

row, Wednesday, August 9, 1972, at 9:30 a. m.

NOMINATIONS

Executive nominations received by the Senate August 8, 1972:

INTERNATIONAL ATOMIC ENERGY AGENCY
CONFERENCE REPRESENTATIVES
James R. Schlesinger, of Virginia, to be the Representative of the United States of

America to the 16th session of the General Conference of the International Atomic Energy Agency.

The following-named persons to be Alternate Representatives of the United States of America to the 16th session of the General Conference of the International Atomic Energy Agency:

William O. Doub, of Maryland.
T. Keith Glennan, of Virginia.
Robert H. McBride, of New Hampshire.
Herman Pollack, of Maryland.

Dwight J. Porter, of Nebraska.
James T. Ramey, of Illinois.

CONFIRMATION

Executive nominations confirmed by the Senate August 8, 1972:

DEPARTMENT OF JUSTICE
Roger C. Cramton, of Michigan, to be an Assistant Attorney General.

HOUSE OF REPRESENTATIVES—Tuesday, August 8, 1972

The House met at 12 o'clock noon.
Rev. Neal T. Jones, pastor of Columbia Baptist Church, Falls Church, Va., offered the following prayer:

Heavenly Father, thank You that divine wisdom is often found walking in the shoes of Congressmen and sounding through the voices of legislators. We thank You that divine gifts are dispersed so that each leader has his share of talent and purpose. Thank You that divine accomplishments come through lawmakers who compromise their opinions without forsaking their convictions. We thank You, God, for the subtle and startling way You work with our leaders. We celebrate in the knowledge that your temple is in each life and this place is sometimes as holy as a temple.

Heavenly Father, we confess that divine wisdom is often locked out by the locks and keys of our pompous opinions of ourselves, and our disregard of the startling insights our opponents present. Our prayer is that You will forgive our littleness and fill us with Your unlimited resources.

In the Master's name. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9092) entitled "An act to provide an equitable system for fixing and adjusting the rates of pay for prevailing rate employees of the Government, and for other purposes."

The message also announced that the Senate insists upon its amendments to the bill (H.R. 15692) entitled "An act to amend the Small Business Act to reduce the interest rate on Small Business Administration disaster loans," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. WILLIAMS, Mr. MCINTYRE, Mr. MONDALE, Mr. CRANSTON, Mr. TOWER, Mr. PACKWOOD, and Mr. ROTH to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 3507) entitled "An act to establish a national policy and develop a national program for the management, beneficial use, protection, and development of the land and water resources of the Nation's coastal zones, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAGNUSON, Mr. HOLLINGS, and Mr. STEVENS to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1729. An act to increase the supply of railroad rolling stock and to improve its utilization to meet the needs of commerce, users, shippers, national defense, and the consuming public.

THE REVEREND NEAL T. JONES

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

Mr. SNYDER. Mr. Speaker, today we have the pleasure and honor to welcome the Reverend Neal T. Jones to the House of Representatives.

Reverend Jones was born and raised in Jeffersontown, Ky. He is married to the former Betty Adams and has four children: Neal T., Jr., Elizabeth, Jeffrey, and Caroline. He is the son of Mr. and Mrs. Tom Jones. His father, who incidentally attended Sunday school as a child with my father, has been and is a pillar of our community. His mother has served as a religious inspiration to all who know her.

Neal is a graduate of Texas Christian University in Fort Worth, Tex., and the Southwestern Baptist Theological Seminary, also in Fort Worth.

In his distinguished career of service, he has pastored the following churches: Cockrell Hill Baptist Church, Dallas, 1950-55; First Baptist Church, Greenville, Tex., 1955-61; First Baptist Church, Vernon, Tex., 1961-64; Shiloh Terrace Baptist Church, Dallas, December 1964 to March 1969, and Columbia Baptist Church, Falls Church, Va., March 1969 to the present.

In addition to these pastorates, he has served in a number of places of responsibility in the denomination, including the State executive committee; trustee of Howard Payne College, Brownwood, Tex., and director of the Home Mission

Board of the Southern Baptist Convention.

Reverend Jones, as pastor of the 2,500 member congregation of Columbia Baptist Church, as in all his previous assignments as a minister of the gospel, has been an exemplary figure as a clergyman and a citizen.

Again, I am happy that Reverend Jones could join us today, and I join all my colleagues here in the House in extending him a warm welcome.

