare may someday rise to positions of influence within the Chilean Government. Even under President Allende, an admitted Communist, we continued modest military and economic aid.

Mr. President, I also would like to make a second point: the precipitous cutting off of Chilean military aid will not necessarily deprive the present regime of weapons, training, or military advice. While there has been some adverse reaction to the present Chilean Government in Europe and in the United States, there is no reason to assume that one or more European governments would not seek to fill the vacuum created by the abdication of our role as traditional supplier to the Chilean Armed Forces. As I have already indicated, the

supplier role goes hand in hand with an advisory one, and the latter produces invaluable influence with an influential stratum of Chilean society. If the present government is able to obtain the arms and training that it needs elsewhere, the severing of U.S. military relations will go almost unnoticed, and the only long-term loser will be the United States.

Whatever differences some may have with the present regime, we do not wish to see Chile weakened by further dislocations. Neither do we wish to see its defenses weakened to the point that further domestic chaos will result.

It would seem that the best course for the United States is to continue a selective assistance program in both the development and military spheres.

CHILE MILITARY AID CUTOFF

Mr. KENNEDY. Mr. President, I rise to discuss the provisions of the foreign aid bill as they affect the current authoritarian regime in Chile.

I want to commend the floor manager and the committee for having retained in this bill the amendment I offered to halt all military aid to Chile. That amendment was adopted by the Senate on October 2 of this year. An identical amendment I had introduced to the continuing resolution on October 1 also was adopted by the Senate by a vote of 47 to 41. Unfortunately, that provision was deleted in conference. I want to emphasize my belief that I fully expect this amendment to be adopted by the conference committee.

The committee's action should confirm to the administration and to the Government of Chile that the American people will not support a government that engages in the gross violation of the human rights of its people or of American citizens.

Since the coup, two American citizens have been killed in Chile after being arrested by the junta. Both of these deaths occurred in the aftermath of the coup itself.

But only a few weeks ago, another U.S. citizen, Amy Conger, who was teaching art history at the University of Chile, was arrested, kept handcuffed for 6 hours, kept blindfolded for long periods, held incommunicado for 13 days, threatened with death, subjected to obscene interrogations, deprived of water for lengthy periods, forced to remain blindfolded, and handcuffed for several hours and once pushed down a flight of stairs.

For my colleagues' information, this young lady has a master's degree from the University of Iowa at Iowa City. She has completed her course work for a Ph. D. at Washington University in St. Louis and has won a Fulbright Fellowship, a Woodrow Wilson Fellowship and a grant from the American Association of University Women.

She describes her ordeal in a statement which I shall ask unanimous consent to place in the Record along with a copy of the summary column by Jack Anderson and Les Whitten. (See exhibit 1.) I also want to note that I have asked the State Department for a full explanation of what action has been taken in response to this incident and the reason why there exists a 29-hour period from

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the time they found out of her imprisonment until her release. I shall ask unanimous consent that the State Department message to the Government of Chile be printed in the RECORD. (See exhibit 2.)

Her story, however disturbing, still is far from less gruesome than others—most of them Chilean citizens—who have been detained by the Chilean junta.

Today, in Chile, as it has since it came to power in a bloody coup on September 11, 1973, the military junta continues to countenance arbitrary arrest and prolonged detention, the total violation of due process, torture of political prisoners, and the heavy handed repression of every democratic political freedom.

Within the past week, the former president of the Christian Democratic Party and a former Senator, Renan Fuentealba, was expelled from the country with barely the clothes on his back. When the leadership of the Christian Democratic Party, including former President Eduardo Frei, protested, the following statement was made by the Chilean Interior Under Secretary, Major Enrique Montero:

This is an authoritarian government which will impose its authority even if it has to be harsh and ruthless.

I shall ask unanimous consent that these reports be printed in the RECORD. (See exhibit 3.)

The junta has been harsh. It has been ruthless. It has violated its pledges to abide by the Inter-American Declaration of Human Rights and its pledges to abide by the Universal Declaration of Human Rights.

There have been a series of international investigations which I will detail for the record which have confirmed the continued disregard for human life and values of the junta.

This week, I obtained a report on Chile by the Inter-American Commission on Human Rights which is being distributed to all of the members of the Permanent Council of the Organization of American States. That report of the Commission, after considering numerous complaints and documents and following its own investigation in Chile, concludes that the current regime in Chile has engaged in "repeated violations of the rights set forth in articles I, II, IV, VIII, XVII, XXV, and XXVI of the American Declaration of the Rights and Duties of Man."

The Commission found that the right to life was violated by the junta's actions, that torture, inhuman pressure and treatment including the application of electric shock, threats to relatives, sexual attacks, blindfolding prisoners for weeks, have occurred. They found the violation of due process of law, the non-existence of freedom of expression, thought or information, suspension of the right to meet, denial of the freedom of association, absence of equal treatment before the law and the abolition of all political rights.

These were the findings of the duly constituted Commission of the OAS. I ask unanimous consent that they be printed in the RECORD. (See annex 4.)

Two weeks earlier, on November 14, the General Assembly of the United Nations, following findings of its own Commission of Human Rights, voted 83 to 9, to request "the President of the General Assembly and the Secretary General to assist in any way they may deem appropriate in the reestablishment of basic human rights and fundamental freedoms in Chile."

The resolution "urges the Chilean authorities to respect fully the principles of the Universal Declaration of Human Rights and to take all necessary steps to restore and safeguard basic human rights and fundamental freedoms, particularly those involving a threat to human life and liberty, to release all persons who have been detained without charge or imprisoned solely for political reasons and to continue to grant safe conduct to those who desire it." I shall ask unanimous consent that it be printed in the RECORD. (See exhibit 5.)

The withholding of all military assistance—and I want to emphasize that this amendment prohibits all forms of military assistance including but not limited to those enumerated in the amendment—is the minimal action that we must take. I ask unanimous consent that section 19 of the bill be printed in the RECORD at this point.

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

LIMITATION UPON ASSISTANCE TO OR FOR CHILE

SEC. 19. Notwithstanding any other provision of law, the total amount of assistance that may be made available for Chile under this or any other law during fiscal year 1975 may not exceed \$55,000,000, none of which may be made available for the purpose of providing military assistance (including security supporting assistance, sales, credit sales, or guaranties or the furnishing by any means of excess defense articles or items from stockpiles of the Department of Defense).

Mr. KENNEDY. Mr. President, there is no justification for military aid to the junta unless we want to be identified with a government that has been condemned internationally for its continued violations of human rights.

I want to add that the Latin American Studies Association, whose members are professors of Latin American affairs, have urged an end to military aid to Chile in a resolution adopted 2 weeks ago. I shall ask unanimous consent to have their exhibit 6.

letter printed in full in the RECORD—see

The resolution states in part:

We strongly support congressional proposals to cut off all military aid to Chile. Such aid to a government which has systematically been found to be in violation of the fundamental civil and human rights of its own citizens is incompatible with the basic tenets of a humane and democratic foreign policy.

The administration requested a near doubling of its fiscal year 1974 budget proposal for military assistance to Chile. Originally, a \$10 million military credit sales program for fiscal year 1974 was recommended. Following the coup, that figure was increased to \$15 million, a 50-percent hike. In its budget request for

fiscal year 1975, the administration recommended another substantial increase, to \$20.5 million, for credit sales and another \$800,000 to support the training of Chilean military officers.

With a virtually unchallenged verdict of respected international organizations and respected jurists and scholars of a continuing pattern of gross violations of human rights in Chile, I believe the proposal for military aid to Chile to be unjustifiable and unacceptable. It contrasts with the announcements of Britain and France to withhold military equipment and it signifies a disturbing lack of commitment to basic human rights on the part of the administration.

For these reasons, I submitted the amendment, to halt all military aid to Chile. I once again commend the committee for ratifying the previous action of the Senate in approving this amendment.

I want to add that if there is no substantial and compelling evidence of change toward the protection of human rights and some progress away from a dictatorship, then I shall seek in subsequent legislation to curtail economic assistance other than humanitarian assistance. I want to emphasize that I do not believe it appropriate that the administration has requested the highest total of economic assistance for Chile of any nation in Latin America. It is more than double the request for any other country. Although the committee reduced this somewhat, I believe it should be reduced further in view of the current character of the present government.

I want to emphasize to my colleagues that there still remain several thousand political prisoners in Chile today, many of them never tried, many of them never charged. Others have been condemned at military trials for acts which occurred before the junta took office on the basis of confessions obtained through torture and without all but the merest facade of due process. Among those still detained are 16 former congressmen and senators, whose names I shall ask unanimous consent to place in the RECORD—see exhibit 7.) All of these individuals were elected to office.

Recently we have seen advertisements paid for by the junta proclaiming their innocence of any violation of human rights.

Those proclamations conflict with the findings not only of the international organizations I already have mentioned, but others as well, including Amnesty International, the International Commission of Jurists and a special study team of the Senate Refugee Subcommittee.

Instead of self-serving advertisements, I would be far more impressed by the release of all political prisoners, including those condemned by military war councils, an end to the state of siege and a return to a system of constitutional law and the re-establishment of a democratic system of government in keeping with the traditions of the Chilean people.

For the record, I will recount some of the details of the findings of interna-

tional groups over the past year, of the violation of human rights in Chile.

Shortly after the coup, the Senate Subcommittee on Refugees held a public hearing into the condition of refugees and of human rights in Chile. Testimony at that hearing and subsequent reports of respected international groups disclosed the existence in Chile of summary executions, of torture, of mass arrests, of the deaths of two American citizens, and of continued threats to foreign nationals. Those reports prompted me to introduce an amendment to halt all military aid to Chile. That amendment to the fiscal year 1974 Foreign Aid Appropriations bill was adopted by the Senate on December 17, 1973. However, it was deleted in conference.

Unfortunately, in the months since that action, the situation in Chile has not seen a return to the traditional Chilean respect for and protection of human rights. In fact, a series of reports from respected international organizations such as the International Commission of Jurists and Amnesty International as well as private contacts that I have had with both Chilean and third country individuals and agencies convince me that a systematic disregard for human rights continues today in Chile.

Amnesty International, in a letter to General Pinochet, stated:

Contrary to some statements issued by Chilean governmental officials abroad, there is substantial evidence of a persistent and gross violation of the most fundamental human rights.

The report went on to charge continuation of summary executions and torture, not only during their November visit, but up to the time of their letter of December 31, 1973.

In February, an ad hoc group of U.S. union officials, professors, lawyers, and church officials traveled to Chile. Their report was presented on February 28 at a congressional conference on the situation in Chile. It, too, disclosed thousands of "politically motivated detentions," the absence of effective legal process, the continued use of torture, the use of economic sanctions against those suspected of being in sympathy with the previous government and other violations of human rights.

In March, following a lengthy debate by the Commission on Human Rights of the United Nations, a telegram was issued by the United Nations. It stated:

The Commission on Human Rights, while considering the obligation of all states under the Charter of the United Nations to promote universal respect and observance of human rights and fundamental freedoms, has considered with deep concern numerous reports from a wide variety of sources relating to gross and massive violations of human rights in Chile in contradiction with the universal declaration of human rights, and other relevant international instruments ratified by a great number of countries including Chile.

The Commission on Human Rights, which has consistently deplored all violations of human rights, calls upon your government for the immediate cessation of any kind of violations of human rights, committed contrary to the principles of the United Nations Charter and other international instruments including the international covenants on human rights.

In April, the International Commission of Jurists sent a delegation to Chile to inquire into the legal situation with regard to human rights. Its three-man delegation included Covey T. Oliver, former U.S. Ambassador to Colombia and former U.S. Assistant Secretary of State for Inter-American Affairs.

In May, the preliminary report of the delegation was released, expressing the view that present judicial procedures and safeguards do not meet the minimum standards which Chile is bound to observe under article 3 of the Geneva Conventions, 1949." The report also stated:

We received most convincing evidence to support the declaration of the Catholic bishops on April 24, 1974, that there are interrogations with physical and moral pressure. We believe that the various forms of ill-treatment, sometimes amounting to severe torture, are carried out systematically by some of those responsible for interrogation and not, as many people sought to persuade us, in isolated instances at the time of arrest.

A study mission of the Senate Refugee Subcommittee traveled in Chile in April as well. It included former U.S. Ambassador to Chile Ralph A. Dungan, former State Department Latin American expert John N. Plank, and Mark L. Schneider of my staff.

They concluded—contrary to the continued assurances of the Chilean Government and its representatives—that there existed a systematic, flagrant, and continuing disregard for human rights in Chile. They found arbitrary arrest and indeterminate detention without charge. Some 6,000 persons, according to junta statistics, were under detention at the time of their trip. Other sources cited additional persons under detention at less permanent detention sites throughout the country. It is now estimated that several thousand persons are detained, incarcerated or condemned after only the most illusory show of trial.

The study mission also noted that the Chilean habeas corpus protection had been suspended. Torture and mistreatment of prisoners continued. Some prisoners were held incommunicado for months. Others were permitted to see their families on a somewhat regular basis, but briefly. Most never had a chance to see a lawyer. Due process appeared limited in all instances: Totally absent in some. Schools and colleges were under military control. Freedom of the press did not exist. Many thousands of individuals were fired arbitrarily for their political beliefs from public and private employment. Labor unions were barred from striking and restricted in their normal activities.

The study mission also noted that the Congress had been closed; the Constitution abridged; political parties abolished or suspended; and the number of Chilean refugees in neighboring countries was rising.

In May, the Inter-American Commission on Human Rights of the Organization of American States sent a telegram to the junta in which it stated:

During this session, the study of the present situation of human rights in Chile has taken a great part of our time. On the one

hand, we have examined those individual cases, clearly determinable, in which the violation of certain fundamental rights of one or several specified persons has been denounced. But, in addition, it has been necessary to analyze separately that which we might call a "general case," that is, the aggregation of charges from different sources according to which there is a policy in Chile which would imply, according to the claimants, the systematic disregard of fundamental human rights.

After some delay, the Commission was granted permission to visit Chile. Its interim recommendations were made public. The final report and recommendations, I have previously discussed.

In June, other observers, including the former Attorney General of the United States Ramsey Clark and New York City Criminal Court Judge William Booth, traveled to Chile. They visited the trials, now concluded, of former Air Force officers and several civilians who had held posts in the previous government of Salvador Allende. The sentences included four death sentences which were later commuted to long prison terms. Even that action is inadequate, since the former Attorney General and Judge Booth described the proceedings as "show trials." They cited, along with other observers, the lack of due process in the military court martial proceedings which operate for military and civilian alike.

One attorney was thrown out of court for speaking "too warmly" of Allende. Another was reprimanded for reporting that his clients had been tortured. Virtually all defendants were prosecuted on the basis of "statements" given by others who were themselves under indictment or under detention. And many of these defendants had told their families and their visitors of the systematic torture used during interrogations to obtain those "statements."

More recently, on August 30, the Catholic Archbishop of Chile, the Lutheran Bishop of Chile, the Methodist Bishop of Chile, and the Grand Rabbi of the Chilean Jewish community appealed for an end to the continuing torture and human rights violations.

On September 7, Amnesty International issued its final report on Chile stating:

Repeated assurances from the government that human rights would be respected have proven to be totally unfounded. Torture is still being practiced, while military tribunals continue to try persons charged with the retroactive offense of cooperating with President Allende's constitutional government prior to the coup.

Despite this unrefuted testimony from numerous respected international organizations and knowledgeable individuals, the attitude of the U.S. Government has been one of "business as usual." Last fall, an amendment I introduced was passed and signed into law. It stated the sense of Congress that:

The President should request the Government of Chile to protect the human rights of all individuals, Chilean and foreign, as provided in the universal declaration of human rights, the convention and protocol relating the status of refugees, and other relevant international legal instruments guaranteeing the granting of asylum, safe conduct, and the humane treatment or release of prisoners.

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There is little evidence of forceful U.S. Government action in support of those human rights.

Nor has the administration chosen to adopt a low profile policy in its relations with the current Chilean regime.

In international agencies, particularly the Inter-American Development Bank—IDB—pressure from the United States in support of the Chilean regime has been evident. It was widely reported that intervention of U.S. Government officials produced an unusual speedup in the IDB process in order to assure a loan announcement in Santiago at the opening of the IDB meeting last spring.

The administration also has proposed for fiscal year 1975 the first new development loans to Chile since 1967, some \$25 million, and an increase in grant assistance to more than \$1 million, compared to \$330,000 in fiscal year 1974. While in the last full year of the Allende government, fiscal year 1973, the administration felt the food needs of the country required only \$2.5 million in food-for-peace assistance, it now proposes food-for-peace grants and loans of \$37 million. In addition, a month after the coup, a commodity credit loan of \$24 million was extended and a month later, an additional commodity loan of \$28 million was extended.

Some of these programs are clearly humanitarian in nature. But it is difficult to understand why the humanitarian rationale that the administration is putting forward today, was not equally relevant prior to the overthrow of the previous government, when Chile was denied similar programs.

Adoption of my amendment to halt all military aid to Chile will represent the first glimmerings of an American foreign policy that gives concrete support for the protection of human rights. It is a step which has been delayed for far too long.

Mr. President, I ask unanimous consent to have printed in the RECORD all of the exhibits to which I have referred during my remarks.

There being no objection, the exhibit were ordered to be printed in the RECORD, as follows:

EXHIBIT 1

STATEMENT BY AMY CONGER

I lived in Chile from April 19, 1972 until October 28, 1974. I was contracted by the University of Chile to teach History of Art in the Departments of Fine Arts and Architecture in Santiago.¹ I taught in the University for more than a year before the coup of September 11, 1973 and for exactly 13 months afterwards. The History of Art and Art Education Department was purged after the coup and 84 of the 72 professors were dismissed. I was one of the 8 that remained.

From October 11th to October 24th I was imprisoned in the Academia de Guerra, a concentration camp run by the Air Force for

political prisoners, for people who had already been condemned and others who were suspected of having at sometime participated in subversive activities. The latter were considered guilty until they could prove their innocence. Everyone was incomunicado, in isolation. I was aware of about 60 prisoners but I knew there were more in other parts of the building.

I was brutally arrested October 11th about 7 p.m. by four men in street clothes with submachine guns. I was tightly handcuffed, repeatedly threatened and literally thrown in a car. I was never shown either identification or a detention order, contrary to the declarations which General Pinochet had made to the Chilean and international press. One of the men tried to pull off my sweater but it was impossible because I was handcuffed; needless to say I felt conspicuous passing through the city bare-breasted. They blindfolded me and drove me to an unknown place. Although I asked several times, they would never let me speak to the U.S. Consul. Later they categorically denied that I had asked. While I was blindfolded, they repeatedly interrogated and harassed me—frequently in English. Several of these Air Force officers had studied in the United States. Some of them were intensely anti-American: "I hate Americans—they are egotistical, stupid and selfish!" Two of them told me that, at the expense of the U.S. Air Force they had toured the U.S. (Las Vegas, San Francisco, Disneyland, etc.) and had trained there (Florida, Colorado) for several months. I was impressed by the fact that two of the officers that were interrogating me were smoking U.S. cigarettes, one of them Kools, a brand not available even in the black market in Chile.

They threatened me with rape² and the DINA (Direccion de Inteligencia Nacional: a military group specialized in brute physical torture, particularly electric shock, the rack, choking or drowning in excrement and pentothal). They "let me" fall down the stairs while I was blindfolded. They tortured people at my side while I was blindfolded. I heard horrible, prolonged screams in the night. I stood for hours and hours against a wall. They gave me two cups of water each day to drink, 900 calories of food, a perfect starvation diet. I underwent it for only 13 days. Others have been there for more than 8 months.

The bathroom had running water for only about 15 minutes a day to serve the needs of about 60 prisoners. The unflushable toilets were teeming with flies (it is Spring in Santiago) and brimming with great quantities of blood and excrement. The three stalls were calf high with newspaper which had served as toilet paper. There were no windows in the part occupied by the prisoners, 24 hours of artificial light, constant noise; 1 officer, 1 sub-officer and 6 guards—nervously playing and experimenting with their sub-machine guns, cocking them, changing to automatic, etc. And a cassette player that repeated Joan Baez's "Happy Birthday".

I learned to peek around my blindfold. I saw two officers slugging and kicking Juan an 18 year old, ex-seminary student whose only crime was to have been with me when they arrested me. I heard his sharp quick screams of No and afterwards, long cries of No, like a dying animal. Finally he confessed to anything they suggested. He invented charges against his sister who is a very close friend of mine and who had never had anything to do with politics, against his mother who had just been cleared and freed after 18 months of imprisonment. (In the actual moment when they went to arrest the two, the daughter had gone to the Women's Prison to finally accompany her mother

home. Upon arriving and being told about their "visitors" by the neighbors, they beat it.) Juan also invented a story about a doctor, a neighbor, whom consequently they arrested. The MD was still jailed during my last week there. They couldn't find the weapons that he was supposed to have but they came across three bottles of tranquilizers and assumed that he had a clandestine clinic. They questioned me about the doctor twice.

They left Juan standing up against the wall for entire days without food and water, handcuffed, blindfolded. Finally one day he fainted. They grabbed him by his handcuffs, dragged him along the floor, stood him up and leaned him against the wall. Since he had not regained consciousness, he fell again. So they repeated the same treatment three more times until they realized that it was hopeless and they threw him in a chair for two hours.

Finally they sent Juan to the DINA. When he returned his chest was covered with black and blue marks and with inflamed red points. His face was totally without color, as white as plaster—it seems, anemic because of blood loss. He had a deep cut about five inches long, open and unbandaged on the inside of his left arm. I never knew if this wound was the result of torture or if he had tried to commit suicide. At this point, it's the same thing.

Another young man returned from his trip to the DINA with disks broken in his spinal cord, and another in a wheel chair with a broken leg.

Frequently they would seat prisoners at a table next to me to write their "confessions." They would scream and plead for water; often they fell asleep. I remember one that cried "Give me water! I haven't had water in 7 days. I haven't eaten, I haven't slept. Give me some water!" They answered him firmly "No. Later. We'll only give you water if you write a confession that we like." It seems that they have found this to be an effective technique for extracting confessions; however, it seems that they are almost always largely false.

As I witnessed all of this I remembered that only a week before General Augusto Pinochet Ugarta had repeated his declarations about torture in Chile: that in the first few days after the coup possibly there had been a few, isolated, accidental cases of torture, but now, it positively did not exist. And he promised adamantly to court-martial anyone involved in torture.

I was extremely fortunate. For them, I was a foreigner, a woman and a blond. I was offered two possibilities: signing a "confession" and being expelled from the country or being sent to the DINA and afterwards to a military court where I would receive a sentence of about 30 years. The officers knew perfectly well that my only transgression was to have known people whom they considered to be undesirable. For a Chilean this could have been worth a sentence of several years, or decades, but it is ticklish with a foreigner since it is commonly known that in March 1973, 44% of the country voted for the left, and consequently, today 44% of the country is undesirable.

On the 13th day I "confessed." I remember that the "confession" said something about extremist friends, a press for subversive literature and being a "front" for someone. The US Consul arrived at the same time. He had been notified the day (30 hours) before that I was being held by the Air Force. On October 12th, the day after my arrest, my teaching assistant had gone to my house, had been arrested, humiliated, witnessed the wanton and sadistic mass destruction of my apartment and had been threatened with possible death, sure torture and imprisonment if he told anyone what he had seen. He told friends. He refused to call the US Consulate because he knew that he was the only one that knew, and having heard about the connections between the US Consulate

¹ I received a M.A. in History of Art from the University of Iowa in August 1966. In 1966-7 I taught at the University of Southern Illinois at Edwardsville and in February 1968 I passed my doctoral examinations at Washington University in St. Louis. Between 1968 and 1972 I studied and did research in Europe on 15th century fresco painting thanks to a Woodrow Wilson Pre-Doctoral Fellowship, a Fulbright Women Grant and an American Association of University Women Fellowship.

² Ej., while they had me lying on a bed one said: "You know it's impossible to rape a woman if she doesn't want it".

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and the CIA, he assumed that the Consul was working with the military. Finally friends in Buenos Aires found out, called my father in Chicago and he called the Consul in Santiago.

I was freed after 13 days, the most fortunate person in Chile. The nerve in my left thumb is still disabled (due to the tightness of the handcuffs on the first day and that they couldn't find a key for six hours), I had acquired an impressive vaginal discharge, I was somewhat black and blue, incredibly filthy and smelling not having changed my clothes or really washed in 13 days, badly dehydrated, 9 pounds lighter and with protein and cholesterol levels abnormally low. All totally insignificant. I cannot and do not want to forget the suffering of the Chilean political prisoners and the new-found misery of the Chilean people, all in the name of law, order and democracy.

[From the Washington Post, Nov. 27, 1974]
U.S. WOMAN DETAILS CHILE TORTURE
(By Jack Anderson)

Without a murmur of formal protest from the United States government, an attractive, 31-year-old American art teacher was brutally tortured last month by Chilean air force officers in an insect-infested prison.

The young university instructor was threatened with death, forced to ride with breasts bared through the streets and thrown on a bed where she was menaced with rape. She was subjected to obscene questioning, catapulted down stairs while blindfolded, deprived of water, denied sleep and forced to stand until she almost collapsed.

When 13 days of this treatment failed to draw a false confession from her, the "officers and gentlemen" of Chile's air force told her she was being taken to an infamous torture center where prisoners were known to have been given electrode shocks on the most sensitive parts of their bodies, stretched on racks and immersed in human excrement.

Faced with a journey from which she might not return, she finally broke and signed a prepared pack of lies on Oct. 24.

The Chilean junta leader, Gen. Augusto Pinochet, has assured the world that torture no longer exists in Chile. Yet this incredible story of torture by a regime now seeking \$85 million a year in U.S. aid, has been sworn to by Amy Conger, now in Chicago. Except for a partially paralyzed thumb, the art history teacher, whose specialty is the gentle 15th Century painting school of Fra Angelico, appears to be recovering.

In long talks with my associate, Les Whitten, and in extensive affidavits, she has spoken eloquently of her agony.

"I was brutally arrested Oct. 11 about 7 p.m. by four men in street clothes with submachine guns," one affidavit states. She was told she might be killed, then was "tightly handcuffed and literally thrown in a car."

During the ride, one of the officers pulled her sweater over her head. "Needless to say I felt conspicuous passing through the city bare-breasted," she said.

Although she was blindfolded throughout much of her 13-day interrogation, she was able to learn that "several of these air force officers had studied in the United States." She identified two of them as "Lt. Col. Ceballos" and a "Col. Horacio Ibaiza." Ceballos spoke excellent colloquial English, she said.

Her relentless questioners sought to wrench from her a confession that she knew "undesirable" Chileans. This, she said, could refer to almost any of the 44 per cent of Chileans who had supported the late Chilean Marxist president, Salvador Allende.

"They threatened me with rape and to send me to the Direccion de Inteligencia Na-

cional, a military group specializing in brute physical torture, particularly electric shock, the rack, choking or drowning in excrement."

At one point, she was led blindfolded to the head of a stairs. She plunged down 10 steps and thereafter was in fear whenever she was being led blindfolded through the corridors of the Academia de Guerra prison.

"I stood for hours and hours against a wall," she attested. "They gave me two cups of water each day to drink, 900 calories of food, a perfect starvation diet."

"The bathroom had running water for only about 15 minutes a day to serve the needs of about 60 prisoners. The unflushed toilets were teeming with flies and brimming with great quantities of blood and excrement."

"The three stalls were calf high with newspaper which had served as toilet papers," she swore. All around her, guards were "nervously playing and experimenting with sub-machine guns, cocking them, changing to automatic," and, ironically, "a cassette player (constantly) repeated Joan Baez's 'Happy Birthday.'"

Other prisoners were tortured while she was blindfolded, she said. "I heard horrible, prolonged screams in the night . . . I learned to peek around my blindfold . . ."

"I saw two officers slugging and kicking an 18-year-old . . . I heard his sharp, quick screams of 'No!' and afterwards, long cries of 'No!', like a dying animal. Finally, he confessed to anything they suggested." Afterwards, he was dragged off to the dreaded Direccion de Inteligencia Nacional for still more torture.

She saw the youth when he returned, "his chest covered with black and blue marks and with inflamed red points. His face was totally without color, white as plaster—it seems, anemic because of blood loss. He had a deep cut about five inches long, open and unbandaged on the inside of his left arm," she said in her affidavit.

Finally, she said, she "confessed" falsely to knowing "subversives." At about the same time, she said, word of her arrest reached the American consul in Santiago, Fred Purdy. He began working for her freedom right away, but it took him 30 hours before the Chileans were willing to release her.

By that time, "the nerve in my left thumb (was) disabled due to the tightness of handcuffs . . . I had acquired an impressive vaginal discharge, I was somewhat black and blue, incredibly filthy . . . badly dehydrated, nine pounds lighter and with protein and cholesterol levels abnormally low."

Shortly thereafter, she left Chile. The United States has yet to make a formal protest, as was made in the case of American citizen Fred Morris, who was tortured at about the same time in Brazil.

EXHIBIT 2

NOTE TO GOVERNMENT OF CHILE

Note submitted by the Department of State on November 27, 1974 to the Government of Chile (dictated to the Office of Senator Kennedy by a State Department Chile desk officer).

"The Embassy of the United States of America presents its compliments to the Ministry of Foreign Relations of the Republic of Chile and has the honor to transmit the text of an article which appeared in the press in the United States today.

"This article is based upon statements made by Mrs. Amy Congers O'Flaherty, an American citizen, who was detained by authorities of the Chilean Air Force on October 11, 1974, and released into the custody of this Embassy on October 24, 1974.

"The Embassy reiterates previous expressions of concern that counselor officers of this Embassy were not informed of the detention of an American citizen pursuant to paragraph 1B of Article 36 of the Vienna

Convention on Counselor relations of April 24, 1963.

"The Embassy requests that the Ministry of Foreign Relations Institute an urgent investigation of Mrs. O'Flaherty's treatment while under detention in Chile and provide this Embassy with a report of the results of that investigation.

"The Embassy of the United States of America avails itself of this opportunity to renew to the Ministry of Foreign Relations the assurances of its highest considerations."

EXHIBIT 3

STATE DEPARTMENT TRANSCRIPT OF RADIO BROADCASTS

CHILEAN PDC LEADER EXPELLED BY GOVERNMENT

SANTIAGO, CHILE, November 26.—Renan Fuentealba, former president of the Christian Democratic Party (PDC) and former senator, has been expelled from the country. This decision was announced in a communique issued by the newly-established Interior Ministry Department of Public Order.

APPEAL FOR HUMAN RIGHTS

SANTIAGO, CHILE, November 26.—Former president of the Christian Democratic Party (PDC) Renan Fuentealba launched an appeal here today demanding respect for human rights in Chile.

"We want full respect for human rights in Chile as soon as possible," he told AFP. "In this respect we are highly concerned over the fact that former PDC Deputy Claudio Huepe has been deprived of his freedom without any charges being lodged against him," he said.

Fuentealba made it clear that there was "no similarity" between the military junta's economic policy and his party's program. "At this moment it is important to implement a policy for development, against inflation, and for economic independence, and to redistribute income with justice and respect for men," said Fuentealba, who was Chile's ambassador to the United Nations during the Frei government. "The poorest should not be asked to make the biggest sacrifice, nor the middle class dragged to the lower ranks of poverty," he added.

"We are moving from the concentration of power in the hands of the state to the concentration of economic and social power in the hands of small sectors which are acting with a spirit of revenge and without a sense of patriotism," Fuentealba said. Fuentealba was PDC president six times, and he was again elected to that position in May 1973, 5 months before President Salvador Allende was overthrown by the armed forces. The governing military junta suspended the PDC and all the other opposition political organizations during the Popular Unity regime.

Fuentealba stated the majority of Chileans presently support the PDC. "I am sure that the majority of Chileans feel that our solution is the best for building a new democracy and for moving toward a new society based on justice and freedom," he asserted.

Fuentealba said that his party did not support the military movement that overthrew President Salvador Allende in September 1973. The blindness, uncontrolled passion, and the tremendous confusion that existed among many political sectors led to the results with which we are all familiar," he said, while he pointed out that the relationship between his party and the military junta is one of mutual independence.

On human rights Fuentealba said: "We are basically democrats; we believe in man, his dignity and his rights. We do not want to build an atheist socialist society. Instead we want to build a society based on the basic principles of Christianity, democracy, participation and pluralism."

When asked by AFP if his party was willing to form a united front with some Marxist parties in case of an election, Fuentealba

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said: "True democrats of the vanguard who want to build a new democratic society must unite when it is necessary."

"Partisan and personal selfishness must be set aside, as well as the hatred and intransigence which led the political system to a crisis when the activities of the democratic system were suspended," he concluded.

SANTIAGO, CHILE, November 29.—Interior Under Secretary Maj. Enrique Montero reiterated last night over national radio and television the government's decision "to enforce the political recess at all costs." Montero also gave the reasons for the deportation of former senator and president of the Christian Democratic Party [PDC] Renan Fuentealba. Montero said: "Master Fuentealba has shown an unthinkable lack of patriotism by making declarations to a foreign press agency which echo the false accusation that human rights are not being respected in our country."

Montero added: "Mister Fuentealba's attitude is not surprising if one recalls that on 13 September 1973 he signed a declaration—together with other PDC leaders, among condemning the ousting" of what it termed the "constitutional government" [passage indistinct] indirectly to the declaration of solidarity with Fuentealba that 66 PDC leaders headed by former President Eduardo Frei issued yesterday. Montero said: "It is appropriate to make it clear that those politicians who use every opportunity to make news under the belief that by creating conflict situations they will create an atmosphere favorable to political negotiations are absolutely wrong. This is an authoritarian government which will impose its authority even if it has to be harsh and ruthless."

Moreover, Chief of State Gen. Augusto Pinochet said in regard to the deportation of former Senator Fuentealba: "[Words indistinct] was forced to deport him because he was sowing discord."

EXHIBIT 4

REPORT ON THE STATUS OF HUMAN RIGHTS IN CHILE

Note dated October 31, 1974, addressed to the Chairman of the Permanent Council by the Chairman of the Inter-American Commission of Human Rights transmitting the "Report on the Status of Human Rights in Chile" prepared by the Commission.

CHAPTER XVII—CONCLUSIONS

After a careful analysis of background information, and particularly after having made on-the-spot observations during a brief but very intensive mission, the Commission has collected information, which, after rational analysis, it feels is sufficient to assert that, under the regime instituted in Chile beginning September 11, 1973, extremely serious violations of human rights occurred.

The Commission realizes the exceptional circumstances which resulted in the advent of that regime, with the employment of force and bitter confrontation. It does not count as violations of human rights, the losses of life that occurred on both sides in the first few days of this process, so that it may entirely avoid the consideration, which otherwise would be essential, the legality or illegality and the justice or injustice, of the actions of the previous regime, a topic which is outside its competence.

But, after having examined the events subsequent to the consolidation of the new Government, determined the content of the measures issued by the Junta, visited the jails and detention camps for political prisoners, had access to mass communication media, interrogated hundreds of persons of all social levels and political affiliation, reviewed judicial files, attended War Councils, contacted various national and international agencies aiding many people during those months, and after having traveled in the

performance of its duties, to widely separate places in the territory of Chile, the Commission has arrived at the firm conviction that on some occasions by action of the Government of Chile through its official measures, and on other occasions by action of its agents (in the latter cases it is not possible to determine whether the actions of such agents are in response to orders received from their superiors) very serious violations have been committed in Chile—by acts of commission or omission of the present Government—against the following human rights, which are set forth in international documents signed by that country:

1. *Right to life.* While executions by shooting without prior trial in the application of the so-called "law of fight", had ceased, the right to life could not be considered adequately protected in the proceedings of War Councils, which had handed down and repeatedly were handing down, death penalties in circumstances that do not satisfy the requirements of due process. The fact that the sentences had been commuted in most cases did not eliminate the certain risk to the right to life implied by such proceedings, nor was it enough to erase the tremendous harm caused to the accused and his family during the period of uncertainty as to what would finally occur. (See Art. 1 of the American Declaration of the Rights and Duties of Man).

2. *Right to personal safety.* This right had been and was directly and seriously violated by the practice of psychological and physical abuse in the form of cruel and inhuman treatment. This is the conclusion from coinciding statements and testimony from persons of the most varied social condition, of very varied cultural levels and opposing political convictions, who were detained or were residing in widely separated places. The Commission has seen and heard person affected as a result of such abuses and has collected convincing statements and testimony regarding cases of violation of the right of personal safety, consisting in torture, abuse and inhuman treatment which, because of their intensity and probable consequences, also involve on occasion actual threats to the right to life. The use of electric shock, the threat of harm to close relatives, sexual attacks, covering the person with a hood, blindfolding the person for weeks, etc., are reasonably proven facts. (See Arts. I and XVII of the above-mentioned American Declaration). The Commission does not assert that a "policy of torture" was practiced or might have been practiced, but it is in a position to assert that no effective "policy against torture" had been carried out.

It should be noted that in the Commission's interviews with the Ministers of the Interior and of Defense, they stated their concern regarding this subject and indicated it was the firm intent of the Chilean Government to eliminate torture, and if any cases were found, to punish those responsible. To that end, they requested any assistance that the Commission might provide.

3. *Right to personal liberty.* Ten months after the events of September, around 5,500 persons remained deprived of their liberty, according to figures supplied by some of the ministers. Many of these persons had been arrested without any charges brought against them, and they continued in detention without being brought before the courts, by virtue of the authority granted by the Constitution to the President of the Republic under the supervision of the Congress. The situation was even more serious due to the fact that there were also many persons regarding whom it was not known whether they were free or imprisoned, or even whether they were living or dead. (See Arts. VIII and XV of the American Declaration).

4. *Remedy of amparo and habeas corpus.* The remedy of *amparo* had been rendered absolutely ineffective, since the Magistrates of the Judiciary were satisfied with replies from the Ministries, that such and such a person was detained "by virtue of the powers authorized under a state of siege", or that he was not detained, without investigating the evidence provided by the petitioner. The Magistrates did not require that the prisoner be brought before them to verify that he was alive, or to determine where he was detained, or to determine whether the constitutional provision prohibiting keeping him prisoner in jails or together with common criminals, etc., were being complied with. (See Art. XVIII of the American Declaration).

5. *Guarantees of due process.* These guarantees were found to be seriously affected. In many cases, the right to be tried by a court established by law prior to the alleged offense, and in general the right to a regular trial had been violated and was being violated. Retroactive application of the "state of war" has constituted a flagrant violation of basic rights. Statements made by the accused, under the pressure of psychological or physical torture, to the arresting official rather than to the trial judge, have been taken as "confessions". The proceedings of War Councils have constituted a massive violation of the guarantees of due process. (See Art. XXVI of the American Declaration).

6. *Freedom of expression and communication of thought and of information.* None of the mass communication media are free to disseminate thought or inform the public. These media operate between the extremes of censorship and self-censorship. Official pressure was being exerted also on publishing houses. A general rule, these media could only publish news and ideas approved by the authorities. (See Art. IV of the American Declaration).

7. *Right of assembly.* The right was virtually suspended (See Article XXI of the American Declaration).

8. *Freedom of association.* Political parties, agencies, organizations and movements have been dissolved or declared "in recess", which means the prohibition of any kind of political activity in the broad sense. Other organizations, like labor unions for example, are prevented from any effective action. (See Art. XXXII of the American Declaration).

9. *Freedom of opinion and equality before the law.* The Commission found that, as a result of Decree-Law 77, Marxism is generally considered as a felony. The term "Marxism" is used as though it were a label for a crime. Consequently, any individual professing Marxist ideology is considered as a criminal, regardless of whether he can be shown to have actually committed acts defined as crimes under criminal law. He can therefore be punished for "what he is" or for "what he thinks" regardless of "what he does". The commission of the same act in the same circumstances can give rise to different legal consequences depending on the persons who committed the act and their political ideology, without any rule of justice or reasonableness to justify such disparity of treatment. (See Arts. IV, II and XVII of the American Declaration).

10. *Political rights.* Such rights have been abolished. Since the suppression of representative bodies has been accompanied by the destruction of the voters' register, which, according to the Government, it will take years to reconstruct, no possibility is seen of a fairly rapid return to normalcy in these institutions. (See Arts. XX and XVIII of the American Declaration).

It can be asserted in conclusion that the Commission's on-the-spot findings show that under the regime instituted on September 11, 1973, in Chile, repeated violations have

occurred of the rights set forth in Articles I, II, IV, VIII, XXVII, XXVIII, XX, XXI, XXII, XXV, and XXVI of the American Declaration of the Rights and Duties of Man.

CHAPTER XVII—RECOMMENDATIONS

1. On July 29, the Commission sent to the Government of Chile the preliminary recommendations resulting from the note transcribed in Chapter XV of this report.

2. After reaching the conclusions summarized in the previous chapter, the Commission feels it is its duty to make the following recommendations to that Government:

1. In order to safeguard the rights referred to in Article 1 of the American Declaration of the Rights and Duties of Man, and with the promptness required by these circumstances, an exhaustive, detailed, speedy, and impartial investigation of the following acts should be ordered:

(a) The imposition of cruel conditions of living, punishment and forced labor on certain prisoners, as occurred for example in the case of those who were confined on Dawson Island.

(b) The use of psychological and physical torture in the following establishments: 38 Londres Street in Santiago; Air Force War School in Santiago; a section of the Santiago Military Hospital; Central Bureau of Investigations in Santiago (a place known as "La Patilla"); Tejas Verdes; and the Navy ship "Esmeralda";

(c) The reception of persons arriving at Tres Alamos, the Santiago Central Jail and Capuchinos, Tejas Verdes and Buen Pastor detention centers with visible signs of having been subjected to torture or maltreatment, without the officials of those establishments having denounced such facts to their superiors;

(d) The conduct of the officials who directly or indirectly have been indicated in this report as performing, participating, instigating or covering up the acts indicated in the above points.