THE NEED FOR FEDERAL RESERVE AUDIT

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

Mr. PATMAN. Mr. Speaker, more and more people across the land are asking why the Congress is allowing the Federal Reserve to remain unaudited by the General Accounting Office.

Many are asking why the Congress allows the Federal Reserve to continue to hold \$70 billion of bonds which have been paid for once and which should be retired and subtracted from the national debt. Many are asking why the Congress does not require the Federal Reserve to come to Congress for appropriations in the same manner as other agencies.

Later in today's RECORD, I will discuss some of these issues about the footloose-and-fancy-free operations of the Federal Reserve System and the immense secrecy under which it hides the public's business.

SUSPENSION OF AID TO THAILAND

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

Mr. WOLFF. Mr. Speaker, I rise to reassert my conviction that the House will perform a valuable service to the Nation by adopting the Foreign Assistance Act of 1972 which provides for a suspension of aid to Thailand until that nation takes adequate steps to control the traffic in heroin through its borders and ports.

The chronology of heroin arrests and seizures in the Far East clearly demonstrates the very crucial impact which the revelations of myself and the gentleman from Illinois (Mr. MURPHY) and the gentleman from Connecticut (Mr. STEELE) have had not only upon our own anti-narcotics programs but upon the governments involved.

Congressional pressure has unques-

tionably created the atmosphere necessary for the success in fighting drug traffic in recent months.

I call upon my colleagues to join in this effort. I feel very strongly that an expression by a clear majority of the entire Congress on this critical issue will cause even greater cooperation by the Thai Government and even more success in the crackdown on the illicit traffic. Protecting our young people from the scourge of heroin deserves this kind of unified effort.

IMPROVING PROCEDURES OF THE HOUSE

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

Mr. OBEY. Mr. Speaker, yesterday the House procedurally reached a new height of idiocy. In the 6 hours and 34 minutes this House was in session yesterday, six bills were passed: All noncontroversial, and all of relatively little broad importance.

Our trooping back and forth to the floor yesterday for rollcalls on that kind of legislation was a spectacular example of a wasteful use of time.

This House must find a better way to deal more efficiently with noncontroversial matters.

I wonder, for instance, whether an arrangement could be made to post 10 days in advance a list of consent bills scheduled for action.

All of those bills could be considered en masse and handled with one rollcall.

Bills on that list which were signed off by a specified number of Members could still be subjected to separate debate and separate rollcalls.

There may be plenty of impediments to this suggestion, but I would hope that other Members would consider and submit suggestions of their own to the leadership so that next session our time might be spent at least as efficiently as is the case in some legislatures, and that would be a marked improvement.

CHANGE IN LEGISLATIVE PROGRAM

(Mr. BOGGS asked and was given permission to address the House for 1 minute.)

Mr. BOGGS. Mr. Speaker, I take this time to announce a change in the program. The bill H.R. 15927, railroad retirement temporary increase, which was listed on the Suspension Calendar on yesterday, will be considered on tomorrow after the conference reports, under a rule.

CHANGE IN LEGISLATIVE PROGRAM

(Mr. GERALD R. FORD asked and was given permission to address the House for 1 minute.)

Mr. GERALD R. FORD. Mr. Speaker, I take this time for the purpose of asking the distinguished majority leader if I am clear on what the schedule is for the next several days. We are going to take

up the general debate on the foreign military assistance today, and then possibly also the bicentennial general debate, and then before we get into the reading of the Foreign Military Assistance Act will take up the several conference reports, and then the railroad retirement temporary increase bill?

Mr. BOGGS. That is correct.

Mr. GERALD R. FORD. Then we are going back and start to read the bill for foreign military assistance.

Mr. BOGGS. That is correct.

CALL OF THE HOUSE

Mr. WAGGONER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. BOGGS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 306]

Abourezk	Fountain	Nedzi
Annunzio	Galifianakis	O'Hara
Ashley	Gallagher	Passman
Badillo	Gray	Pelly
Biaggi	Hagan	Powell
Blanton	Hanna	Pryor, Ark.
Broomfield	Harrington	Randall
Brown, Mich.	Harsha	Rarick
Burlison, Mo.	Hathaway	Rees
Carter	Hébert	Reld
Celler	Heckler, Mass.	Rooney, N.Y.
Chamberlain	Henderson	Roybal
Chisholm	Howard	Ruppe
Clark	Hungate	Ryan
Clay	Hutchinson	Scheuer
Colmer	Ichord	Shoup
Conyers	Jones, Tenn.	Stephens
Davis, Ga.	Landrum	Stucky
Derwinski	Lennon	Talcott
Dingell	Long, La.	Teague, Calif.
Dorn	McClure	Terry
Dow	McCormack	Vander Jagt
Dowdy	McDonald,	Wylder
du Pont	Mich.	Yatron
Edmondson	McKinney	
Eshleman	McMillan	
Flynt	Macdonald,	
Ford,	Mass.	
William D.	Moorhead	

The SPEAKER. On this rollcall 353 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AMENDING WATER RESOURCES PLANNING ACT

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 14106) to amend the Water Resources Planning Act to authorize increased appropriations, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

That the Water Resources Planning Act (79 Stat. 244, 42 U.S.C. 1962 et seq.) is amended by striking out the present section 401 and inserting in lieu thereof the following:

"Sec. 401. There are authorized to be appropriated to the Water Resources Council:

"(a) not to exceed \$6,000,000 annually for the Federal share of the expenses of administration and operation of river basin commissions, including salaries and expenses of the chairmen, but not including funds authorized by subsection (c) below: *Provided*, That not more than \$750,000 annually shall be available under this subsection for any single river basin commission;

"(b) not to exceed \$1,500,000 annually for the expenses of the Water Resources Council in administering this Act, not including funds authorized by subsection (c) below;

"(c) not to exceed \$3,500,000 in fiscal year 1973 and such annual amounts as may be authorized by subsequent Acts for preparation of assessments, and for directing and coordinating the preparation of such regional or river basin plans as the Council determines are necessary, and desirable in carrying out the policy of this Act: *Provided*, That not more than \$2,500,000 shall be available under this subsection for the preparation of assessments: *Provided further*, That the Council may transfer funds authorized by this subsection to river basin commissions and to Federal and State agencies upon such terms and conditions as it determines are necessary and desirable to carry out the above functions in an economical, efficient, and timely manner, and that such commissions and agencies are hereby authorized to receive and expend such funds pursuant to this subsection."

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

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

Mr. ASPINALL. Mr. Speaker, H.R. 14106, as passed by the House on June 5, 1972, was amended by the Senate on June 19. The amendment consisted of striking all after the enacting clause and inserting complete new text. The new text makes one major substantive change in the legislation as follows: the House-passed bill authorized an increase of \$3,500,000 annually, to be appropriated to the Water Resources Council for the purpose of financing water assessments and coordinating river basin plans. The Senate-passed version of the bill authorized the same amounts but only for the fiscal year 1973. The other differences in the two versions of the bill are in format and drafting style.

In accepting the Senate amendment, the House will be agreeing—in practical fact—to reconsideration of this issue in the 93d Congress as the Water Resources Council will be obliged to send the legislation up again next year. This will afford the Congress a chance to look at the question in greater depth than time allowed this year and may well result in better legislation for our having done so.

For this reason, and in the interest of expeditious enactment of this legislation which must precede final passage of the Public Works Appropriation Act, I strongly urge and recommend that my colleagues accept the Senate amendment.

PUUKOHOLA HEIAU NATIONAL HISTORIC SITE, HAWAII

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the

Speaker's desk the bill (H.R. 1462) to provide for the establishment of the Puukohola Heiau National Historic Site, in the State of Hawaii, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 4, after "numbered" insert "NHS-PK."

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

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

MINIMUM AGE FOR MEMBERSHIP IN THE LEGISLATURE OF THE VIRGIN ISLANDS

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 9545) to amend the Revised Organic Act of the Virgin Islands to provide that the Legislature of the Virgin Islands shall prescribe the minimum age for membership in the legislature, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Strike out all after the enacting clause and insert:

"That subsection (b) of section 6 of the Revised Organic Act of the Virgin Islands is amended by deleting 'twenty-five' and inserting in lieu thereof 'twenty-one.'"

Amend the title so as to read: "An Act to amend section 6(b) of the Revised Organic Act of the Virgin Islands relating to qualifications necessary for election as a member of the legislature."