The Commission feels that such an investigation should be carried out so that: a) unity of viewpoint may be ensured in establishing and evaluating the facts, for which purposes the persons performing this task should be able to take action throughout the territory of the country, and b) any reasonable possibility of suspicion that those responsible for the investigation do not have the essential independence and resources to properly carry out their mission may be excluded *a priori*.

The Commission considers, finally, that this mission must comprise the exact identification of those responsible for the facts indicated in this recommendation, for their subsequent trial by regular judicial officials of Chile in accordance with the relevant provisions of Chilean law.

2. That, in order to safeguard the rights referred to in Article XXV of the American Declaration a rapid survey should be made of the status of all persons who are still deprived of their liberty without any charges being brought against them, in order to release all those who do not constitute a serious and certain danger for the maintenance of public peace.

3. That, in order to safeguard the rights referred to in Article XVIII of the American Declaration, and pursuant to the authority exercised by the Chilean Government Junta, precise rules should be enacted to ensure that even in "time or state of war," when, during the state of siege, the President of the Republic, in exercise of the exceptional authority granted to him by Article 72.17 of the Constitution, orders the arrest of a person, petitions of *amparo* and *habeas corpus* on behalf of the prisoner before a civil judge, and the intervention of that judge, shall re-

quire administrative officials to bring the prisoner before the judge, to provide him with a complete copy of the decree under which the detention was ordered, to inform him exactly where the prisoner is being detained, and to inform him immediately of any subsequent transfer to another place of detention.

4. That, in order to safeguard the rights referred to in Article XVI of the American Declaration, and pursuant to the authority exercised by the Government Junta, a remedy of review should be established to make possible a full examination of all of the verdicts handed down by the Councils of War, in order to verify the regularity of the proceedings and to decide on their validity, appropriateness and, as the case may be, the possibility of reducing the penalties imposed, with particular reference to those verdicts in which by whatever route, or by resorting to whatever argument, there has been retroactive application of the "state of war" or more severe rules than those in force at the time the allegedly unlawful acts began, or penalties have been imposed only because of the ideas or convictions of the accused.

5. That, in order to safeguard the rights referred to in Articles I and XIV of the American Declaration, the means available to the office responsible for locating persons detained or whose whereabouts are unknown should be expanded by requiring all officials in charge of establishments of any kind where persons are detained to submit, within the brief period that may be set for the purpose and under the strictest responsibility a detailed list of such persons, indicating the name they claim and the name on the identification document, if the two are not the same; date of birth; complete address at their last residence or that of their family. It would also be desirable to enclose a photograph of the prisoner, in view of the fact that, as the Government stated, there are often serious difficulties in identifying persons because of the fact that there are persons who have several identification documents under different names. The Central Information Office should process all such data, in order to be able to provide reports requested from them by those who claim to be parents of persons presumed to be imprisoned, or by any lawyer so requesting. The Director of the establishments to which we have referred should be required to report by telegram, within 24 hours, on any release or new admission that occurs.

6. That, in order to safeguard the rights referred to in Article XVIII of the American Declaration, independent labor courts should be speedily reestablished and the special provisions contained in Decree-Law 32 should be eliminated.

7. That, in order to safeguard the rights referred to in Article XX of the American Declaration, steps to effect the most rapid reconstruction of the voters register with the assistance of modern techniques should be immediately adopted so that the citizens of Chile will be able to exercise their political rights without unnecessary delay.

8. That, in order to safeguard the rights referred to in Article IV of the American Declaration, steps should be adopted to progressively restore freedom of expression of thought, both by individuals and through the mass communication media, without prejudice to holding responsible those who might abuse the exercise of that freedom, pursuant to the provisions of ordinary law on the subject.

9. That, in order to safeguard the rights referred to in Articles I, VIII, and XV of the American Declaration, consideration should be given in the future reform of the Constitution to lessening the President's authority during a state of siege, by granting to prisoners who are not charged with a crime the right to leave the territory of the country.

EXHIBIT 5

PROTECTION OF HUMAN RIGHTS IN CHILE

Resolution adopted by the General Assembly [on the report of the Third Committee].
The General Assembly,

Convinced of its responsibility under the Charter of the United Nations to promote and encourage respect for human rights and fundamental freedoms for all,

Recalling that, in accordance with the Universal Declaration of Human Rights, everyone has the right to life, liberty and security of person and the right not to be subjected to arbitrary arrest, detention or exile or to torture or cruel, inhuman or degrading treatment or punishment,

Recalling also its resolution 3059 (XXVIII) of 2 November 1973,

Taking into account the deep concern expressed by the Commission on Human Rights about reports from a wide variety of sources relating to gross and massive violations of human rights in Chile, particularly those involving a threat to human life and liberty,

Taking note of the appeal made by the Economic and Social Council, in its resolution of 1973 (LVI) of 17 May 1974, to the Chilean authorities to take all necessary steps to restore and safeguard basic human rights and fundamental freedoms in that country, particularly in those cases involving a threat to human life and liberty,

Noting that the Sub-Commission on Prevention of Discrimination and Protection of Minorities, in its resolution 8 (XXVII) of 21 August 1974,¹ made an urgent appeal to the Chilean authorities to respect the Universal Declaration of Human Rights and to comply with the International Conventions on Human Rights² signed and ratified by the Government of Chile,

Noting also that the International Labour Conference, in its resolution X of 24 June 1974,³ urged the Chilean authorities, inter alia, to cease violations of human rights and trade union rights, to guarantee the life and freedom of arrested, deported or imprisoned workers, militant workers and trade union leaders and members of any political party, to put an end to the practice of torture, to close down the concentration camps and to abolish the special tribunals, and decided to urge the speedy expedition to Chile of the Fact-Finding and Conciliation Commission on Freedom of Association as well as the setting up of a commission of inquiry.

Considering that, notwithstanding all the appeals made by various organs of the United Nations system, gross and massive violations of human rights, such as arbitrary arrest, torture and cruel, inhuman and degrading treatment of political prisoners and detainees, including former members of the Chilean Government and Parliament, continue to be reported,

1. Expresses its deepest concern that constant flagrant violations of basic human rights and fundamental freedoms in Chile continue to be reported;

2. Reiterates its repudiation of all forms of torture and other cruel, inhuman or degrading treatment or punishment;

3. Urges the Chilean authorities to respect fully the principles of the Universal Declaration of Human Rights and to take all necessary steps to restore and safeguard basic human rights and fundamental freedoms, particularly those involving a threat to human life and liberty, to release all persons who have been detained without charge or imprisoned solely for political reasons and to continue to grant safe conduct to those who desire it;

¹ A/9767, annex II.

² General Assembly resolution 2200 A (XXI), annex, 74-31304

³ International Labour Office, *Official Bulletin*, vol. LVII, No. 1, 1974, p. 40.

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4. Endorses the recommendation made by the Sub-Commission on Prevention of Discrimination and Protection of Minorities, in its resolution 8 (XXVII), that the Commission on Human Rights at its thirty-first session study the reported violations of human rights in Chile, with particular reference to torture and cruel, inhuman or degrading treatment or punishment;

5. Requests the President of the twenty-ninth session of the General Assembly and the Secretary-General to assist in any way they may deem appropriate in the re-establishment of basic human rights and fundamental freedoms in Chile in the light of paragraph 3 above;

6. Requests the Secretary-General to submit a report to the General Assembly at its thirtieth session on the action taken and progress achieved under paragraphs 3 to 5 above.

EXHIBIT 6

LATIN AMERICAN STUDIES ASSOCIATION,
Gainesville, Fla., November 25, 1974.

Senator EDWARD KENNEDY,
Senate Office Building,
Washington, D.C.

DEAR SENATOR KENNEDY: I am writing to you in your twin capacities as Chairman of the Senate Subcommittee to Investigate Problems Connected with Refugees and Escapees, and as sponsor of an amendment to cut all military aid to the Chilean government.

Acting under resolutions passed by the general membership of the Latin American Studies Association, the Executive Council and officers of the Association decided at their last meeting to send the following message to you:

We strongly support Congressional proposals to cut off all military aid to Chile. Such aid to a government which has systematically been found to be in violation of the fundamental civil and human rights of its own citizens is incompatible with the basic tenets of a humane and democratic foreign policy.

We also urge that entry into the United States be facilitated for those Chileans and other Latin Americans who have had to, or will have to, leave Chile because of the actions of the military government. Eased entry to the United States has been granted in the past to Hungarians and Cubans, among others. We believe that the same logic applied then should now be applied to the Chilean situation.

The officers and Executive Council of the Latin American Studies Association stand ready to assist you and other Senators and Representatives in whatever way possible on these and related matters of mutual concern.

Very truly yours,

RICHARD R. FAGEN,
Vice President and President Elect.

EXHIBIT 7

CHILEAN PARLIAMENTARIANS DETAINED

Senators: Hugo Miranda, Luis Corvalan, Ernesto Araneda, Anelomo Jule, Jorge Montes, Erich Schnacke.

Deputies: Laura Allende, Amenda Altamirano, Claudio Huepe, Alexandro Jiliberto, Andres Sepulveda, Ivan Quintana, Alexandro Perez, Camilo Salvo.

Deputy Gaston Lobos was alleged to have been killed.

IS THERE AN ECONOMICS FOR SUSTAINING HUMANITY?

Mr. HUGHES. Mr. President, at the James H. Oliphant Forum in New York City on November 12, Senator HATFIELD delivered an address on international food and development policies that most certainly deserves our close attention, particularly as we again consider the

Foreign Assistance Act. While willing to sharply increase funding for traditional programs in order to meet present emergency needs, Senator HATFIELD is not content to stick with "more of the same" indefinitely, and suggests how our present policies might be changed so that those who are have the greatest need can receive the most aid.

John Kenneth Galbraith, another participant in the forum, remarked that this was the best speech he had heard any Senator give on the subject. Given Mr. Galbraith's knowledge of the subject, that is an enviable commendation. I recommend the Senator's speech to my colleagues' reading, and I ask unanimous consent that it be printed at this point in the RECORD.

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

IS THERE AN ECONOMICS FOR SUSTAINING HUMANITY?

(By Senator Mark O. Hatfield)

It is a pleasure to be with you today and participate in this year's Oliphant Forum, devoted to an exploration of the topic, "The Search for a New Equilibrium—Political-Economic Meaning in the Seventies."

Searching for a new equilibrium is by no means an original undertaking, and all too often it has been little more than an academic exercise. At this time it is particularly urgent, however, that the search be genuine, penetrating, and imaginative, and that whatever meaning we derive from our efforts by humane and refreshing, and not simply another rehash of the same perceptions and philosophies that make these endeavors continually necessary.

This is not a time when mere tinkering will do. The world is very near the brink, in part by virtue of the political-economic "equilibrium" we have made for ourselves in the last 400 years. We are in an interregnum, between the ages of affluence and scarcity; confused and uncertain about the past, we have hardly begun the attempt to grasp the future. Our political and economic institutions have lost the confidence of the people, and for good reason. Despite a most interesting and promising history of two hundred years, the bicentennial we will celebrate in this country two years from now will not cap our success in eliminating poverty, hatred, ignorance or war and substituting peace, justice, freedom and dignity for our citizens. Rather, as Wendell Berry has put it, "as a nation we no longer have a future that we can imagine and desire . . . We have become the worshippers and evangelists of a technology and wealth and power which surpass the comprehension of most of us, and for which the wisest of us have failed to conceive an aim. And we have become as a consequence, more dangerous to ourselves and to the world than we are yet able to know."

Our confusion and uncertainty have driven us into the retreat of cynicism and apocalypticism, both of which paralyze our imaginations. Cynicism mocks all meaning, whether it be the truth or deception, and becomes self-fulfilling in its low estimate of man. Talk of apocalypse is provocative, but, as Richard Falk has noted, insofar as it persuades it also immobilizes. Rekindling our imaginations and our hopes will certainly not be easy, and it may be that in the end we will go only part way with Faulkner, settling for the belief that man will simply endure. But that would be a great failure, and a living death for millions.

Today I am asking, "Is there an economics to sustain humanity?" because I have just returned from the World Food Conference

and am convinced that there can be no new "equilibrium," no political and economic meaning for the seventies, if we are not able to solve the intricate problems of world food. I want to speak of those problems, suggest some solutions and discard others, and finally issue a challenge to "re-vision" our culture.

The present world food crisis emerged suddenly in 1972 with global bad weather, the disappearance of the unassuming Peruvian anchovy, and a variety of other factors that caused the first decline in world food production in 20 years as the demands of population and affluence continued unabated. World production of cereals fell by 33 million tons at a time when it should have been growing at 25 million tons a year to meet world demand. There was a substantial increase in output in 1973—about 4%—but production still declined in certain areas, such as Africa and the Far East. The 1970-71 period marked the highest level of food production per capita in the developing nations since World War II. Since that time per capita production has declined, and not even the 1973 increase matched the per capita production levels of the 1970-71 period.

The result: import demand climbed steeply, reserve stocks evaporated, and prices soared. World trade in wheat increased from 52 million tons in 71-72 to 68 million tons in 72-73. Wheat stocks of the main exporting countries fell 40% from 49 million tons in 71-72 to 29 million tons in 72-73. By February 1974, U.S. wheat for export cost nearly four times as much as in 1972.

The high-income countries as a whole, with about 30% of the world's population, accounted for 51% of the total consumption of cereals for all uses in 1969-71. The 370 million tons of grain used annually in these countries for livestock feed alone in 1969-71 was greater than the total human consumption of cereals in China and India combined. We in the United States consume nearly a ton of grain per capita each year, but only about 160 pounds of it directly. Most of the remainder is fed to animals; some of it is used to make beer and liquor. On the other hand, the poor people of the world have an average of only 400 pounds of cereal grain to eat each year, nearly all of it consumed directly. These consumption levels have strained production capacity to the point that we have reserves sufficient for only 27 days of annual food consumption, down from 95 days in 1961. World food supplies of basic foodstuffs and food grains are perilously dependent on the harvest of a single season, and a widespread crop failure in any major producing area in 1974-75 could well mean catastrophe.

The prospects for increased production, at least those based on "more of the same," are not bright. The long-term average increase in world food production has exceeded population growth since the end of World War II. However, the rate of increase has been slowing in most major areas. While total food production has increased at about the same rate in the developed and developing nations, the per capita production increase in the developing nations has been much less than that in the rich countries. In 1961-63, per capita production in the developing countries was about one-third that in the developed countries. Food production per capita in the developing countries was little more than one quarter of that in the developed countries in 1971-73. Obviously, the gap between rich and poor is widening. Some individual developing nations have not done even this well; in about 40% of the developing countries, food production failed to keep pace with population growth in the period 1962-72.

Ambitious development plans are not being fulfilled. The United Nations reports that of 66 national development plans for

47 countries, production targets have been met in only 17 cases. Similarly, the 4% annual rate of increase in agricultural production in developing countries proposed for the second U.N. Development Decade has so far not been met in any region. On the other hand, the annual increase in the rate of extension of arable land has exceeded the 0.7% annual rate proposed by the FAO (Food and Agriculture Organization) for the period 1961-63 to 1985. In other words, yield improvements have been disappointing. The FAO has laid great stress on yield improvement, to be accomplished primarily through more irrigation, better seeds, and increased use of fertilizer and pesticides. Yet irrigation has not increased as hoped, and the shortage of power for pumping has further reduced the effectiveness of already limited facilities.

World fertilizer consumption has exceeded production in the past few years, and while consumption by the developing countries is increasing faster than in the developed countries, it is still only 15% of the world's total consumption. Most of their fertilizer must be imported. The energy shortage, lack of production capacity, and soaring prices all helped create a shortfall of about 1.5 million tons of fertilizer, about 15% of the developing countries' total supply. The loss could mean a reduction of 12 million tons in cereal production. In the United States alone, we use 2 million tons of fertilizer on our lawns, gardens, golf courses, and football fields. Thus countries like India, for lack of a pound of fertilizer costing 15 cents, fail to grow 10 pounds of wheat that they must buy on the world market for at least \$1.

The "Green Revolution" is far short of an unqualified success: the high-yield varieties of grain require heavy inputs of water and fertilizer, both scarce and costly; and strains developed in one area are not necessarily suited to another. In addition, the financial benefits have been enjoyed primarily by the already established, while the poor remain poor.

And finally, improvement in the rural institutions and government services regarded as a major stumbling block to increased food production in the developing countries, has been agonizingly slow and, to date, inadequate. Agrarian reform to eliminate the distortions and handicaps of a "dual economy" of a few large landowners and many poor peasants has not been accomplished to any significant extent. Those services that have been provided, like the green revolution, are largely directed to large-scale producing units and not to the rural poor, who remain marginal at best.

It is a testimony to the amorality and inhumanity of our economics that these figures do not ordinarily move us; that we see these things in terms of bushels, not shattered human lives. The U.N. estimates that one half of all child deaths are in some way attributable to malnutrition; the percentage of the population in the developing countries who must try to exist with food deficiencies ranges up to 30% or higher in some areas, and amounts to over 434 million people in total, probably more. Elie Shneur, author of *The Malnourished Mind*, believes that at least half of the world's population has endured a period of severe nutritional deprivation during childhood. This is a serious business, for malnourishment in the early years of life causes irremedial brain damage. A study conducted in Mexico a few years ago showed that children severely undernourished before the age of five averaged 13 points lower in I.Q. than those receiving sufficient nutrition.

The urban poor, particularly those who have recently been driven off the land or fled to the city in search of a future, are most vulnerable to malnutrition. For example, the U.N. reports that 22% of the urban households in northeast Brazil are

in the lowest-income group and have a per-capita intake of 1200-1500 calories a day. Thirty-two percent of the rural poor in the same area fall into the lowest-income group, but average a per-capita intake of 1500-1800 calories a day.

The immediate effect of malnutrition is obvious and appalling. Its long-term impact on our world cannot be fully known yet. But it is apparent that "we have not yet reaped the whirlwind of the famines that have pinched the brains of millions of people on several of our continents in the past 10 years." (Dr. Richard Selzer, *Harper's*, June 1974.)

The foregoing is a capsule assessment of the present situation only. Briefly, the future world demand for food looks like this:

Between 1970 and 1985, food demand in developed countries is expected to rise at an annual rate of 1.5%; that means a 26% increase in demand in that 15 years. For the same period, food demand is projected at an annual growth rate of 3.6% in the developing countries; an increase in total food volume of about 70% between 1970 and 1985. Higher than expected income growth rates could raise that figure even more, since greater affluence means greater food demand. To satisfy these increases in world demand, world agriculture in 1985 will have to provide additional annual outputs of nearly 230 million tons more of cereals for direct human consumption than in 1970; nearly 40 million more tons of sugar; 110 million tons more of vegetables; 60 million tons more of meat; and 140 million more tons of milk. The total requirements in terms of cereals for all purposes in 1985 will be 520 million tons more than in 1970; an increase of 45% in 15 years. The demand increase in developing countries will be about 63% of the total; the demand increase in the developed countries will be about 29% of the total.

Extrapolating these production/demand figures, it is possible to project a net cereal deficit in the developing countries in 1985 of almost 85 million tons. In Africa, for example, between 1970 and 1985 food demand will rise by 76%, but her production by only 45%. It should also be remembered that food demand in poor countries may often be less than that necessary for adequate nutrition.

To meet the world food crisis, most proposals advanced by national and international agencies and private aid organizations have been based on the following concepts:

(1) An increase in government services and support for rural development, with particular emphasis on productive investments in the agricultural sector and technical assistance for the farmer. This would include irrigation, flood control, an increase in arable land, improved storage and transportation facilities, etc., all involving the transfer of modern technology from rich to poor countries.

(2) Reliance on the high-yield varieties of grain and the technologies needed to support their production—i.e., the "Green Revolution."

(3) Another idea, although one offered with substantially less enthusiasm because of its necessarily political nature, is the suggestion of income redistribution; land reform; and improved marketing procedures which serve the farmer not the middleman.

(4) Increasing attention is being paid of the other half of the Malthusian equation, population. There is growing insistence that no response to the world food crisis can be at all adequate if it does not propose an effective means of controlling population.

(5) Finally, as a defense against emergency situations created by natural disasters or war, leading authorities have urged the creation of a world food bank controlled by an international agency, and drawn upon in time of need.

These proposals form the core of plans to

deal with the world food crisis that have been offered in recent years. Yet none of them offers anything new; they are all traditional concepts of the conventional wisdom, which has done nothing to help the poor, and has in fact worsened their plight as the gap between rich and poor continues to widen. The traditional propositions fail to address the complex relationships of a society's internal institutions, class structure, international intentions, and industrial progress; over which the traditionalists would simply impose their plans for agricultural improvement, however, ill-fitting. A recent study has identified a constellation of 64 different factors which, singly and in combination, can affect food production and demand. Any effort that addresses only one of these factors and ignores the others will fail. For example, why extend arable land under irrigation if the available technology is not appropriate for maximizing output attainable through irrigation? What advantages are there to greatly increasing the land under cultivation if the means of getting the fruits of this new cultivation are inadequate? Most importantly, what advantages are there to significantly improving yields if the benefits of these improvements do not accrue to the growers, who need them to pay for the necessary technological improvements? And what if the potential consumers of these products lack the funds necessary to purchase them? It is this plight of the desperately poor both in town and country that best illustrates the failure of traditional development proposals.

The basis of wealth in a non-industrialized society is primarily land; thus in a goodly number of developing nations the majority of land is held by relatively few owners. These owners have relatively easy access to the financial and technological systems that are available to boost production in accordance with traditional development proposals. In turn, the financiers, technologists, and bureaucrats whose continued prosperity depends on the success of techniques requiring their expertise, are only too quick to lend their aid to the large landholders and ignore the poor who are in greatest need of assistance, for the sake of a better "profit." In short, technical improvements such as those of the "Green Revolution" devoted exclusively to increases in production with no attention to social reality, exacerbate inequality by serving those already well-established at the expense of the poor worker. This is true not only within the developing countries themselves, but also in the relationship of the developed, industrialized nations to the developing countries.

Because of the political-economic philosophies undergirding the technocratic culture of the developed countries, their involvement in the food programs of the developing nations is limited to those types of agriculture which serve their own interests, commercial or otherwise. Multinational agribusiness corporations operating in the Sahel of Africa devote their efforts to the production of vegetables, cotton, and cattle for foreign markets, depriving the indigent population of land for the production of essential cereal grains. Direct colonialism has virtually ended, but it has been replaced by this more subtle and insidious form of exploitation, which primarily rests on the monopolization of capital by the multinational enterprises of the rich, developed countries, be they market economies or centrally planned.

The exploitation of the poor by the rich is not solely accomplished by the captains of industry, however. As Lester Brown, among others, has shown us, our personal consumption patterns can have a direct impact on the quality of life in a poor country. The aggregate of the rich countries (capitalist and socialist) with 30% of the world's

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population consumed 51% of the world's total grain production during the period 1969-71. Of the more than 600 million tons of grain consumed by those countries, 370 million tons were used for animal feed. Obviously, the rich countries' increasing tendency to use vegetable protein for the production of animal protein, a very inefficient conversion process that raids the world's grain supplies for the sake of our luxurious life-style, has direct impact on the amount of food available for the poor.

Finally, this much must be said about the efficacy of population control as a means of reducing world food demand. There is no doubt that an all-out, concerted effort must be made by all nations to curb their population growth, and not only to reduce food consumption. A city of tens of millions of people is not an inviting prospect, no matter how well fed the citizens might be. But population control alone will not suffice. First, no population control program short of wholesale destruction of human beings will have any short-term effect on food consumption or resource depletion. More importantly, population control policies historically have been most effective when they involve populations or portions of populations that are relatively prosperous and have achieved minimum levels of education, nutrition, and health maintenance. Unless such minimum standards are achieved through development programs designed to benefit the rural poor directly rather than through the ineffective "trickle-down" programs enjoyed primarily by a majority of bureaucrats and large landholders, the population of the world's poor will continue to swell, and the poor will be pushed farther into the abject poverty which renders them incapable of improving their food production or consumption.

Having dismissed as insufficient the traditional development proposals advanced as the way out of the world food crisis, I want to suggest what I see to be the fundamental approach that must be taken, and what implications this will have for finding a political-economic meaning for the seventies, and an economics for sustaining humanity. It is hard to envision successful development in the poor nations of the world if comprehensive land reform and income redistribution are not made the first tasks. This reform should be aimed at eliminating sharecropping and farm operations too small to accommodate the single family living on them. The new units created should be large enough to allow optimum use of "intermediate" technology; yet small enough that the land can be worked without the substantial inputs and expense of technology and energy required by American methods of agriculture. Heavy capital investments would be financed by cooperatives serving these small landholders, rather than by urban bureaucrats or foreign corporations. Outside assistance in the form of technical aid or education, loans, credits, or grants, should all be directed toward facilitating the operation and production of these small units and their cooperative organizations, as much as possible by-passing profiteering bureaucrats and middlemen.

This emphasis on relatively small operations replacing the present mix of landholding elite and a poor majority of peasants would accomplish several development goals at once: First, it would help stop the flight from rural areas to the even worse conditions of the urban slums prompted by the acquisition of small holdings by the elite and the replacement of the small farmer by technology he cannot afford. In turn, rural development in this fashion would foster rural employment by the maximum use of labor-intensive methods as much as possible. Rural employment would begin to create for the rural poor the small measure of prosperity that so enhances population control efforts.

Finally, marketing procedures would be simplified, and distribution costs reduced, through the operation of cooperatives, to the benefit of rural producer and urban consumer alike.

This last is most important, for as the U.N. "Assessment of the World Food Situation" puts it, "the causes of inadequate nutrition are many and closely interrelated; including ecological, sanitary and cultural constraints, but the principal cause is poverty." To break the grip of that poverty, we must discard traditional development policies which in poor countries have been characterized by a high degree of concentration of power, wealth, and income in the hand of relatively small elites of national or foreign individuals or groups. We cannot rely on any program which, like our P.L. 480 program in recent years, is devoted to a "national security" interest that may have little or nothing to do with hunger or, for that matter, national security.

Nor can we expect the multinational agribusiness corporations, in their present form, to aid in a development process based on the well-being of millions of Lilliputs rather than a handful of Gullivers. The business of the multinationals is to maximize profits. In the developing nations, that is best done through appropriation of the best land, use of technology beyond the reach of the indigenous population, and whatever use of cheap local labor seems necessary. After all, the world's poor and starving are virtually non-existent to the "food industry", for the poor cannot afford to purchase the food produced, and only the consumer counts.

Nor can we bring "marginal men" into full participation in the world community unless the rich of the world, and particularly those of us in the United States, abandon their rapacious lifestyles. The resources necessary to accomplish the elimination of poverty in what has now become known as the "Fourth World" will not be available if we continue to regard our planet as a quarry for exploitation. Kenneth Boulding said years ago that anyone who believes that man can go on forever plundering the resources of a finite earth must be either a madman or an economist. "Forever" is the key word of that statement, for time is what the growth/no-growth debate is all about. But whatever the specific time frame, it is apparent now that the size of the pie is limited, and the amount of it we consume, and the way in which we consume it, is going to affect our ability to transfer resources to the poor. If we share the goal of eliminating hunger in the world (and there are those who do not—the callous "triage" theory has its proponents), then we would be wise to begin the transfer now, before we regard them as exclusively "ours" and the transfer becomes "expropriation."

What will be required is what has always been most difficult to accomplish without violence: A redistribution of power, and the wealth that brings power; an end to pre-emption of resources by the rich; and a replacement for the kind of economics which divides the world into potential consumers and expendable workers for the sake of acquiring more money. Developing that sort of political economic meaning will be a tremendous task, for it requires grasping a new reality through experience, understanding, and no small amount of sacrifice. It will take, as Claude Levi-Strauss has said, "a spiritual revolution as great as that which led to the advent of Christianity. It would require that man, who since the Renaissance has been brought up to adore himself, acquire modesty, and that we learn the lesson of all the atrocities we have experienced for thirty or forty years."

In the United States, the task will be particularly difficult, for we have not really known war in our own land, or want, or disease. In their stead we have created the most massive aggregation of wealth in the history

of man, the comforts of which blind us to its destructiveness and insulate us from the pain it inflicts in its exploitation of the world's poor. Meanwhile, our policies for the agricultural development of the poor countries, insofar as we have any policies at all, tend to be copies of the American experience, driving people off the land to make way for tractors, chemicals, and "efficiency" without a thought of where the people should go from there—much less what they might do when they arrive.

Underpinning this wanton disregard for human consequences is an economics for which no better synopsis is available than that of Lord Keynes, who observed in 1930 that there might come a day when we would "value ends above means and prefer the good to the useful." But, he continued, "the time for all this is not yet. For at least another hundred years we must pretend to ourselves and to everyone else that fair is foul and foul is fair; for foul is useful and fair is not. Avarice and usury and precaution must be our gods for a little longer still. For only they can lead us out of the tunnel of economic necessity into daylight." We still have 60 years to go on the Keynesian timetable, and already his philosophy has put us in the preposterous situation of using an extremely advanced technology to maintain nearly 4 billion people at a low average level of living while stripping the world of its resources, contaminating its water, soil, and air, and driving most other species into extinction, parasitism, or domestication. It is time we replaced that philosophy, that political-economic meaning, with one that could sustain humanity. Perhaps something like Gandhi's dictum that "earth provides enough to satisfy every man's need, but not for every man's greed" can give us a start.

For the old bromides will not work. Our consumption patterns, our view of the world as a quarry for exploitation, our plans to save the poor by creating them in our own image, must change. These plans do not work well in the present. They are totally inadequate for the future. Even to speak about the prospects for this particular revolution may be foolishness. One disillusioned gentleman recently observed, "anyone who has passed through the slum districts of Washington (and New York, for that matter) must entertain fears for the effectiveness of those officials a few miles away who prescribe for the infinitely greater ills of Bogota or Calcutta." But I also recall William Blake's observation that "if the fool would only persist, he would become wise." And I find hope in words from an older source: "Man does not live by bread alone, but by every word of God."

THE PROSPECTS FOR FOOD FOR THE STARVING

Mr. HATFIELD. Mr. President, it is my understanding that this Thursday, there will be a meeting at the highest levels of the administration to determine the amount of U.S. food aid for the second half of fiscal year 1975. Literally, the fate of millions of persons faced with starvation throughout the globe will be determined by the decisions reached at this meeting.

In this regard, let me share some of my observations about the World Food Conference, where I served as a delegate, and the prospects and steps our nation can take, if it has the humanitarian will, to alleviate the suffering of those without sufficient food.

Mr. S. A. Marei, Secretary-General of the World Food Conference, stated at its conclusion: "Despite our resolution, a large number of people face starvation."

Just how large that number is and will be depends directly on what actions the food-rich nations, and especially the United States, take in the week ahead.

Unfortunately, the callous indecisiveness to date of our Government in responding to the scourge of hunger offers little solace to the world's starving millions.

Bangladesh's former Food Minister told the conference at Rome that 1 million people will die in the next 6 weeks in his country if additional food assistance is not received. India is confronting a famine which many predict will be the worst in a quarter century. And experts in Rome estimated that in the next 8 months half a billion people throughout the world are faced with starvation or malnutrition unless additional relief reaches them.

When I first brought up the question of immediate food aid to Secretary Earl Butz at the initial meetings of the U.S. delegation to the World Food Conference, I was totally stunned by his response. The Secretary attempted to dismiss the issue by stating that when the Conference was planned last spring, its purpose was to deal with longrange questions. But the grim, desperate plight faced by the world's starving multitudes this November was not foreseen last spring. The fact that the World Food Conference occurred when the stark proportions of current famine had suddenly become more evident should have been seized as a providential opportunity to mobilize global resources for halting the rampage of starvation. Contending that the World Food Conference should not have focused unduly on those who are now dying from hunger is like urging firemen to ignore blazing cities in favor of discussions about future fire prevention.

Nero fiddled while Rome burned; at the Food Conference, our Government fiddled while the world starved. Our eventual decision not to modestly increase our food aid to the world's hungry deepened the pangs of conscience among millions of Americans while worsening the pangs of hunger across the globe.

It is true that we are the world's most generous giver of humanitarian relief. Yet, this generosity must be understood in perspective, rather than used as another reason for refusing to render needed assistance to the starving.

Under Public Law 480, commonly but often mistakenly called "food for peace," the United States ships excess foods to supposedly needy countries. The idea is to take what we neither consume at home nor trade commercially abroad, and give it to relieve the immediate needs of hunger throughout the world. This is accomplished either through granting highly concessional and generous loans to countries for the value of the food, title I of Public Law 480, or through the outright gift of such food, title II of Public Law 480, which is usually the far smaller part of the program.

Between 1968 and 1972 the United States sent on the average 9 million tons of foodstuffs abroad as such aid. But by fiscal year 1974 our diminishing grain surplus had reduced our Public Law 480 program to only 3.3 million tons.

When President Ford went to address the U.N. last September, he was expected to make some statement concerning the U.S. commitment to meeting growing

world hunger. An option paper prepared for him set forth our Nation's choices. We could send the same level of food aid as last year—3.3 million tons—at a cost of \$891 million, or that could be increased to about 4 million tons, costing \$950 million. The third and higher option was to send 5.5 million tons of food aid, at the cost of about \$1.4 billion. The President apparently made no decision other than to review the matter each quarter. At the U.N. he merely said that the U.S. effort in food aid would be increased over last fiscal year. Yet, that was later interpreted to mean only a certain increase in the dollars spent for food aid, which, because of inflation, did not necessarily mean an increase in tons actually sent.

As Secretary Kissinger prepared his speech to the World Food Conference, he sent a draft to the White House including the pledge that the United States would increase its food aid this fiscal year both in tonnage and dollars. But the weekend before his Tuesday appearance, that proposed pledge was rejected in a round of bureaucratic infighting that went all the way to the President.

At Rome I joined with other congressional advisers in urging a modest increase in our food aid commitment. Eventually, the entire delegation telegraphed back to Washington requesting a food aid commitment of \$4.3 million tons for fiscal year 1975, a million-ton increase over last fiscal year, although food aid commitments undertaken during this fiscal year are already running somewhat above last year's low level. Thus, the figure was exceptionally modest, in the middle range of options before the White House, and lower than 5.5 million tons apparently favored in many quarters of the State Department. Yet even that modest request was turned down, despite specific pledges by Canada and Australia at the World Food Conference to increase their contributions of food aid to the world's hungry.

As the world watches the proportions of starvation take its toll this fall and winter, many will ask whether there is food, somewhere, for those who are dying.

There is. The United States can still decide to give leadership in combating global famine; fortunately the issue is not yet whether we can find the food, but whether we have the humanitarian will.

The United Nations estimates that the starving nations of the world need 8 to 12 million more tons of grain in the next 8 months to avert disaster. Some of that need is being met, but a large deficit, which is literally the difference between life and death for millions, remains. More than any other nation, we are in a crucial position to fill this famine-threatening gap; and can do so through the following actions:

First. Increase U.S. food aid this fiscal year to fully utilize all existing surpluses.

Secretary Butz stated to the U.S. delegation in Rome that we had available surpluses for a food aid budget of around \$1.4 to \$1.5 billion. That would provide as much as 5.5 million tons of food to the starving, and is the "high option" for food aid that has been before the President for consideration. Currently in this

fiscal year, we are budgeting slightly under \$1 billion in food aid, equaling a little more than 4 million tons. This amount could be significantly increased to fully utilize available grain and other foodstuffs, especially wheat and rice, without any action by the Congress.

Second. Depoliticize the allocation of our food aid.

The food our Nation gives as assistance abroad goes first not to where the most people are starving, but where we wish to support a friendly political regime or exert our diplomatic leverage. Our food is used as a political weapon; "food for peace" has frequently become food for war.

Of the nearly \$1 billion in food aid projected in fiscal year 1975, between \$250 to \$300 million will go to Cambodia and South Vietnam, whose national economies have become parasitic on U.S. largesse. Roughly between \$120 to \$140 million is projected to go for political purposes to nations in the Middle East, and Chile has already received \$35 million worth of food aid, with more likely to come. By comparison, even under the highest option for food aid before the President, India and Bangladesh would each receive less than \$100 million, and Pakistan would receive less than \$50 million. Those three nations, all faced with mass starvation, will together receive less food from the United States than the total which we will send direct to Southeast Asia. Preserving puppet regimes is more important in our food aid policy than preserving the lives of millions of people.

A simple decision to allocate our surplus food according to the needs of the world's hungry would result in hundreds of thousands more tons available to prevent famine.

Third. Establishing a policy of domestic food conservation.

Our meat heavy diet is enormously wasteful of the grains needed by the world's starving. Changes in our patterns and our rate of food consumption can eventually free more foodstuffs for the hungry. A reduction in meat consumption of just 5 percent would free 6 million tons of grain, for instance.

It is true that changes in consumption patterns may not immediately create more grain for aid. But reducing our consumption would prevent higher domestic food prices that some argue would be the result of increasing our food aid. And over time, the altered patterns of consumption will produce a greater surplus for those in need.

Despite the threat of famine, our Government has yet to utter the first word of any food conservation program. Such insensitivity indicts us before millions of our hungry neighbors.

In the aftermath of World War I, Herbert Hoover, under the authority of President Woodrow Wilson, met the threat of impending world famine with a food relief program made possible in large measure by voluntary American "self-denial." In just 14 months 5.4 million tons of foodstuffs were shipped to the hungry through these efforts stemming from changes in domestic food consumption.

December 4, 1974

As in the past, millions of Americans today will make individual sacrifices to help save the starving of the world, if given national leadership.

Fourth. Redirect grain from trade with the rich to aid for the poor.

We are presently expecting to ship about 5.6 million tons more of corn and wheat to Western Europe than was originally targetted by the U.S. Department of Agriculture for the 1974-75 crop. Contracts for such grain trade are presently monitored by USDA. If the will existed to find more grain for the needy nations of the world, the amount going to the well-fed nations of Europe could be quickly and quietly reduced, without resorting to export controls. Finding the 8 to 12 million tons of grain to meet immediate world need is not our sole responsibility, but must be done in cooperation with those other rich nations which have the money to buy our grain. Jointly reexamining needs and consumption patterns in view of a starving world can result in diverting some grain from those nations who have money to those who have only hunger.

We need not consign portions of humanity to starvation and death in the months ahead under the naive belief that there is nothing we can do. It is within the capacity of the world's food-rich nations to avert the famine which presently stalks millions throughout the globe. The steps outlined above would free the grain and foodstuffs necessary to eliminate the deficit of need in the food-poor nations. But to date, the United States has chosen not to make an undaunted commitment of its resources and leadership to this end.

The prospects for freedom from the scourge of hunger in years and decades ahead depend upon scores of actions which the poor nations, as well as the rich, must undertake. The agenda for these actions was identified, at least in part, by the World Food Conference. But without a resolute commitment to eliminate the immediate prospect of starvation for millions, words and plans about long term actions have a hollow ring, and are mocked by the deaths of thousands each day who have no food.

Mr. HUGH SCOTT. Mr. President, I would be remiss if I did not express my serious concern over elimination of section 506 drawdown authority from the present bill. As my distinguished colleagues are fully aware, this authority enables the President, if he determines it is in the security interests of the United States, to order defense articles from the stocks of the Department of Defense and defense services for military assistance, subject to reimbursement from subsequent congressional appropriations available for military assistance. It has existed as a valuable, integral part of our foreign assistance legislation since 1961. Since that time, section 506 has been available to three Presidents, all of whom have faced serious challenges in the international arena and have had necessary reassurance that this emergency resource could be utilized. The Congress not only has been consistent in renewing the authority from year to year, but also in its view that \$250 mil-

lion constituted a reasonable amount for unforeseen emergency situations.

Section 506 has been an especially valuable resource for unforeseen contingencies because the authority for Presidential use of Defense Department stocks does not exist elsewhere in any other legislation. It should be noted also that section 506 does not allow the commitment of American troops; it only permits the President to help our friends and allies meet emergency situations which threaten not only themselves but also important security interests of the United States itself.

I would remind my colleagues that the emergency drawdown authority has only been used three times since its inception. Each of these cases involved situations in which clearly definable emergency situations could not be addressed through normal program funding. There is no evidence whatsoever that the authority has been misused; indeed, legislative safeguards have existed to deter any possible abuses. Under previous legislation, each use of section 506 has required advance notification and justification to the Congress. Clearly, it has never posed any threat to congressional authority over the shape and direction of foreign assistance programs, since reimbursement from any drawdown must come from subsequent congressional appropriations for military assistance.

Mr. President, much of my concern over deletion of this legislative feature relates to the direct, adverse impact that it is likely to have over the flexibility of action which any President must have if he is to discharge competently his enormous responsibilities as Chief Executive and Commander in Chief. I do not believe that any Member of this Congress would disagree with the proposition that unanticipated emergency situations can arise anywhere in the world. Indeed, the history of America's emergence as a global power illustrates that we can expect the unexpected. No matter how quickly the Congress might attempt to enact special legislation to backstop the President in his response to such emergency situations, we cannot move our legislative machinery with sufficient speed to match that with which modern crises develop. Neither can we anticipate in each annual debate of foreign assistance legislation where the next crisis is likely to arise and what specific assistance will be needed.

We have created a multibillion-dollar Defense Establishment to insure that our national security requirements will be met. Part of our defense rests with our friends and allies, since we clearly cannot, and should not, act as policeman for the world. Since national defense and mutual security are inseparable, it therefore makes sense to utilize a modest portion of our own defense stocks if an emergency threatens the security of our allies—and thus our own security as well. In my view, it is unnecessary as well as unduly risky to abolish the single legislative device by which this transfer of defense materiel can take place, if required. I say unnecessary because there is no evidence that the authority ever has been abused, and risky because tying

the President's hands and building a legislative wall around our defense stocks could allow some future, unforeseen international event to escalate into a direct threat to our national security.