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

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

Mr. ASPINALL. Mr. Speaker, H.R. 9545 as adopted by the House provided that the Virgin Islands Legislature could establish the minimum age for its members. The Senate returned the bill in a different form that simply reduced the age for membership from 25 to 21 years. The Virgin Islands Legislature originally petitioned the Congress to reduce the age for membership to 21 years. The bill as amended by the Senate represents the wishes of the people of the Virgin Islands as expressed by their legislature.

PROVIDING FOR CONSIDERATION OF H.R. 16029, FOREIGN ASSISTANCE ACT OF 1972

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call

up House Resolution 1082 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1082

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 16029) to amend the Foreign Assistance Act of 1961, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Missouri is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. SMITH) pending which I yield myself such time as I may consume.

Mr. Speaker, there is nothing complicated about this rule, and so far as I know it is not controversial. Of course, the bill it makes in order is controversial, and there are at least three amendments, I understand, which are very controversial.

The reason why I come to the well instead of just handling the rule routinely is that I wish to announce that tomorrow when presumably the House will be reading the bill for amendment, I will seek recognition in order to offer a motion to strike section 13, the so-called Hamilton-Whalen amendment. I will not explain in detail my argument in favor of that motion to strike today, but I wish to notify the Members of the House that I propose to seek recognition to make that motion. That is the so-called "end the war amendment" authored by the gentleman from Indiana, (Mr. HAMILTON).

Mr. SMITH of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1082 provides for 3 hours of debate under an open rule for consideration of H.R. 16029, the Foreign Assistance Act of 1972.

Mr. Speaker, I am satisfied that every Member in the House of Representatives knows everything about this bill.

Members will recall that last year the House passed a 2-year authorization. We had difficulty in the other body, and they divided it up into two bills. Eventually it came back here with a rule out of the Committee on Rules striking everything but the enacting clause of both bills and inserting the language of the House-passed bill. The ultimate result was that we ended up with only a 1-year authorization.

This bill provides an authorization for

fiscal year 1973 for \$2.131 billion. The section that the gentleman from Missouri mentions that he is going to seek recognition on to offer a motion to strike is section 13. That language provides for the withdrawal of U.S. Armed Forces from Indochina not later than October 1, 1972, subject to three conditions: One, a cease-fire to the extent necessary to achieve safe withdrawal of the remaining U.S. forces; two, release of all American prisoners of war; and, three, the accounting for all Americans missing in action.

There are some other controversial items in the bill and a number of separate and supplemental views which have been filed. I anticipate that many amendments will be offered when we reach that stage, hopefully tomorrow.

Mr. Speaker, I urge the adoption of the rule.

Mr. BOLLING. Mr. Speaker, I yield such time as he may consume to the chairman of the Committee on Rules, the gentleman from Mississippi (Mr. COLMER).

Mr. COLMER. Mr. Speaker, following the lead of my friend from Missouri, a member of the Committee on Rules, I just wanted to take this brief moment here to emphasize my own disagreement with section 13 of this legislation, which this rule makes in order.

Mr. Speaker, I can think of no greater disservice that a citizen of this country, whether he be a private citizen or a public official, can do to his country with regard to the ending of this war than to try to drag the rug out from under the feet of the President of the United States, who is trying to negotiate an honorable peace.

This is a matter which should be resolved through a negotiated, political settlement. It is the height of folly for us here in the legislative branch, numerous and divided as we are, to consider negotiating an end to this infinitely complex war. An effort such as this will not only not help the situation, but will unnecessarily confuse and delay any meaningful discussions that may be taking place. Without such action, the United States will have more flexibility at the peace table. Such provision will inevitably encourage the enemy to harden his stand. It is essential, in the complex and sensitive talks in Paris, that the United States speak with one voice.

The President has demonstrated that he will do everything in his power to reach a negotiated solution. Let us not hamper his efforts by the spasmodic, ill-considered maneuvers called for in this provision.

If there is one issue that seems to have virtually unanimous endorsement from all shades of opinion on this war, it is that our most urgent priority is to end the killing and suffering that has been the agony of the Indochinese peninsula for over 25 years. We together with the South Vietnamese, have made this issue central to our negotiating position since we first called for an Indochina-wide cease-fire—in October 1970—with all acts of war by all combatants to

cease. The President most recently, on May 8, reiterated our views on cease-fire and they were placed officially on the negotiating table in Paris.