Mr. THURMOND. Mr. President, the new foreign assistance bill would result in phasing out the military assistance program within 3 years. The eventual demise of pure grant aid is indeed a commendable goal, especially now that our defense partners increasingly are able to obtain need materiel and services through credit programs. However, I seriously question whether the imposition of this relatively early deadline is equally commendable.

It is my understanding that the Departments of State and Defense have been sympathetic to the eventual phase-out of MAP for a number of years. Their efforts to implement this goal deserve mention. Since fiscal year 1952, grants have been reduced from \$5.7 billion to a little more than half a billion dollars in fiscal year 1973. Ten years ago, 52 countries received MAP materiel; today, only 20 countries receive such assistance, and, among these 11 have only token programs of less than \$3½ million each.

The Western European NATO countries, commensurate with their increasing prosperity, have shifted from MAP to credit or cash purchases. The same thing is true in the case of Japan, Greece, Taiwan, and many African nations. In Latin America, MAP aid has dropped approximately 75 percent in the past 10 years. At the present time, our Latin American programs involve mainly training.

This is of comparatively greater benefit to the United States than to the recipient nations in view of the resultant influence and good will we are able to maintain in their respective armed forces.

Barring unforeseen circumstances, it is unlikely that MAP requirements will run more than \$200 million during each of the next few years. However, to force this process by setting an arbitrary time limit will merely necessitate requests for special legislation and impede planning for a more normal phasedown process.

Mr. President, we must remind ourselves that the rationale for MAP assistance is not to engage in meaningless give-away programs. Its purpose is to provide needed materiel and training for friends and allies whose security and defense posture impacts directly on our own.

Obviously, we desire to accomplish this assistance in the most economical fashion, but we have to deal with the reality of who can afford to pay for what. Fortunately, the trend is toward increasing credit and cash sales, but legislating an arbitrary phaseout cannot alter the reality of whether certain defense partners can assume the entire financial burden without some outside help.

The present burden falls most heavily in the area of Southeast Asia, where we are disengaging from more than a decade of military involvement entailing vast expenditures and precious American lives. We have extricated ourselves to a remarkable extent, and there is still hope

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for negotiated final settlements on acceptable terms.

It would be folly to jeopardize this difficult process with a rigid timetable for eliminating vital assistance. The same logic applies to the Middle East, where grant assistance to Israel and Jordan is playing an important role in sustaining these hard-pressed friends.

The grant MAP mechanism has proved to be a valuable one over the years. Its continued existence within annual foreign assistance legislation does not mean an automatically greater foreign aid burden. It is the Congress, after all, which determines through the authorization and appropriation processes what—if any—programs shall exist. This is all the more reason to avoid unnecessary tampering with the mechanism until we are convinced that it has outlived its usefulness.

It is impossible at this moment to predict whether MAP will become outmoded in fiscal year 1977, or sooner, or later. It is my sincere belief, however, that we should not attempt an impossible task of prediction by setting an arbitrary date. When MAP needs to be dismantled, we can perceive the need and act accordingly.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll. The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from North Carolina (Mr. ERVIN), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Indiana (Mr. HARTKE), the Senator from Colorado (Mr. HASKELL), and the Senator from Washington (Mr. MAGNUSON) are necessarily absent.

I also announce that the Senator from Georgia (Mr. TALMADGE) is absent because of illness.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from New York (Mr. BUCKLEY), and the Senator from Nebraska (Mr. HRUSKA) are necessarily absent.

The result was announced—yeas 46, nays 45, as follows:

[No. 522 Leg.]
YEAS—46

- | | | |
|----------|------------|-------------|
| Aiken | Hart | Pearson |
| Baker | Hathaway | Percy |
| Ball | Huddleston | Ribicoff |
| Bennett | Humphrey | Schweiker |
| Bentsen | Inouye | Scott, Hugh |
| Brooke | Jackson | Sparkman |
| Care | Javits | Stafford |
| Clark | Kennedy | Stevens |
| Cook | Mathias | Stevenson |
| Cotton | McGee | Taft |
| Cranston | McIntyre | Thurmond |
| Demuciel | Metcalf | Tower |
| Dominick | Metzenbaum | Tunney |
| Fong | Mondale | Williams |
| Gravel | Moss | |
| Gulfin | Muskie | |

NAYS—45

- | | | |
|----------|-----------------|----------|
| Abourezk | Brock | Chiles |
| Allen | Burdick | Church |
| Bartlett | Byrd | Curtis |
| Bayh | Harry F., Jr. | Dole |
| Bible | Byrd, Robert C. | Eagleton |
| Biden | Cannon | Eastland |

- | | | |
|-----------|-----------|------------|
| Fannin | Mansfield | Proxmire |
| Goldwater | McClellan | Randolph |
| Gurney | McClure | Roth |
| Hansen | McGovern | Scott, |
| Hatfield | Montoya | William L. |
| Helms | Nelson | Stennis |
| Hollings | Nunn | Symington |
| Hughes | Packwood | Weicker |
| Johnston | Pastore | Young |
| Long | Pell | |

NOT VOTING—9

- | | | |
|---------|-----------|----------|
| Bellmon | Fulbright | Hruska |
| Buckley | Hartke | Magnuson |
| Ervin | Haskell | Talmadge |

So the bill (S. 3394) was passed, as follows:

S. 3394

An act to amend the Foreign Assistance Act of 1961, and for other purposes

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 "Foreign Assistance Act of 1974".

FOOD AND NUTRITION

SEC. 2. Section 103 of the Foreign Assistance Act of 1961 is amended—

(1) by inserting the subsection designation "(a)" immediately before "In";

(2) by striking out "\$291,000,000 for each of the fiscal years 1974 and 1975" and inserting in lieu thereof "\$291,000,000 for the fiscal year 1974, and \$530,000,000 for the fiscal year 1975"; and

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

"(b) The Congress finds that, due to rising world food, fertilizer, and petroleum costs, human suffering and deprivation are growing in the poorest and most slowly developing countries. The greatest potential for significantly expanding world food production at relatively low cost lies in increasing the productivity of small farmers who constitute a majority of the nearly one billion people living in those countries. Increasing the emphasis on rural development and expanded food production in the poorest nations of the developing world is a matter of social justice as well as an important factor in slowing the rate of inflation in the industrialized countries. In the allocation of funds under this section, special attention should be given to increasing agricultural production in the countries with per capita incomes under \$300 a year and which are the most severely affected by sharp increases in worldwide commodity prices.

"(c) Of the total amount obligated under this Act during any fiscal year after fiscal year 1975 to procure fertilizers for, and to provide such fertilizers to, foreign countries, not more than one-third of such amount may be obligated with respect to South Vietnam."

POPULATION PLANNING

SEC. 3. The Foreign Assistance Act of 1961 is amended as follows:

(1) In section 104, strike out "\$145,000,000 for each of the fiscal years 1974 and 1975" and insert in lieu thereof "\$145,000,000 for the fiscal year 1974, and \$165,000,000 for the fiscal year 1975".

(2) In section 292, strike out "\$180,000,000" and insert in lieu thereof "\$150,000,000".

EDUCATION AND HUMAN RESOURCES DEVELOPMENT

SEC. 4. Section 105 of the Foreign Assistance Act of 1961 is amended by striking out "\$90,000,000 for each of the fiscal years 1974 and 1975" and inserting in lieu thereof "\$90,000,000 for the fiscal year 1974, and \$92,000,000 for the fiscal year 1975".

DISPOSITION OF LOAN RECEIPTS

SEC. 5. Section 203 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 203. FISCAL PROVISIONS.—On and

after July 1, 1975, none of the dollar receipts scheduled to be paid during any fiscal year from loans made pursuant to this part or from loans made under predecessor foreign assistance legislation are authorized to be made available during any fiscal year for use for purposes of making loans under chapter 1 of this part. All such receipts shall be deposited in the Treasury as miscellaneous receipts."

HOUSING GUARANTIES

SEC. 6. The Foreign Assistance Act of 1961 is amended as follows:

(1) In section 221, strike out "\$305,000,000" and insert in lieu thereof "\$405,000,000".

(2) In section 223(1), strike out "June 30, 1975" and insert in lieu thereof "June 30, 1976".

AGRICULTURAL CREDIT PROGRAMS

SEC. 7. (a) Title III of chapter 2 of part I of the Foreign Assistance Act of 1961 is amended—

(1) by striking out the title heading and inserting in lieu thereof the following:

"TITLE III—HOUSING AND OTHER CREDIT GUARANTY PROGRAMS";

(2) by inserting immediately after section 222 the following new section:

"SEC. 222A. AGRICULTURAL AND PRODUCTIVE CREDIT AND SELF-HELP COMMUNITY DEVELOPMENT PROGRAMS.—(a) It is the sense of the Congress that in order to stimulate the participation of the private sector in the economic development of less-developed countries in Latin America, the authority conferred by this section should be used to establish pilot programs in not more than five Latin American countries to encourage private banks, credit institutions, similar private lending organizations, cooperatives, and private nonprofit development organizations to make loans on reasonable terms to organized groups and individuals residing in a community for the purpose of enabling such groups and individuals to carry out agricultural credit and self-help community development projects for which they are unable to obtain financial assistance on reasonable terms. Agricultural credit and assistance for self-help community development projects should include, but not be limited to, material and such projects as wells, pumps, farm machinery, improved seed, fertilizer, pesticides, vocational training, food industry development, nutrition projects, improved breeding stock for farm animals, sanitation facilities, and looms and other handicraft aids.

"(b) To carry out the purposes of subsection (a), the agency primarily responsible for administering part I is authorized to issue guaranties, on such terms and conditions as it shall determine, to private lending institutions, cooperatives, and private nonprofit development organizations in not more than five Latin American countries assuring against loss of not to exceed 50 per centum of the portfolio of such loans made by any lender to organized groups or individuals residing in a community to enable such groups or individuals to carry out agricultural credit and self-help community development projects for which they are unable to obtain financial assistance on reasonable terms. In no event shall the liability of the United States exceed 75 per centum of any one loan.

"(c) The total face amount of guaranties issued under this section outstanding at any one time shall not exceed \$15,000,000. Not more than 10 per centum of such sum shall be provided for any one institution, cooperative, or organization.

"(d) The Inter-American Foundation shall be consulted in developing criteria for making loans eligible for guaranty coverage in Latin America under this section.

"(e) Not to exceed \$3,000,000 of the guaranty reserve established under section 223 (b) shall be available to make such pay-

ments as may be necessary to discharge liabilities under guaranties issued under this section or any guaranties previously issued under section 240 of this Act.

"(f) Funds held by the Overseas Private Investment Corporation pursuant to section 236 may be available for meeting necessary administrative and operating expenses for carrying out the provisions of this section through June 30, 1976.

"(g) The Overseas Private Investment Corporation shall, upon enactment of this subsection, transfer to the agency primarily responsible for administering part I all obligations, assets, and related rights and responsibilities arising out of, or related to the predecessor program provided for in section 240 of this Act.

"(h) The authority of this section shall continue until December 31, 1977.

"(i) Notwithstanding the limitation in subsection (c) of this section, foreign currencies owned by the United States and determined by the Secretary of the Treasury to be excess to the needs of the United States may be utilized to carry out the purposes of this section, including the discharge of liabilities under this subsection. The authority conferred by this subsection shall be in addition to authority conferred by any other provision of law to implement guaranty programs utilizing excess local currency.

"(j) The President shall, on or before January 15, 1976, make a detailed report to the Congress on the results of the program established under this section, together with such recommendations as he may deem appropriate."

(3) by striking out "section 221 or section 222" in section 223(a) and inserting "section 221, 222, or 222A" in lieu thereof;

(4) by striking out "this title" in section 223(b) and inserting "section 221 and section 222" in lieu thereof; and

(5) by striking out "section 221 or section 222" in section 223(d) and inserting "section 221, 222, 222A, or previously under section 240 of this Act" in lieu thereof.

(b) Title IV of chapter 2 of part I of the Foreign Assistance Act of 1961 is amended by striking out section 240.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

Sec. 8. Section 302(a) of the Foreign Assistance Act of 1961 is amended by striking out "for the fiscal year 1975, \$150,000,000" and inserting in lieu thereof "for the fiscal year 1975, \$186,900,000".

MILITARY ASSISTANCE AUTHORIZATIONS

Sec. 9. Section 504(a) of the Foreign Assistance Act of 1961 is amended by striking out "\$512,500,000 for the fiscal year 1974" and inserting in lieu thereof "\$550,000,000 for the fiscal year 1975".

SPECIAL AUTHORITY

Sec. 10. Section 506 of the Foreign Assistance Act of 1961 is repealed.

MILITARY ASSISTANCE AUTHORIZATIONS FOR SOUTH VIETNAM

Sec. 11. Section 513 of the Foreign Assistance Act of 1961 is amended as follows:

(1) Strike out "Thailand and Laos" in the caption and insert in lieu thereof "Thailand, Laos, and South Vietnam".

(2) At the end thereof add the following new subsection:

"(c) After June 30, 1976, no military assistance shall be furnished by the United States to South Vietnam directly or through any other foreign country unless that assistance is authorized under this Act or the Foreign Military Sales Act."

EXCESS DEFENSE ARTICLES

Sec. 12. (a) Chapter 2 of part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 514. LIMITATION ON THE GRANT OF EXCESS DEFENSE ARTICLES.—(a) The aggregate original acquisition cost of excess defense articles ordered during the fiscal year 1975 under this chapter for foreign countries and international organizations shall not exceed \$150,000,000.

"(b) The value of any excess defense article furnished under this chapter to a foreign country or international organization by any agency of the United States Government shall be considered to be an expenditure made from funds appropriated under section 504 of this Act. Unless such agency certifies to the Comptroller General of the United States that the excess defense article if it is ordering is not to be transferred by any means to a foreign country or international organization, when an order is placed for a defense article whose stock status is excess at the time ordered, a sum equal to the value thereof (less amounts to be transferred under section 632(d) of this Act) shall (1) be reserved and transferred to a suspense account, (2) remain in the suspense account until the excess defense article is either delivered to a foreign country or international organization or the order therefor is canceled, and (3) be transferred from the suspense account to (A) the general fund of the Treasury upon delivery of such article, or (B) the appropriation made under section 504 of this Act for the current fiscal year upon cancellation of the order. Such sum shall be transferred to the appropriation made under section 504 of this Act for the current fiscal year, upon delivery of such article, if at the time of delivery the stock status of the article is determined in accordance with section 644(g) or (m) of this Act to be nonexcess.

"(c) The President shall promptly and fully inform the Speaker of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate of each decision to furnish on a grant basis to any country excess defense articles which are major weapons systems to the extent such major weapons system was not included in the presentation material previously submitted to the Congress. Additionally, the President shall also submit a quarterly report to the Congress listing by country the total value of all deliveries of excess defense articles, disclosing both the aggregate original acquisition cost and the aggregate value at the time of delivery."

(b) Sections 8 and 11 of the Act entitled "An Act to amend the Foreign Military Sales Act, and for other purposes", approved January 12, 1971 (84 Stat. 2053), as amended, are repealed.

STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

Sec. 13. Chapter 2 of part II of the Foreign Assistance Act of 1961, as amended by section 12 of this Act, is further amended by adding at the end thereof the following new section:

"SEC. 515. STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES.—(a) Notwithstanding any other provision of law, no funds, other than funds made available under this chapter or section 401(a) of Public Law 89-367 (80 Stat. 37), or any subsequent corresponding legislation, may be obligated for the purpose of stockpiling any defense article or war reserve material, including the acquisition, storage, or maintenance of any war reserve equipment, secondary items, or munitions, if such article or material is set aside, reserved, or in any way earmarked or intended for future use by any foreign country under this Act or such section.

"(b) The cost of any such article or material set aside, reserved, or in any way earmarked or intended by the Department of Defense for future use by, for, or on behalf

of the country referred to in section 401 (a) (1) of Public Law 89-367 (80 Stat. 37) shall be charged against the limitation specified in such section or any subsequent corresponding legislation, for the fiscal year in which such article or material is set aside, reserved, or otherwise earmarked or intended; and the cost of any such article or material set aside, reserved, or in any way earmarked or intended for future use by, for, or on behalf of any other foreign country shall be charged against funds authorized under this chapter for the fiscal year in which such article or material is set aside, reserved, or otherwise earmarked. No such article or material may be made available to or for use by any foreign country unless such article or material has been charged against the limitation specified in such section, or any subsequent corresponding legislation, or against funds authorized under this chapter, as appropriate."

MILITARY ASSISTANCE ADVISORY GROUPS AND MISSIONS

SEC. 14. Chapter 2 of part II of the Foreign Assistance Act of 1961, as amended by sections 12(a) and 13 of this Act, is further amended by adding at the end thereof the following new section:

"SEC. 516. MILITARY ASSISTANCE ADVISORY GROUPS AND MISSIONS.—Effective July 1, 1975, an amount equal to each sum expended under any provision of law, other than section 504 of this Act, with respect to any military assistance advisory group, military mission, or other organization of the United States performing activities similar to such group or mission shall be deducted from the funds made available under such section 504, and (1) if reimbursement of such amount is requested by the agency of the United States Government making the expenditure, reimbursed to that agency, or (2) if no such reimbursement is requested, deposited in the Treasury as miscellaneous receipts."

TERMINATION OF AUTHORITY

Sec. 15. (a) Chapter 2 of part II of the Foreign Assistance Act of 1961, as amended by sections 12, 13, and 14 of this Act, is further amended by adding at the end thereof the following new section:

"SEC. 517. TERMINATION OF AUTHORITY.—(a) (1) The President shall gradually reduce assistance (other than military training) provided under this chapter so that, not later than September 30, 1977, no assistance (other than military training) shall be provided under this chapter.

"(2) Paragraph (1) of this subsection shall not apply to funds obligated prior to October 1, 1977.

"(b) For each of the fiscal years 1975, 1976, and 1977, the President is authorized to finance procurements of defense articles and defense services (other than military training) by any foreign country receiving defense articles or defense services during fiscal year 1974 under this chapter on terms providing for payment to the United States Government in United States dollars (1) of the value of such articles and services which value shall not exceed during each such fiscal year the value of such articles and services (other than military training) furnished that country in fiscal year 1974 under this chapter, (2) at a rate of interest of not less than four per centum a year, and (3) within ten years after delivery of the defense articles or rendering of the defense services.

"(c) (1) By not later than September 30, 1977, all the functions of a military assistance advisory group, a military mission, or other organization of the United States Government in a foreign country performing activities similar to any such group or mission, shall be transferred to the Chief of the United States Diplomatic Mission to that country. Upon the transfer of such func-

tions, that group, mission, or organization, as the case may be, shall cease to exist.

"(2) On and after October 1, 1977, the total number of military attachés assigned or detailed to the United States Diplomatic Mission of a foreign country shall not exceed by more than twenty-five per centum the total number of military attachés authorized to be assigned or detailed to that mission on June 30, 1974.

"(3) On and after October 1, 1977, no military assistance advisory group, military mission, or other organization of the United States Government in a foreign country performing activities similar to any such group or mission, shall be established or continued unless such group, mission, or organization is authorized by law specifically for that country."

(b) Effective October 1, 1977—

(1) the heading of chapter 1 of part II of the Foreign Assistance Act of 1961 is amended to read as follows:

"CHAPTER 1—PROVIDING MILITARY TRAINING";

(2) sections 501, 502A, 514, and 516, and subsection (g) of section 644 of the Foreign Assistance Act of 1961 are repealed;

(3) section 502 of the Foreign Assistance Act of 1961 is amended by striking out the caption "Utilization of Defense Articles and Services" and inserting in lieu thereof "Providing Military Training", by striking out of the text "Defense articles and defense services" and inserting in lieu thereof "Military training", and by striking out the last sentence;

(4) the heading of chapter 2 of part II of the Foreign Assistance Act of 1961 is amended to read as follows:

"CHAPTER 2—MILITARY TRAINING";

(5) chapter 2 of part II of the Foreign Assistance Act of 1961 is amended by striking out section 503 through 505 and inserting in lieu thereof the following:

"SEC. 503. GENERAL AUTHORITY.—The President is authorized to furnish, on such terms and conditions consistent with this Act as the President may determine, military training to any foreign country or international organization. Funds for such training shall be appropriated for each fiscal year pursuant to authorization for that fiscal year. After September 30, 1977, no such training shall be conducted outside the United States except by specific authorization of law."

(6) section 511 of the Foreign Assistance Act of 1961 is amended by striking out of the section caption "Assistance" and inserting in lieu thereof "Training", and by striking out of the text "military assistance" and "such assistance" and inserting in lieu thereof "military training" and "such training", respectively;

(7) section 636(g) (1) of the Foreign Assistance Act of 1961 is amended by striking out "defense articles and defense services on a grant or sales basis" and inserting in lieu thereof "military training"; and

(8) section 644(m) of the Foreign Assistance Act of 1961 is amended by striking out subparagraph (1) and by striking out of subparagraphs (2) and (3) "nonexcess" wherever it appears.

TERMINATION OF MILITARY ASSISTANCE TO SOUTH KOREA

SEC. 16. Chapter 2 of part II of the Foreign Assistance Act of 1961, as amended by sections 12(a), 13, 14, and 15(a) of this Act, is further amended by adding at the end thereof the following new section:

"SEC. 518. TERMINATION OF MILITARY ASSISTANCE TO SOUTH KOREA.—(a) The total of (1) the amount of funds obligated under this chapter to furnish assistance to South Korea, and (2) the value of excess defense articles furnished to South Korea under this chapter, shall not exceed—

"(A) \$91,500,000 during the fiscal year 1975;

"(B) \$61,000,000 during the fiscal year 1976; and

"(C) \$30,500,000 during fiscal year 1977.

"(b) The aggregate total of credits extended, including participations in credits, and the principal amount of loans guaranteed, under the Foreign Military Sales Act with respect to South Korea shall not exceed—

"(1) \$42,450,000 during the fiscal year 1975;

"(2) \$28,300,000 during the fiscal year 1976; and

"(3) \$14,150,000 during the fiscal year 1977.

"(c) On and after October 1, 1977, no assistance shall be furnished South Korea under this chapter, and no credits, including participations in credits, shall be extended, and no loans shall be guaranteed, under the Foreign Military Sales Act with respect to South Korea. The preceding sentence shall not apply with respect to funds obligated prior to such date."

SECURITY SUPPORTING ASSISTANCE

SEC. 17. Section 532 of the Foreign Assistance Act of 1961 is amended by striking out for the fiscal year 1974 not to exceed \$125,000,000, of which not less than \$50,000,000 shall be available solely for Israel, and inserting in lieu thereof "for the fiscal year 1975 not to exceed \$675,000,000".

TRANSFER BETWEEN ACCOUNTS

SEC. 18. (a) Section 610 of the Foreign Assistance Act of 1961 is amended as follows:

(1) In subsection (a), immediately after "any other provision of this Act", insert (except funds made available under chapter 2 of part II of this Act)".

(2) Add at the end thereof the following new subsection:

"(c) Any funds which the President has notified Congress pursuant to section 653 that he intends to provide in military assistance to any country may be transferred to, and consolidated with, any other funds he has notified Congress pursuant to such section that he intends to provide to that country for development assistance purposes."

(b) Section 614 of such Act is amended by adding at the end of subsection (a) the following: "The authority of this section shall not be used to waive the limitations on transfers contained in section 610(a) of this Act."

SUSPENSION OF MILITARY ASSISTANCE TO TURKEY

SEC. 19. Section 620 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

"(x) All military assistance, all sales of defense articles and services (whether for cash or by credit, guarantee, or any other means), and all licenses with respect to the transportation of arms, ammunitions, and implements of war (including technical data relating thereto) to the Government of Turkey shall be suspended on the date of enactment of this subsection, unless and until the President determines and certifies to the Congress that the Government of Turkey is in compliance with the Foreign Assistance Act of 1961, the Foreign Military Sales Act, and any agreement entered into under such Acts, and that substantial progress toward agreement has been made regarding military forces in Cyprus."

Provided, That the President is authorized to suspend the provisions of this section and said Acts if he determines that such suspension will further negotiations for a peaceful solution of the Cyprus conflict. Any such suspension shall be effective only until thirty days after the convening of the ninety-fourth Congress, and only if, during that time, Turkey shall observe the cease-fire and shall neither increase its forces on Cyprus nor transfer to Cyprus any United States supplied implements of war.

ASSISTANCE TO GREECE

SEC. 20. Section 620(v) of the Foreign Assistance Act of 1961 is repealed.

LIMITATION UPON ASSISTANCE TO OR FOR CHILE

SEC. 21. Notwithstanding any other provision of law, the total amount of assistance that may be made available for Chile under this or any other law during fiscal year 1975 may not exceed \$55,000,000, none of which may be made available for the purpose of providing military assistance (including security supporting assistance, sales, credit sales, or guaranties or the furnishing by any means of excess defense articles or items from stockpiles of the Department of Defense).

RECONSTRUCTION, RELIEF, AND REHABILITATION

SEC. 22. (a) Section 639B of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following: "Notwithstanding any prohibitions or restrictions contained in this or any other Act, the President is authorized to furnish assistance on such terms and conditions as he may determine, for reconstruction and economic development programs in the drought-stricken nations of Africa."

(b) The Foreign Assistance Act of 1961 is amended by adding after section 639B a new section 639C as follows:

"SEC. 639C. RELIEF AND REHABILITATION IN BANGLADESH AND CYPRUS.—(a) The Congress finds that the recent flooding in the People's Republic of Bangladesh, and the civil and international strife in the Republic of Cyprus, have caused great suffering and hardship for the peoples of the two Republics which cannot be alleviated with their internal resources. The President shall make every effort to develop and implement programs of relief and rehabilitation, in conjunction with other nations providing assistance, the United Nations, and other concerned international and regional organizations and voluntary agencies, to alleviate the hardships caused in these two nations.

"(b) Notwithstanding any prohibitions or restrictions contained in this or any other Act, the President is authorized to furnish assistance on such terms and conditions as he may determine, for disaster relief, rehabilitation, and related programs in the People's Republic of Bangladesh and the Republic of Cyprus."

(c) The Foreign Assistance Act of 1961 is amended by adding after section 639C, as added by subsection (b) of this section, the following new section:

"SEC. 639D. DISASTER RELIEF AND REHABILITATION.—Notwithstanding any prohibitions or restrictions contained in this or any other Act, the President is authorized to furnish assistance, on such terms and conditions as he may determine for disaster relief, rehabilitation, and related programs in the case of disasters that require large-scale relief and rehabilitation efforts which cannot be met adequately with the funds available for obligation under section 451 of this Act."

(d) The Foreign Assistance Act of 1961 is amended by adding after section 639D, as added by subsection (c) of this section, the following new section:

"SEC. 639E. INTERNATIONALIZATION OF ASSISTANCE.—Assistance for the purposes set forth in sections 639A, 639B, 639C, and 639D shall be distributed wherever practicable under the auspices of and by the United Nations and its specialized agencies, other international organizations or arrangements, multilateral institutions, and private voluntary agencies."

ACCESS TO CERTAIN MILITARY BASES ABROAD

SEC. 23. (a) Chapter 3 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 659. ACCESS TO CERTAIN MILITARY BASES ABROAD.—None of the funds authorized

to be appropriated for foreign assistance (including foreign military sales, credit sales, and guaranties) under any law may be used to provide any kind of assistance to any foreign country in which a military base is located if—

"(1) such base was constructed or is being maintained or operated with funds furnished by the United States; and

"(2) personnel of the United States carry out military operations from such base;

unless and until the President has determined that the government of such country has, consistent with security authorized access, on a regular basis, to bona fide news media correspondents of the United States to such military base."

(b) Section 29 of the Foreign Assistance Act of 1973 is repealed.

PROHIBITING POLICE TRAINING

SEC. 24. (a) Chapter 3 of part III of the Foreign Assistance Act of 1961, as amended by section (a) of this Act, is further amended by adding at the end thereof the following new section:

"SEC. 660. PROHIBITING POLICE TRAINING.—

(a) None of the funds made available to carry out this Act, and none of the local currencies generated under this Act, shall be used to provide training or advice, or provide any financial support, for police, prisons, or other law enforcement forces for any foreign government or any program of internal intelligence or surveillance on behalf of any foreign government within the United States or abroad.

(b) Subsection (a) of this section shall not apply—

"(1) with respect to assistance rendered under section 515(c) of the Omnibus Crime Control and Safe Streets Act of 1968, or with respect to any authority of the Drug Enforcement Administration or the Federal Bureau of Investigation which related to crimes of the nature which are unlawful under the laws of the United States; or

"(2) to any contract entered into prior to the date of enactment of this section with any person, organization, or agency of the United States Government to provide personnel to conduct, or assist in conducting, any such program.

Notwithstanding clause (2), subsection (a) shall apply to any renewal or extension of any contract referred to in such paragraph entered into on or after such date of enactment."

(b) Section 112 of such Act is repealed.

LIMITING INTELLIGENCE ACTIVITIES

SEC. 25. Chapter 3 of part III of the Foreign Assistance Act of 1961, as amended by sections 23(a) and 24 of this Act, is further amended by adding at the end thereof the following new section:

"SEC. 661. LIMITATIONS UPON INTELLIGENCE ACTIVITIES.—(a) No funds appropriated under the authority of this or any other Act may be expended by or on behalf of the Central Intelligence Agency or any other agency of the United States Government for the conduct of operations in foreign countries pursuant to section 102(d)(5) of the National Security Act of 1947 (50 U.S.C. 403), other than operations intended solely for obtaining necessary intelligence. Notwithstanding the foregoing limitation, the President may authorize and direct that any operation in a foreign country be resumed, or that any other operation in a foreign country be initiated, and funds may be expended therefor, if, but not before, he (1) finds that such operation is important to the national security, and (2) transmits an appropriate report of his finding, together with an appropriate description of the nature and scope of such operation, to the committees of the Congress having jurisdiction to monitor and review the intelligence activities of the United States Government.

"(b) The provisions of subsection (a) of this section shall not apply during military operations by the United States under a declaration of war approved by the Congress or an exercise of powers by the President under the War Powers Resolution."

WAIVER OF PROHIBITION AGAINST ASSISTANCE TO COUNTRIES ENGAGING IN CERTAIN TRADE

SEC. 26. Chapter 3 of part III of the Foreign Assistance Act of 1961, as amended by sections 24 and 25 of this Act, is further amended by adding at the end thereof the following new section:

"SEC. 662. WAIVER OF PROHIBITION AGAINST ASSISTANCE TO COUNTRIES ENGAGING IN CERTAIN TRADE.—Any provision of this Act or the Agricultural Trade Development and Assistance Act of 1954 which prohibits assistance to a country because that country is engaging in trade with a designated country may be waived by the President if he determines that such waiver is in the national interest and reports such determination to the Congress."

POLICY WITH RESPECT TO INDOCHINA

SEC. 27. (a) The Congress finds that the cease-fire provided for in the Paris Agreement on Ending the War and Restoring Peace in Vietnam has not been observed by any of the Vietnamese parties to the conflict. Military operations of an offensive and defensive nature continue throughout South Vietnam. In Cambodia, the civil war between insurgent forces and the Lon Nol government has intensified, resulting in widespread human suffering and the virtual destruction of the Cambodian economy.

(b) The Congress further finds that continuation of the military struggles in South Vietnam and Cambodia are not in the interest of the parties directly engaged in the conflicts, the people of Indochina, or world peace. In order to lessen the human suffering in Indochina and to bring about a genuine peace there, the Congress urges and requests the President and the Secretary of State to undertake immediately the following measures:

(1) to initiate negotiations with representatives of the Soviet Union and the People's Republic of China to arrange a mutually agreed-upon and rapid de-escalation of military assistance on the part of the three principal suppliers of arms and material to all Vietnamese and Cambodian parties engaged in conflict;

(2) to urge by all available means that the Government of the Khmer Republic enter into negotiations with representatives of the Khmer Government of National Union for the purpose of arranging an immediate ceasefire and political settlement of the conflict; and to use all available means to establish contact with the Khmer Government of National Union and to urge them to participate in such negotiations. The United States should urge all Cambodian parties to use the good offices of the United Nations or a respected third country for the purpose of bringing an end to hostilities and reaching a political settlement;

(3) to utilize any public or private forum to negotiate directly with representatives of the Democratic Republic of Vietnam, the Provisional Revolutionary Government, and the Republic of Vietnam to seek a new ceasefire in Vietnam and full compliance with the provisions of the Paris Agreement on Ending the War and Restoring Peace in Vietnam, including a full accounting for Americans missing in Indochina;

(4) to reconvene the Paris Conference to seek full implementation of the provisions of the Agreement of January 27, 1973, on the part of all Vietnamese parties to the conflict; and

(5) to maintain regular and full consultation with the appropriate committees of the Congress and report to the Congress and the

Nation at regular intervals on the progress toward obtaining a total cessation of hostilities in Indochina and a mutual reduction of military assistance to that area.

PRINCIPLES GOVERNING ECONOMIC AID TO INDOCHINA

SEC. 28. (a) Congress finds that, after expending over a billion dollars in funds for economic purposes in Indochina last year, and vast amounts in previous years, little in lasting economic benefit remains. A large proportion of the funds expended have been used for consumable items related to the war effort. Very little of our money has found its way into capital investments of a lasting productive benefit to the people. Congress calls upon the President and Secretary of State to take immediately the following actions designed to maximize the benefit of United States economic assistance:

(1) to organize a consortium to include multilateral financial institutions to help plan for Indochina reconstruction and development; to coordinate multilateral and bilateral contributions to the area's economic recovery; and to provide continuing advice to the recipient nations on the use of their own and outside resources;

(2) to develop, in coordination with the recipient governments, other donors, and the multilateral financial institutions, a comprehensive plan for Indochina reconstruction and economic development;

(3) to develop country-by-country reconstruction and development plans, including detailed plans for the development of individual economic sectors, that can be used to identify and coordinate specific economic development projects and programs and to direct United States resources into areas of maximum benefits;

(4) to shift the emphasis of United States aid programs from consumption-oriented expenditures to economic development;

(5) to identify possible structural economic reforms in areas such as taxation, exchange rates, savings mechanisms, internal pricing, income distribution, land tenure, budgetary allocations and corruption, which should be undertaken if Indochinese economic development is to progress;

(6) to include in Indochina economic planning programing specific performance criteria and standards which will enable the Congress and the executive branch to judge the adequacy of the recipients' efforts and to determine whether, and what amounts of, continued United States funding is justified; and

(7) to provide humanitarian assistance to Indochina wherever practicable under the auspices of and by the United Nations and its specialized agencies, other international organizations or arrangements, multilateral institutions, and private voluntary agencies with a minimum presence and activity of United States Government personnel.

(b) This section shall not be construed to imply continuation of a United States financial commitment beyond the authorization provided for in this Act or amendments made by this Act.

INDOCHINA POSTWAR RECONSTRUCTION

SEC. 29 Section 802 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 802. AUTHORIZATION.—There are authorized to be appropriated to the President to furnish assistance for the relief and reconstruction of South Vietnam, Cambodia, and Laos as authorized by this part, in addition to funds otherwise available for such purposes, for the fiscal year 1974 not to exceed \$504,000,000, and for the fiscal year 1975 not to exceed \$617,000,000. Of the amount appropriated for fiscal year 1975—

"(1) \$449,900,000 shall be available only for the relief and reconstruction of South Vietnam in accordance with section 806 of this Act;

"(2) \$100,000,000 shall be available only for the relief and reconstruction of Cambodia in accordance with section 807 of this Act;

"(3) \$40,000,000 shall be available only for the relief and reconstruction of Laos in accordance with section 808 of this Act;

"(4) \$4,100,000 shall be available only for the regional development program;

"(5) \$16,000,000 shall be available only for support costs for the agency primarily responsible for carrying out this part; and

"(6) \$7,000,000 shall be available only for humanitarian assistance through international organizations. Such amounts are authorized to remain available until expended."

ASSISTANCE TO SOUTH VIETNAMESE CHILDREN

SEC. 30. Section 803 of the Foreign Assistance Act of 1961 is amended as follows:

(1) In subsection (a), strike out "rights, particularly children fathered by United States citizens" and insert in lieu thereof "rights".

(2) In subsection (b), immediately after the second sentence, insert the following: "Of the sums made available for South Vietnam under section 802(1) of this Act for fiscal year 1975, \$10,000,000, or its equivalent in local currency, shall be available until expended solely to carry out this section."

LIMITATIONS WITH RESPECT TO SOUTH VIETNAM

SEC. 31. Part V of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 806. LIMITATIONS WITH RESPECT TO SOUTH VIETNAM.—(a) Notwithstanding any other provision of law, no funds authorized to be appropriated by this or any other law may be obligated in any amount in excess of \$1,274,900,000 during the fiscal year ending June 30, 1975, for the purpose of carrying out directly or indirectly any economic or military assistance, or any operation, project, or program of any kind, or for providing any goods, supplies, materials, equipment, services, personnel, or advisers in, to, for, or on behalf of South Vietnam. Of that amount, there shall be available during such fiscal year—

"(1) \$700,000,000 for military assistance;

"(2) \$125,000,000 only to carry out the Agricultural Trade Development and Assistance Act of 1954; and

"(3) \$449,900,000 only for economic assistance, of which there shall be available—

"(A) \$90,000,000 for humanitarian assistance, of which there shall be available—

"(i) \$70,000,000 for refugee relief;

"(ii) \$10,000,000 for child care; and

"(iii) \$10,000,000 for health care;

"(B) \$154,500,000 for agricultural assistance, of which there shall be available—

"(i) \$85,000,000 for fertilizer;

"(ii) \$12,000,000 for POL (for agriculture);

"(iii) \$6,000,000 for insecticides and pesticides;

"(iv) \$10,000,000 for agricultural machinery and equipment (including spare parts);

"(v) \$3,500,000 for agricultural advisory services;

"(vi) \$20,000,000 for rural credit;

"(vii) \$10,000,000 for canal dredging;

"(viii) \$4,000,000 for low-lift pumps; and

"(ix) \$4,000,000 for fish farm development;

"(C) \$139,900,000 for industrial development assistance, of which there shall be available—

"(i) \$124,000,000 for commodities;

"(ii) \$10,000,000 for industrial credit; and

"(iii) \$5,900,000 for industrial advisory services (including feasibility studies);

"(D) \$65,600,000 for miscellaneous assistance, of which there shall be available—

"(i) \$47,900,000 for the service sector (including POL, machinery, equipment and spare parts); and

"(ii) \$17,700,000 for technical services and operating expenses.

"(b) (1) No funds made available under paragraph (2) or (3) of subsection (a) may be transferred to, or consolidated with, the funds made available under any other paragraph of such subsection, nor may more than 20 per centum of the funds made available under subparagraph (A), (B), (C), or (D) of paragraph (3) of subsection (a) of this section be transferred to, or consolidated with, the funds made available under any other such subparagraph.

"(2) Whenever the President determines it to be necessary in carrying out this part, any funds made available under any clause of subparagraph (A), (B), (C), or (D) of subsection (a) of this section may be transferred to, and consolidated with, the funds made available under any other clause of that same subparagraph.

"(3) The President shall fully inform the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate of each transfer he intends to make under paragraph (1) or (2) of this subsection prior to making such transfer.

"(c) In computing the \$1,274,900,000 limitation on obligational authority under subsection (a) of this section with respect to such fiscal year, there shall be included in the computation the value of any goods, supplies, materials, equipment, services, personnel, or advisers provided to, for, or on behalf of South Vietnam in such fiscal year by gift, donation, loan, lease, or otherwise. For the purpose of this subsection, 'value' means the fair market value of any goods, supplies, materials, or equipment provided to, for, or on behalf of South Vietnam but in no case less than 33 1/4 per centum of the amount the United States paid at the time such goods, supplies, materials, or equipment were acquired by the United States.

"(d) No funds may be obligated for any of the purposes described in subsection (a) of this section in, to, for, or on behalf of South Vietnam in any fiscal year beginning after June 30, 1975, unless such funds have been specifically authorized by law enacted after the date of enactment of this section. In no case shall funds in any amount in excess of the amount specifically authorized by law for any fiscal year be obligated for any such purpose during such fiscal year.

"(e) After the date of enactment of this section, whenever any request is made to the Congress for the appropriation of funds for use in, to, for, or on behalf of South Vietnam for any fiscal year, the President shall furnish a written report to the Congress explaining the purpose for which such funds are to be used in such fiscal year.

"(f) The President shall submit to the Congress within thirty days after the end of each quarter of each fiscal year, beginning with the fiscal year which begins July 1, 1974, a written report showing the total amount of funds obligated in, to, for, or on behalf of South Vietnam during the preceding quarter by the United States Government, and shall include in such report a general breakdown of the total amount obligated, describing the different purposes for which such funds were obligated and the total amount obligated for such purpose.

"(g) (1) Effective six months after the date of enactment of this section, the total number of civilian officers and employees, including contract employees, of executive agencies of the United States Government who are citizens of the United States and of members of the Armed Forces of the United States present in South Vietnam shall not at any one time exceed four thousand, not more than two thousand five

hundred of whom shall be members of such armed forces and direct hire an contract employees of the Department of Defense. Effective one year after the date of enactment of this section, such total number shall not exceed at any one time three thousand, not more than one thousand five hundred of whom shall be members of such armed forces and direct hire and contract employees of the Department of Defense.

"(2) Effective six months after the date of enactment of this section, the United States shall not, at any one time, pay in whole or in part, directly or indirectly, the compensation or allowances of more than eight hundred individuals in South Vietnam who are citizens of countries other than South Vietnam or the United States. Effective one year after the date of enactment of this section, the total number of individuals whose compensation or allowance is so paid shall not exceed at any one time five hundred.