Should the enemy choose to negotiate on this compelling issue, an end to the bloodshed could be in sight. Thus far, it has not chosen to do so; instead it has put forward a proposal that cannot be called a cease-fire at all, but is limited to only part of the forces concerned and would not end the killing. This is the kind of cruel cynicism the North Vietnamese go in for when they ask for a cease-fire between their forces and ours only, leaving their troops massively deployed throughout Indochina free to continue their blatant aggression against the South Vietnamese forces and people. And unfortunately this is the sort of cease fire this section 13 puts forward. It is not worthy of us and I reject it.

In addition, I doubt very much that Hanoi would, in fact, release the American prisoners of war it now holds, or cooperate in an accounting of the missing in return only for an end to the U.S. military involvement in the war. They would have no incentive to return our POW's. Passage of the end the war provision would condemn the prisoners of war and those who are missing in action. They would be left to the mercy of the North Vietnamese.

The North Vietnamese and Vietcong spokesmen have made it absolutely clear, time and time again, that it is not only American withdrawal that they want, but the arbitrary replacement of the constitutionally elected Government of South Vietnam by a coalition government cut to Hanoi's pattern, which will be the vehicle for Communist seizure of control. They will not release our prisoners until an American Government has helped them impose their will on the people of South Vietnam or until they are finally convinced that no American Government or Congress will do any such thing and that they cannot accomplish the task by brute military force.

The situation in South Vietnam is still critical but the prospects are hopeful. No action should be taken at this time which would have an adverse effect on the outcome. The actual return of prisoners of war is a negotiable matter and foreign countries cannot be negotiated with in a parliamentary body. Leave it to the negotiators.

Mr. Speaker, this is not a domestic political issue. This is an issue that involves the United States, its prestige, its compassion, and its desires now to end the war.

A great U.S. Senator from the great State of Michigan made an observation back a few years ago that I think deserves repeating.

I think that I can quote it almost verbatim, and that is that partisan politics in the United States stop at the water's edge.

I certainly hope that the House will use its usual goodwill in this matter, when it comes up for consideration and when the gentleman from Missouri (Mr. BOLLING) offers the amendment to strike.

Incidentally, I want to take this time to commend the gentleman from Mis-

souri (Mr. BOLLING) a man who is regarded in this House as somewhat of a liberal, one obviously not in accord and in step with some of those other people who term themselves as liberals, but with those others in the House who place, as the gentleman does, the welfare of our country above any other issue, domestic or otherwise. So again I commend the gentleman for the stand he is taking in this matter. I believe this House can with profit follow his leadership in this matter.

I urge all of you here to allow the President to continue the constructive policies he has so carefully forged, which will allow him to bring an honorable end to our Nation's involvement. Let us not hamper him in his wide-ranging efforts. Let us give the President of the United States, our Commander in Chief, the constitutional authority to negotiate an end to this war.

(Mr. COLMER asked and was given permission to revise and extend his remarks.)

Mr. BOLLING. Mr. Speaker, I have no further requests for time.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PERMISSION FOR SUBCOMMITTEE ON FLOOD CONTROL AND INTERNAL DEVELOPMENT, COMMITTEE ON PUBLIC WORKS, TO MEET DURING GENERAL DEBATE TODAY

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that the Subcommittee on Flood Control and Internal Development of the Committee on Public Works be permitted to meet during general debate today. This has been cleared with the ranking minority member.

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

There was no objection.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

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

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 13694, AMERICAN REVOLUTION BICENTENNIAL COMMISSION

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1081 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1081

Resolved, That upon the adoption of this resolution it shall be in order to move that

the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 13694) to amend the joint resolution establishing the American Revolution Bicentennial Commission, as amended. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Missouri (Mr. BOLLING) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield to the gentleman from California (Mr. SMITH) 30 minutes.

Mr. Speaker, as I think all Members know, this bill got a majority, a substantial majority, as I remember it, but failed to pass on suspension. I have not run into any controversy on the rule.

Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of California. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, House Resolution 1081 provides for 1 hour of debate under an open rule for the consideration of the bill, H.R. 13694.

The bill did fail on suspension on June 19. The authority of the Commission expired on June 30, 1972. This extends the authority of the Commission for 1 year at a cost of \$6,712,000 with grants to territories and grants to States and certain nonprofit groups and gives the President certain authority to waive legal limitations regarding contracts and expenditures.