"(3) For purposes of this subsection, 'executive agency of the United States Government' means any agency, department, board, wholly or partly owned corporation, instrumentality, commission, or establishment within the executive branch of the United States Government.

"(4) This subsection shall not be construed to apply with respect to any individual in South Vietnam who (A) is an employee or volunteer worker of a voluntary private, non-profit relief organization or is an employee or volunteer worker of the International Committee of the Red Cross, and (B) engages only in activities providing humanitarian assistance in South Vietnam.

"(h) This section shall not be construed as a commitment by the United States to South Vietnam for its defense."

LIMITATIONS WITH RESPECT TO CAMBODIA

SEC. 32. (a) Part V of the Foreign Assistance Act of 1961, as amended by section 31 of this Act, is further amended by adding at the end thereof the following new section:

"SEC. 807. LIMITATIONS WITH RESPECT TO CAMBODIA.—(a) Notwithstanding any other provisions of law, no funds authorized to be appropriated by this or any other law may be obligated in any amount in excess of \$377,000,000 during the fiscal year ending June 30, 1975, for the purpose of carrying out directly or indirectly any economic or military assistance, or any operation, project, or program of any kind, or for providing any goods, supplies, materials, equipment, services, personnel, or advisers in, to, for, or on behalf of Cambodia. Of that amount there shall be available—

"(1) \$200,000,000 for military assistance;

"(2) \$77,000,000 only to carry out the Agricultural Trade Development and Assistance Act of 1954; and

"(3) \$100,000,000 only for economic assistance, of which there shall be available—

"(A) \$20,000,000 for humanitarian assistance;

"(B) \$63,000,000 for commodity import assistance;

"(C) \$15,000,000 for multilateral stabilization assistance; and

"(D) \$2,000,000 for technical support and participant training.

"(b) No funds made available under paragraph (2) or (3) of subsection (a) of this section may be transferred to, or consolidated with, the funds made available under any other paragraph of such subsection, nor may more than 20 per centum of the funds made available under any subparagraph of paragraph (3) of subsection (a) of this section be transferred to, or consolidated with, the funds made available under any other such subparagraph.

"(c) In computing the \$377,000,000 limitation on obligational authority under subsection (a) of this section with respect to such fiscal year, there shall be included in the

computation the value of any goods, supplies, materials, equipment, services, personnel, or advisers provided to, for, or on behalf of Cambodia in such fiscal year by gift, donation, loan, lease or otherwise. For the purpose of this subsection, 'value' means the fair market value of any goods, supplies, materials, or equipment provided to, for, or on behalf of Cambodia but in no case less than 33½ per centum of the amount the United States paid at the time such goods, supplies, materials, or equipment were acquired by the United States.

"(d) No funds may be obligated for any of the purposes described in subsection (a) of this section in, to, for, or on behalf of Cambodia in any fiscal year beginning after June 30, 1975, unless such funds have been specifically authorized by law enacted after the date of enactment of this section. In no case shall funds in any amount in excess of the amount specifically authorized by law for any fiscal year be obligated for any such purpose during such fiscal year.

"(e) After the date of enactment of this section, whenever any request is made to the Congress for the appropriation of funds for use in, to, for, or on behalf of Cambodia for any fiscal year, the President shall furnish a written report to the Congress explaining the purpose for which such funds are to be used in such fiscal year.

"(f) The President shall submit to the Congress within thirty days after the end of each quarter of each fiscal year, beginning with the fiscal year which begins July 1, 1974, a written report showing the total amount of funds obligated in, to, for, or on behalf of Cambodia during the preceding quarter by the United States Government, and shall include in such report a general breakdown of the total amount obligated, describing the different purposes for which such funds were obligated and the total amount obligated for such purpose.

"(g) (1) The total number of civilian officers and employees of executive agencies of the United States Government who are citizens of the United States and of members of the Armed Forces of the United States (excluding such members while actually engaged in air operations in or over Cambodia which originate outside Cambodia) present in Cambodia at any one time shall not exceed two hundred.

"(2) The United States shall not, at any one time, pay in whole or in part, directly or indirectly, the compensation or allowances of more than eighty-five individuals in Cambodia who are citizens of countries other than Cambodia or the United States.

"(3) For purposes of this subsection, 'executive agency of the United States Government' means any agency, department, board, wholly or partly owned corporation, instrumentality, commission, or establishment within the executive branch of the United States Government.

"(4) This subsection shall not be construed to apply with respect to any individual in Cambodia who (A) is an employee or volunteer worker of a voluntary private, non-profit relief organization or is an employee or volunteer worker of the International Committee of the Red Cross, and (B) engages only in activities providing humanitarian assistance in Cambodia.

"(h) This section shall not be construed as a commitment by the United States to Cambodia for its defense."

(b) Sections 655 and 656 of such Act are repealed.

LIMITATIONS WITH RESPECT TO LAOS

Sec. 33. Part V of the Foreign Assistance Act of 1961, as amended by sections 31 and 32(a) of this Act, is further amended by adding at the end thereof the following new section:

"SEC. 808. LIMITATIONS WITH RESPECT TO LAOS.—(a) Notwithstanding any other provi-

sion of law, no funds authorized to be appropriated by this or any other law may be obligated in any amount in excess of \$70,000,000 during the fiscal year ending June 30, 1975, for the purpose of carrying out directly or indirectly any economic or military assistance, or any operation, project, or program of any kind, or for providing any goods, supplies, materials, equipment, services, personnel, or advisers in, to, for, or on behalf of Laos. Of that amount, there shall be available—

"(1) \$30,000,000 for military assistance; and

"(2) \$40,000,000 only for economic assistance, of which there shall be available—

"(A) \$11,000,000 for humanitarian assistance;

"(B) \$8,500,000 for reconstruction and development assistance;

"(C) \$16,100,000 for stabilization assistance; and

"(D) \$6,400,000 for technical support.

"(b) No funds made available under paragraph (2) of subsection (a) of this section may be transferred to, or consolidated with, the funds made available under paragraph (1) of such subsection, nor may more than 20 per centum of the funds made available under any subparagraph of paragraph (2) be transferred to, or consolidated with, the funds made available under any other such subparagraph.

"(c) In computing the limitations on obligation authority under subsection (a) of this section with respect to such fiscal year, there shall be included in the computation the value of any goods, supplies, materials, equipment, services, personnel, or advisers provided to, for, or on behalf of Laos in such fiscal year by gift, donation, loan, lease or otherwise. For the purpose of this subsection, 'value' means the fair market value of any goods, supplies, materials, or equipment provided to, for, or on behalf of Laos but in no case less than 33½ per centum of the amount the United States paid at the time such goods, supplies, materials, or equipment were acquired by the United States.

"(d) No funds may be obligated for any of the purposes described in subsection (a) of this section in, to, for, or on behalf of Laos in any fiscal year beginning after June 30, 1975, unless such funds have been specifically authorized by law enacted after the date of enactment of this section. In no case shall funds in any amount in excess of the amount specifically authorized by law for any fiscal year be obligated for any such purpose during such fiscal year.

"(e) After the date of enactment of this section, whenever any request is made to the Congress for the appropriation of funds for use in, to, for, or on behalf of Laos, for any fiscal year, the President shall furnish a written report to the Congress explaining the purpose for which such funds are to be used in such fiscal year.

"(f) The President shall submit to the Congress within thirty days after the end of each quarter of each fiscal year beginning with the fiscal year which begins July 1, 1974, a written report showing the total amount of funds obligated in, to, for, or on behalf of Laos during the preceding quarter by the United States Government and shall include in such report a general breakdown of the total amount obligated, describing the different purposes for which such funds were obligated and the total amount obligated for such purpose.

"(g) This section shall not be construed as a commitment by the United States to Laos for its defense."

POPULATION, NARCOTICS, INTERNATIONAL HUMANITARIAN AND REGIONAL PROGRAMS

Sec. 34. Part V of the Foreign Assistance Act of 1961, as amended by sections 31, 32(a), and 33 of this Act, is further amended by

adding at the end thereof the following new section:

"SEC. 809. POPULATION, NARCOTICS, INTERNATIONAL HUMANITARIAN AND REGIONAL PROGRAMS.—The provisions of sections 806, 807, and 808 shall not apply to: (1) funds obligated for purposes of title X of chapter 2 of part I (programs relating to population growth); (2) funds made available under section 482 (programs relating to narcotics control); (3) funds made available under section 802 (6) (humanitarian assistance through international organizations); or (4) funds obligated for regional programs."

TRANSFER OF FUNDS

Sec. 35. Part V of the Foreign Assistance Act of 1961, as amended by sections 31, 32(a), 33, and 34 of this Act, is further amended by adding at the end thereof the following new section:

"SEC. 810. TRANSFER OF FUNDS.—(a) The authority of section 610 of this Act shall not apply with respect to any funds made available to South Vietnam, Cambodia, or Laos.

"(b) Any funds made available under any provision of this or any other law for the purpose of providing military assistance for South Vietnam, Laos, or Cambodia may be transferred to, and consolidated with, any funds made available to that country for war relief, reconstruction, or general economic development."

MIDDLE EAST ASSISTANCE

Sec. 36. (a) The Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new part:

"PART VI

"SEC. 901. GENERAL AUTHORITY FOR ASSISTANCE TO THE MIDDLE EAST.—The President is authorized to furnish assistance authorized by this Act, and to provide credits and guaranties authorized by the Foreign Military Sales Act. Any such assistance, credits, and guaranties shall be provided in accordance with all the provisions applicable to that type of assistance under this Act and applicable to credits and guaranties under the Foreign Military Sales Act.

"SEC. 902. ALLOCATIONS.—(a) Of the funds appropriated to carry out chapter 2 of part II of this Act during the fiscal year 1975, not to exceed \$100,000,000 may be made available for military assistance in the Middle East.

"(b) Of the funds appropriated to carry out chapter 4 of part II of this Act during the fiscal year 1975, not to exceed \$667,500,000 may be made available for security supporting assistance in the Middle East.

"(c) Of the aggregate ceiling on credits and guaranties established by section 31(b) of the Foreign Military Sales Act during the fiscal year 1975, not to exceed \$330,000,000 shall be available for countries in the Middle East.

"SEC. 903. SPECIAL REQUIREMENTS FUND.—

(a) There are authorized to be appropriated to the President for the fiscal year 1975 not to exceed \$100,000,000 to meet special requirements arising from time to time in the Middle East for the purpose of providing any type of assistance authorized by part I of this Act, in addition to funds otherwise available for such purpose. The funds authorized to be appropriated by this section shall be available for use by the President for assistance authorized by this Act in accordance with the provisions applicable to the furnishing of such assistance. Such funds are authorized to remain available until expended.

"(b) The President shall keep the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Speaker of the House of Representatives currently informed on the programming and obligation of funds under subsection (a).

"(c) (1) Prior to obligating any amount for a project in excess of \$1,000,000 from funds made available under this section, the

President shall transmit a written report to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate on the same day giving a complete explanation with respect to such proposed obligation. Each report shall include an explanation relating to only one project.

"(2) The President may make such obligation thirty days after the report has been so transmitted unless, before the end of the first period of thirty calendar days after the date on which the report is transmitted, a resolution is adopted disapproving the proposed obligation with respect to which the report is made.

"(3) Paragraphs (4) through (11) of this subsection are enacted by Congress—

"(A) 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 the House in the case of resolutions described by this subsection; and they supersede other rules only to the extent that they are inconsistent therewith; and

"(B) 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.

"(4) For purposes of paragraphs (2) through (12) of this subsection, 'resolution' means only a concurrent resolution, the matter after the resolving clause of which is as follows: 'That the Congress does not approve the obligation for _____ and explained in the report transmitted to Congress by the President on _____, 19—', the first blank space therein being filled with the name of the foreign country or organization on whose behalf the obligation is to be incurred, and the other blank spaces therein being appropriately filled with the date of the transmittal of the report; but does not include a resolution specifying obligations for more than one proposed project.

"(5) If the committee, to which has been referred a resolution disapproving a proposed obligation, has not reported the resolution at the end of ten 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 same obligation which has been referred to the committee.

"(6) 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 proposed obligation), and debate thereon is 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.

"(7) 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 obligation.

"(8) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to an obligation, 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.

"(9) Debate on the resolution is limited to not more than two hours, to 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.

"(10) Motions to postpone, made with respect to the discharge from committee, or the consideration of, a resolution with respect to an obligation, and motions to proceed to the consideration of other business, are decided without debate.

"(11) 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 obligation are decided without debate.

"(12) If, prior to the passage by one House of a concurrent resolution of that House, that House receives from the other House a concurrent resolution of such other House, then—

"(A) the procedure with respect to the concurrent resolution of the first House shall be the same as if no concurrent resolution from the other House had been received; but

"(B) on any vote on final passage of the concurrent resolution of the first House the concurrent resolution from the other House shall be automatically substituted." (b) Section 620(p) of such Act is repealed.

FOREIGN MILITARY SALES ACT AMENDMENTS

SEC. 37. (a) The Foreign Military Sales Act is amended as follows:

(1) Section 3(d) is amended to read as follows:

"(d) A country shall remain ineligible in accordance with subsection (c) of this section until such time as the President determines that such violation has ceased, that the country concerned has given assurances satisfactory to the President that such violation will not recur, and that, if such violation involved the transfer of sophisticated weapons without the consent of the President, such weapons have been returned to the country concerned."

(2) Section 22 is amended by adding at the end thereof the following new subsection:

"(c) No sales of defense articles shall be made to the government of any economically developed country under the provisions of this section if such articles are generally available for purchase by such country from commercial sources in the United States."

(3) Section 23 is amended to read as follows:

"SEC. 23. CREDIT SALES.—The President is authorized to finance procurements of defense articles and defense services by friendly foreign countries and international organizations on terms requiring the payment to the United States Government in United States dollars of—

"(1) the value of such articles or services within a period not to exceed ten years after the delivery of such articles or the rendering of such services; and

"(2) interest on the unpaid balance of that obligation for payment of the value of such articles or services, at a rate equivalent to the current average interest rate, as of the last day of the month preceding the financing of such procurement, that the United States Government pays on outstanding marketable obligations of comparable maturity, unless the President certifies to Congress that the national interest requires a lesser rate of interest and states in the certification the lesser rate so required and the justification therefor."

(4) In subsection (a) and (b) of section 24, the parenthetical phrase in each is amended to read as follows: "(excluding United States Government agencies other than the Federal Financing Bank)".

(5) Section 24(c) is amended to read as follows:

"(c) Funds made available to carry out this Act shall be obligated in an amount equal to 25 per centum of the principal amount of contractual liability related to any guaranty issued prior to July 1, 1974, under this section. Funds made available to carry out this Act shall be obligated in an amount equal to 10 per centum of the principal amount of contractual liability related to any guaranty issued after June 30, 1974, under this section. All the funds so obligated shall constitute a single reserve for the payment of claims under such guaranties, and only such of the funds in the reserve as may be in excess from time to time of the total principal amount of contractual liability related to all outstanding guaranties under this section shall be deobligated and transferred to the general fund of the Treasury. Any guaranties issued hereunder shall be backed by the full faith and credit of the United States."

(6) Section 24 is amended by adding at the end thereof the following:

"(d) The President may guarantee under this section only those payments for any defense article or defense service which are due within ten years after that defense article is delivered or that defense service is rendered, except that such guaranty may be made for not more than twenty years if the President certifies to Congress that the national interest requires that the period of guaranty be longer than ten years, and states in the certification the country or international organization on whose behalf the guaranty is to be made, the period of the guaranty, and the justification for the longer period."

(7) (A) At the end of chapter 1 add the following new section:

"SEC. 25. QUARTERLY REPORTS; CONGRESSIONAL APPROVAL.—(a) Not later than fifteen days after the end of each quarter, the President shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report setting forth the total amount of cash sales from stock under section 21, contracts for the procurement of defense articles or defense services under section 22, credit sales under section 23 of this Act and guaranties under section 24 of this Act made during the preceding quarter, and the country or international organization to which such sale, credit sale, or guaranty is made or expected to be made.

"(b) (1) The President shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate on the same day a written statement giving a complete explanation with respect to any agreement or contract to sell or to extend credit or guaranties if—

"(A) the amount of such sale, credit sale, or guaranty exceeds \$25,000,000; or

"(B) the amount of such sale, credit sale, or guaranty, when added to the amount of all the sales, credit sales, and guaranties made to that country or international organization in that fiscal year (including the amount of any sale, credit sale, and guaranty made to that country or international organization under statement of waiver in accordance with subsection (c) of this section), causes the total amount of sales, credit sales, and guaranties made to that country in that year to exceed \$50,000,000 for the first time.

Each such statement shall include an explanation relating to only one agreement or contract to sell or to extend credit or guaranties, and shall be set forth—

"(i) the country or international organization to which the sale, credit sale, or guaranty is made;

"(ii) the amount of the sale, credit sale, or guaranty;

"(iii) in the case of a sale, a description of the defense article or service provided;
 "(iv) the department, agency, or branch of the United States Armed Forces entering into such contract or agreement; and
 "(v) the date of such agreement or contract.

"(2) (A) No sale, credit sale, or guaranty may be made under such agreement or contract until the end of the first period of thirty calendar days of continuous session of Congress after the date on which the statement is transmitted.

"(B) The President may make such sale, credit sale, or guaranty thirty days after the statement has been so transmitted unless, before the end of the first period of thirty calendar days of continuous session of Congress after the date on which the statement is transmitted, Congress adopts a concurrent resolution disapproving the sale, credit sale, or guaranty with respect to which the statement is made.

"(3) For purposes of paragraph (2) of this subsection—

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

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

"(C) The provisions of paragraph (2) of subsection (b) of this section shall not apply if the President transmits to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a statement of waiver in which he certifies that an emergency exists which requires such waiver in the national security interests of the United States.

"(d) Subsections (e) through (m) 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 the House in the case of resolutions described by 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.

"(e) For purposes of subsections (d) through (m) of this section, "resolution" means only a concurrent resolution, the matter after the resolving clause of which is as follows: "That the Congress does not approve the (agreement, contract) for and explained in the statement transmitted to Congress by the President on , 19 , the appropriate word within the parentheses being selected, the first blank space therein filled with the name of the foreign country on whose behalf the sale, credit sale, or guaranty is made, and the other blank space therein being appropriately filled with the date of the transmittal of the statement; but does not include a resolution specifying more than one sale, credit sale, or guaranty.

"(f) If the committee, to which has been referred a resolution disapproving a sale, credit sale, or guaranty, has not reported the resolution at the end of ten 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 same sale, credit sale, or guaranty which has been referred to the committee.

"(g) 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 sale, credit sale, or guaranty), and debate thereon is 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.

"(h) 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 sale, credit sale, or guaranty.

"(i) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to a sale, credit sale, or guaranty, 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.

"(j) Debate on the resolution is limited to not more than two hours, to be divided 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.

"(k) Motions to postpone, made with respect to the discharge from committee, or the consideration of, a resolution with respect to a sale, credit sale, or guaranty, and motions to proceed to the consideration of other business, are decided without debate.

"(l) 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 a sale, credit sale, or guaranty are decided without debate.

"(m) If, prior to the passage by one House of a concurrent resolution of that House, that House receives from the other House a concurrent resolution of such other House, then—

"(1) the procedure with respect to the concurrent resolution of the first House shall be the same as if no concurrent resolution from the other House had been received; but

"(2) on any vote on final passage of the concurrent resolution of the first House the concurrent resolution from the other House shall be automatically substituted."

(B) Section 35(b) of such Act is repealed.

(8) In section 31—

(A) in subsection (a), strike out "\$325,000,000 for the fiscal year 1974" and insert in lieu thereof "\$405,000,000 for the fiscal year 1975"; and

(B) in subsection (b)—

(1) strike out "\$730,000,000 for the fiscal year 1974" and insert in lieu thereof "\$872,500,000 for the fiscal year 1975"; and

(ii) add at the end thereof the following new sentence: "Of the funds made available under subsection (a) of this section, \$100,000,000 shall first be obligated with respect to financing the procurement of defense articles and defense services by Israel under section 23 of this Act, except that Israel shall be released from contractual liability to repay the United States Government for the defense articles and defense services so financed."

(b) Obligations initially charged against appropriations made available for purposes authorized by section 31(a) of the Foreign Military Sales Act after June 30, 1974, and prior to the enactment of the amendment of that Act by paragraph (5) of subsection (a) of this section in an amount equal to 25 per centum of the principal amount of contrac-

tual liability related to guaranties issued pursuant to section 24(a) of that Act shall be adjusted to reflect such amendment with proper credit to the appropriations made available in the fiscal year 1975 to carry out that Act.

POLITICAL PRISONERS

SEC. 38. Section 32 of the Foreign Assistance Act of 1973 is amended by adding at the end thereof the following new sentence: "Commencing with respect to 1974, the President shall submit annually to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a written report setting forth fully the steps he has taken to carry out this section."

GORGAS MEMORIAL INSTITUTE

SEC. 39. The first section of the Act entitled "An Act to authorize a permanent annual appropriation for the maintenance and operation of the Gorgas Memorial", approved May 7, 1928, as amended (22 U.S.C. 278), is amended by striking out "\$500,000" and inserting in lieu thereof "\$1,000,000".

INTERNATIONAL COMMISSION OF CONTROL AND SUPERVISION IN VIETNAM

SEC. 40. (a) There are authorized to be appropriated to the Department of State for fiscal year 1975 not to exceed \$16,526,000 for payments by the United States to help meet expenses of the International Commission of Control and Supervision in Vietnam. Funds appropriated under this subsection are authorized to be made available for reimbursement to the Agency for International Development of amounts expended by the Agency during fiscal year 1975 as interim United States payments to help meet expenses of the International Commission of Control and Supervision.

(b) There are authorized to be appropriated to the Department of State not to exceed \$11,200,000 for reimbursement to the Agency for International Development of amounts expended by the Agency for International Development to help meet expenses of the International Commission on Control and Supervision in fiscal year 1974.

(c) Reimbursements received by the Agency for International Development under this section may be credited to applicable appropriations of the Agency and shall be available for the purposes for which such appropriations are authorized to be used during fiscal year 1975.

POLICY ON ASSISTANCE TO AFRICA

SEC. 41. The President is requested to review the regional allocation of economic development assistance and to increase Africa's share of the Agency for International Development loans and grants. Per capita official development assistance to the developing countries of Africa, including both United States bilateral assistance and United States contributions to multilateral lending institutions, should be raised to a level at least equal to those for Asia and Latin America. A special effort should be made to provide more assistance to the sixteen of the world's twenty-five least developed countries that are in Africa and to the fourteen African nations that are judged to be most seriously affected by rising costs of food and fuel. The President is requested to make a report to Congress on action taken to provide the developing countries of Africa with an equitable share of United States economic assistance at the time that the Agency for International Development's operational year budget for fiscal year 1975 is submitted to Congress and again with the submission to Congress of the proposed Agency for International Development budget for fiscal year 1976.

POLICY ON THE INDEPENDENCE OF ANGOLA, MOZAMBIQUE, AND GUINEA-BISSAU

SEC. 42. (a) (1) Congress finds that the Government of Portugal's recognition of the right to independence of the African territories of Angola, Mozambique, and Guinea-

Bissau marks a significant advance toward the goal of self-determination for all the peoples of Africa, without which peace on the continent is not secure.

(2) Congress finds that progress toward independence for the Portuguese Government and African leaders on the timing and nature of progress toward independence are being conducted with the aim of bringing permanent peace and stability to these countries and of guaranteeing the human rights of all their citizens.

(3) Congress finds that progress toward independence for the Portuguese African territories will have a significant impact on the international organizations and the community of nations.

(4) Congress commends the Portuguese Government's initiatives on these fronts as evidence of a reaffirmation of that Government's support for her obligations under both the United Nations Charter and the North Atlantic Treaty Organization.

(b) Therefore, Congress calls upon the President and the Secretary of State to take the following actions designed to make clear United States support for a peaceful and orderly transition to independence in the Portuguese African territories:

(1) An official statement should be issued of United States support for the independence of Angola, Mozambique, and Guinea-Bissau, and of our desire to have good relations with the future governments of the countries.

(2) It should be made clear to the Government of Portugal that we view the efforts toward a peaceful and just settlement of the conflict in the African territories as consistent with Portugal's obligations under the North Atlantic Treaty Organization partnership.

(3) The United States should encourage United Nations support for a peaceful transition to independence, negotiated settlement of all differences, and the protection of human rights of all citizens of the three territories.

(4) The United States should open a dialog with potential leaders of Angola, Mozambique, and Guinea-Bissau and assure them of our commitment to their genuine political and economic independence.

(5) The economic development needs of the three territories will be immense when independence is achieved. Therefore, it is urged that the United States Agency for International Development devote immediate attention to assessing the economic situation in Angola, Mozambique, and Guinea-Bissau and be ready to cooperate with the future governments in providing the kind of assistance that will help make their independence viable. In addition, the United States Government should take the initiative among other donors, both bilateral and multilateral, in seeking significant contribution of development assistance for the three territories.

(6) In light of the need of Angola, Mozambique, and Guinea-Bissau for skilled and educated manpower, a priority consideration should be given to expanding immediately current United States programs of educational assistance to the territories as a timely and substantive contribution to their independence.

(c) Reports should be submitted to the Congress on the implementation of the proposals set forth in subsection (b) and Congress should be kept fully informed on developments in United States policy toward the independence of the Portuguese African territories.

(d) Since it is in the national interest of the United States to maintain and strengthen close relations with the independent nations of Africa, the Congress believes the positive initiatives should be undertaken without delay.

CONVENTIONAL ARMS TRADE

Sec. 43. (a) It is the sense of the Congress that the recent growth in international transfers of conventional arms to developing nations—

(1) is a cause for grave concern for the United States and other nations in that in particular areas of the world it increases the danger of potential violence among nations, and diverts scarce world resources from more peaceful uses; and

(2) could be controlled progressively through negotiations and agreements among supplier and recipient nations.

(b) Therefore, the President is urged to propose to the Geneva Conference of the Committee on Disarmament that it consider as a high priority agenda item discussions among participating nations of that Conference for the purposes of—

(1) agreeing to workable limitations on conventional arms transfers; and

(2) establishing a mechanism through which such limitations could be effectively monitored.

(c) The President shall transmit to the Congress not later than six months after the enactment of this Act a report setting forth the steps he has taken to carry out this section.

CARIBBEAN DEVELOPMENT BANK

Sec. 44. (a) The President is authorized to transmit to the Caribbean Development Bank an instrument stating that the Commonwealth of Puerto Rico has the authority to conclude an agreement of accession with such bank and to assume rights and obligations pursuant to such agreement. However, such agreement shall be subject to the prior approval of the President.

(b) The instrument transmitted by the President to the Caribbean Development Bank under subsection (a) shall state that the United States shall not assume any financial or other responsibility for the performance of any obligation incurred by the Commonwealth of Puerto Rico pursuant to such agreement of accession or pursuant to any other aspect of its membership or participation in such bank.

(c) Such agreement of accession shall provide that the Commonwealth of Puerto Rico may not receive from the Caribbean Development Bank any funds provided to the bank by the United States.

EXPENSES OF UNITED STATES MEMBERSHIP IN UNITED NATIONS EDUCATIONAL, SCIENTIFIC, AND CULTURAL ORGANIZATION

Sec. 45. No funds authorized to be appropriated under this or any other law may be made available to the United Nations Educational, Scientific, and Cultural Organization until the Secretary of State certifies that each resolution passed by such Organization not of an educational, scientific, or cultural character has been repealed.

LIMITATION ON CONTRIBUTIONS TO THE UNITED NATIONS

Sec. 46. Notwithstanding any other provisions of this Act, total contributions authorized herein to the United Nations or to any segment or subdivision of this world organization shall not exceed \$165,000,000.

ASSISTANCE TO PORTUGAL AND PORTUGUESE COLONIES IN AFRICA GAINING INDEPENDENCE

Sec. 47. Part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following:

"CHAPTER X—ASSISTANCE TO PORTUGAL AND PORTUGUESE COLONIES IN AFRICA GAINING INDEPENDENCE

"Sec. 496. ASSISTANCE TO PORTUGAL AND PORTUGUESE COLONIES IN AFRICA GAINING INDEPENDENCE.—(a) There are authorized to be appropriated to the President for the fiscal

year 1975, in addition to funds otherwise available for such purposes, not to exceed—

"(1) \$5,000,000 to make grants; and

"(2) \$50,000,000 to make loans;

to remain available until expended, for use by the President in providing economic assistance, on such terms and conditions as he may determine, for Portugal and the countries and colonies in Africa which were, prior to April 25, 1974, colonies of Portugal. Of such assistance, not more than 50 per centum shall be furnished to Portugal.

"(b) It is the sense of the Congress that the new government in Portugal should be commended for its commitment to independence for Portuguese African colonies. The Congress declares it to be the policy of the United States to support the democratic experiment in Portugal, and the independent development of the nations emerging in Africa."

INTEGRATION OF WOMEN

Sec. 48. Chapter 3 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"Sec. 305. INTEGRATION OF WOMEN.—The President is requested to instruct each representative of the United States to each international organization of which the United States is a member (including but not limited to the International Bank for Reconstruction and Development, the Asian Development Bank, the Inter-American Development Bank, the International Monetary Fund, the United Nations, and the Organization for Economic Cooperation and Development) to carry out their duties with respect to such organizations in such a manner as to encourage and promote the integration of women into the national economies of member and recipient countries and into professional and policymaking positions within such organizations, thereby improving the status of women."

POLICY WITH RESPECT TO COUNTRIES MOST SERIOUSLY AFFECTED BY FOOD SHORTAGES

Sec. 49. (a) The Congress finds that tight food availabilities throughout the world threatens the citizens of many countries with serious hunger and malnutrition. While in the past foreign policy considerations have represented a significant factor in the allocation of available food and fertilizer assistance, the current food emergency requires an immediate reordering of priorities under which such assistance is distributed worldwide. The United Nations has designated thirty-two countries as "Most Seriously Affected" by the current economic crisis. These are countries without the internal food production capability nor the foreign exchange availability to secure food to meet their immediate food requirements. The Congress calls upon the President and Secretary of State to take immediately the following actions designed to mobilize all appropriate resources to meet the food emergency:

(1) Immediately review and make appropriate adjustments in the level of programming of our food and fertilizer assistance programs to make the maximum feasible volume of food and fertilizer available to those countries most seriously affected by current food shortages.

(2) Call upon all traditional and potential new donors of food, fertilizer, or the means of financing these commodities to immediately increase their participation in efforts to address the emergency food needs of the developing world.

(3) Make available to these most seriously affected countries the maximum feasible volume of food commodities, within appropriate regard to the current domestic price and supply situations.

(4) Maintain regular and full consultation with the appropriate committees of the Con-

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gress and report to the Congress and the Nation on steps which are being taken to meet this food emergency. In accordance with this provision, the President shall report to the Congress on the following: (A) a global assessment by country of food needs for fiscal year 1975, specifying expected food grain deficits by country and current arrangements for meeting such deficits; (B) currently planned programing of commodities under Public Law 480 by country and within such country, by volume and commodity and; (C) steps which are being taken to encourage other countries to increase their participation in food assistance or the financing of food assistance. Such report should reach the Congress within thirty days of enactment of this Act and should be supplemented quarterly for the remainder of fiscal year 1975.

(5) Notwithstanding any other provision of law, no funds authorized to be appropriated by this or any other law may be obligated in any amount in excess of \$250,000,000 during the fiscal year ending June 30, 1975, for the purpose of providing concessional food aid assistance, or in excess of \$90,000,000 for the purpose of providing fertilizer under our foreign assistance programs, unless such funds are used to purchase commodities for countries, "Most Seriously Affected" by the economic crisis as designated by the United Nations, or unless the President demonstrates to the appropriate committees of the Congress that the use of such funds to purchase food assistance is solely for humanitarian food purposes.

(6) The Congress calls upon the President to proceed immediately with the implementation of resolutions and recommendations adopted by the World Food Conference. The Congress firmly believes that it is incumbent upon the United States to take a leading role in assisting in the development of a viable and coherent world food policy which would begin the task of alleviating widespread hunger and suffering prevalent in famine-stricken nations. The President shall report to the Congress within ninety days of enactment of this Act on the implementation of the resolutions and the extent to which the United States is participating in the implementation of resolutions adopted at the World Food Conference.

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Montana.

Mr. MANSFIELD. Mr. President, I yield to the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical corrections in the engrossment of S. 3394, the bill as passed.

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

The Senate will be in order.

NOMINATION OF ROBERT A. SEAMANS, JR., TO BE ADMINISTRATOR OF ERDA, AND NOMINATION OF DEPUTY ADMINISTRATOR—REQUEST FOR JOINT REFERRAL TO THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS AND THE JOINT COMMITTEE ON ATOMIC ENERGY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nomination

of Mr. Seamans to be Administrator of ERDA, and the Deputy Administrator, be referred jointly to the Interior Committee and the Joint Committee on Atomic Energy, with the understanding that all Members of the Senate from other committees having jurisdictional claims over at least a part of the responsibilities to be administered by the Administrator of ERDA—namely the Public Works Committee, the Commerce Committee and the Space Committee—will be invited to participate in those hearings; further, that the hearings be conducted under the chairmanship of the distinguished Senator from Washington (Mr. JACKSON).

Mr. GRIFFIN. Mr. President, reserving the right to object—and I will not object—

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum briefly.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. MANSFIELD. Mr. President, I withdraw the request, but I would point out that these are nominations sent down.

TENNESSEE VALLEY AUTHORITY POLLUTION PREVENTION FACILITIES—CONFERENCE REPORT

Mr. BAKER. Mr. President, I submit a report of the committee of conference on H.R. 11929, and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated by title.

The Legislative Clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 11929) to amend section 15d of the Tennessee Valley Authority Act of 1933 to provide that expenditures for pollution control facilities will be credited against required power investment return payments and repayments, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object—and I have no intention of objecting—has this matter been cleared with the appropriate Senator on this side of the aisle?

Mr. BAKER. Yes; it has been cleared with Senator RANDOLPH, chairman of the Committee on Public Works and others interested therein.

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of December 3, 1974, at p. H11258.)

Mr. BAKER. Mr. President, the conference report presently before the Senate contains the unanimous agreement

of the Senate and House conferees resolving the differences in H.R. 11929 as it passed in the House of Representatives last March and in the Senate on November 19. While the agreement contains much of the language of the Senate-passed bill, I feel it reflects the position adopted in both Houses that immediate relief must be provided to the TVA to relieve some of the pressure of heavy capital costs upon spiraling rates. In that regard I would note that TVA announced after its quarterly rate review yesterday an increase in rates averaging 12 percent for residential power users. That brings rate increases in the valley announced in 1974 to 26 percent with a fuel escalation increase of about 6 percent on top of it. And this year's increase follows on the heels of increases totaling 73 percent in rates between 1967 and 1973.

Mr. President, as I have stated in earlier consideration of this legislation, the TVA power consumer is the only electrical customer in the Nation who bears the entire cost of capital improvements upon his electrical system. Customers of private power systems have been afforded relief from the burdens of capacity expansion and environmental control construction programs through increasingly generous tax writeoffs. Yet all of TVA's capital requirements must be generated either directly or indirectly through charges for electricity.

There have been virtually no Federal moneys invested in the TVA power program over the last decade and a half. But it has been over that same period that most of TVA's power program has been constructed.

The Federal Government owns TVA—is the sole owner. Yet the Federal investment in power assets has shrunk from over \$1.2 billion in 1960 to about \$1 billion in 1974 while the total investment in power assets has increased from \$1.8 billion to almost \$5 billion.

Only the TVA of all power companies is faced with an obligation to virtually eliminate "equity investment" during this time of heavy capital needs and tight capital.

The conference report on H.R. 11929 will not permanently solve these problems, but it will provide TVA power consumers temporary relief from a portion of the burden of environmental control investment during a period when that investment will be particularly heavy and the measure will afford Congress time to review the TVA financing picture.

HISTORY OF H.R. 11929

Mr. President, the bill passed by the Senate on November 19 had originally carried the designation S. 3057. When introduced it was identical to H.R. 11929 which passed the House in March of this year.

Under that bill, the TVA would have received full and direct credits for its expenditures on pollution control equipment against the annual repayments and return payments required under the TVA Bond Financing Act of 1959. The bill went further to allow expenditures on such facilities in excess of the annual repayment obligation to be credited against the basic obligation. Thus, under

the House-passed bill, TVA would have rapidly retired the entire obligation created by the 1959 act.

While there is substantial justification for review and modification of the financial burdens which have been placed upon TVA, it was the wisdom of the Senate Public Works Committee that a broader and more incisive analysis of TVA's financial picture is needed before such fundamental changes are undertaken. Thus the bill was modified in committee to provide temporary assistance to TVA's ratepayers while this review is undertaken.

S. 3057, as reported from the Senate Public Works Committee and subsequently adopted in the Senate, provided that TVA could defer the repayment or any of fiscal years 1976 through 1980, in which expenditures for pollution control equipment exceed the \$20 million required annual repayment. The bill further provided that TVA could credit additional expenditures for such equipment against the required return payment during any year in which the repayment was deferred.

Under the Senate-passed bill, the amount of any return so credited would have been added to the appropriation's investment.

This latter provision, section 2 of the Senate bill, became the most substantial issue in conference on the measure. The House conferees receded and accepted both the Senate position with regard to limiting the bill to a temporary period, thus preserving the basic repayment obligation, and the Senate redefinition of certified pollution control facilities, which was significantly more restrictive than the House provision. In turn, the Senate receded from their position on section 2 of the bill.

The conference agreement constitutes then a 5-year suspension of the obligations created by the 1959 act, provided that expenditures for certifiable pollution control equipment meet projections. At the end of the 5-year period—in fiscal year 1981—the repayment and return payment obligation of TVA will, barring further congressional action, again go into full effect.

Mr. President, it has been asserted during the course of congressional consideration of this measure that it represents "special interest" legislation. I would like to conclude with a brief observation regarding that assertion.

The TVA is a public corporation whose basic powers, authorities and obligations are specified by Congress. It is the responsibility of Congress to remain aware of the problems of the TVA and to take steps to see that it remains a viable institution capable of fulfilling the mandate which Congress has imposed upon the corporation.

The approval of S. 3057 by the Senate of this conference report on that measure will only partially acquit the Senate of that responsibility with regard to TVA's financial picture. Many of the issues before Congress during debate on S. 3057—H.R. 11929 will come up again during further action in the next several

sessions. If Congress is compelled, and I am sure that it will not be, to abdicate this responsibility on the basis that assistance to TVA is "special interest" legislation, then TVA's ability to keep pace with the electric generation industry will be hampered.

Mr. President, many persons believe that the TVA is a regional concern, but the entire Nation has received benefits from TVA since its establishment in 1933. And, indeed, national benefits were anticipated by those who supported the authorizing legislation.

One national benefit of TVA which may not have been anticipated by its creators, but which is of great significance today is that the fuel selection decisions of TVA in the past reflected sound public policy decisions.

Because of the greater utilization of electric power as an energy source within the Tennessee Valley Authority's service area, the per capita consumption of petroleum products, such as fuel oil and natural gas, items of short supply, is considerably less in the valley than in other sections of the Nation. An unexpected benefit was realized during the winter of 1973-74 when the TVA area's fuel use patterns made it possible for homes in every part of the Nation to be a little warmer.

The use of alternative fuels, primarily coal, as a source of steam for generation of electricity means more of the scarce fuel oil and natural gas is available to other parts of the Nation than would be the case if normal usage patterns were followed in the TVA area.

Mr. President, I am pleased that the Senate has accepted and passed the conference report on H.R. 11929. This action will greatly ease inflationary pressures in the Tennessee Valley and will provide an opportunity to undertake badly needed review of the TVA financial picture.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

ORDER FOR ADJOURNMENT TO 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today that it stand in adjournment until the hour of 10 o'clock tomorrow.

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

ORDER FOR RECOGNITION OF SENATOR HELMS, SENATOR GRIFFIN, AND SENATOR MANSFIELD

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after recognition of the two leaders or their designees under the standing order, the following Senators be recognized, each for not to exceed 15 minutes, and in the order stated: Mr. HELMS, Mr. GRIFFIN, and Mr. MANSFIELD.

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

ORDER FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the orders for the recognition of Senators have been consummated on tomorrow, there be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 5 minutes.

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

ORDER FOR THE RECOGNITION OF SENATOR METZENBAUM ON TUESDAY, DECEMBER 10, 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Tuesday next, after the two leaders or their designees have been recognized under the standing order, Mr. METZENBAUM be recognized for not to exceed 15 minutes.

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

ORDER FOR SESSIONS OF THE SENATE TO COMMENCE AT 9 A.M. AFTER MONDAY, DECEMBER 9, 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after Monday next, the Senate meet daily at 9 a.m. throughout next week, including Saturday, and the following week, including Saturday.

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

ISSUES IN THE ROCKEFELLER NOMINATION—PART I

Mr. HELMS. Mr. President, for nearly 4 months now, the Senate has been considering the nomination of Mr. Nelson Rockefeller to be Vice President of the United States. This nomination is an historic event because, for the first time, the Nation will have both a President and a Vice President, neither of whom will have been approved by the voters through the electoral process. Perhaps the framers of the 25th amendment foresaw such a possibility. Certainly it is a logical consequence of the processes laid down in that amendment. But the theory of the amendment is one thing, and the practical working out of the theory is another. It is only now that we understand the practical significance of selecting our Vice Presidents under its terms.

The strength of the American Presidency is that the President and Vice President are selected by the mandate of the people through the electoral system. The 25th amendment was passed to fill a vacancy in the office of Vice President in case of death, resignation, or succession to the Presidency. I think that in the minds of most people the latter case was uppermost; the elected Vice President could succeed to the Presidency leaving a vacancy behind. The chances of a Vice President selected under the 25th amendment becoming