Mr. Speaker, I know of no objection to the rule. However, I have heard some Members stating that although they approve of the program, they are a little bit concerned that there does not seem to be much control over the manner in which the money will be spent and they are concerned that some of it may be wasted.

Mr. Speaker, I urge the adoption of the resolution.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

FOREIGN ASSISTANCE ACT OF 1972

Mr. MORGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 16029) to amend the Foreign Assistance Act of 1961, and for other purposes.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the con-

sideration of the bill H.R. 16029, with Mr. PRICE of Illinois in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Pennsylvania (Mr. MORGAN) will be recognized for 1½ hours and the gentleman from California (Mr. MAILLIARD) will be recognized for 1½ hours.

The Chair recognizes the gentleman from Pennsylvania (Mr. MORGAN).

Mr. MORGAN. Mr. Chairman, I yield myself as much time as I may consume.

Mr. Chairman, H.R. 16029, the Foreign Assistance Act of 1972, is one of the most important bills to come before the House this year.

This bill is important for several reasons:

This bill affects, first and foremost, the security of our own Nation. It does this in terms of our position abroad, and our ability to respond promptly and effectively to any outside military threat.

Our oversea bases, our early-warning and communications installations, our military alliances—the whole complicated system of defenses aimed at keeping war from our shores—that system depends in large part on how we live up to our commitments, on our reliability, and our determination to see peace prevail.

This bill is a measure of our national will to keep that defense system working in a world which is still very changeable—and dangerous.

The Foreign Assistance Act of 1972 is also important to our friends and allies. For many of them, it means the difference between insecurity and adequate defense.

This applies especially to those countries which are exposed to the threat of external aggression—countries like Turkey and South Korea, Israel, and Free China, and many others.

It applies also to a country like Vietnam which—if our efforts bear fruit—will still continue to need outside help to cope with the tremendous job of rebuilding its war-torn economy.

In a larger sense, Mr. Chairman, this bill is important to the entire free world—to those who are on the firing line as well as to those in the rear.

All of them—and all of us—want peace and security.

Unfortunately, these do not come free. They must be won, and they must be protected. And that is a job in which all of us have to take part.

H.R. 16029 contains America's contribution to that effort. It is an important contribution—and one without which international security system may not survive.

For these reasons, the passage of this bill is vital to our own national security and the cause of peace in the world.

PROVISIONS OF THE BILL

Mr. Chairman, let me now describe the provisions of the bill.

The principal purpose of H.R. 16029 is to authorize fiscal 1973 funding for those categories of assistance which were not

included in the 2-year foreign aid bill that the Congress approved in January.

These categories include grant military assistance, military sales, and security supporting assistance.

In addition, the bill contains funds for refugee relief and rehabilitation in Bangladesh, as well as a number of policy provisions.

The total authorization amounts to \$2,131,000,000. This is \$120 million less than the amount requested by the Executive. It compares with \$1,650,000,000 which the Congress appropriated for these purposes in fiscal 1972.

MILITARY ASSISTANCE

Of the amount recommended by the committee, \$730 million is for grant military aid. Our committee has cut that authorization \$50 million below the Executive request, trying to keep it down to a minimum, to a barebones budget.

Grant military assistance is necessary to provide our allies, and some friendly governments, with a small portion of the equipment and training which they need for their defense. They pay the major part of the cost of their own defenses. We contribute only that portion which is absolutely necessary but for which they have no more resources.

Of the \$730 million, about 70 percent has been programed for only four countries: Republic of Korea, Cambodia, Turkey, and Thailand. The remainder is largely training assistance, and small equipment grants, for 43 other countries.

In addition, this portion of the bill contains \$5 million for regional naval training in the Western Hemisphere—training which will be provided at the Inter-American Training Center.

The bill, in section 3, also extends for 1 year the President's special authority to use certain defense stocks, subject to later reimbursement. It also repeals section 514 of the Foreign Assistance Act which deals with local currency deposits. The Executive has found that the carrying out of that section would impose a hardship on the program, and our committee has agreed with them.

SECURITY SUPPORTING ASSISTANCE

The second major authorization—in section 4 of the bill—deals with security supporting assistance.

This type of aid is designed to offset certain exceptional expenditures which some countries are making in the defense field. Frequently, it enables them to support a larger military establishment than they themselves can afford—but which they urgently need for their defense or security. Generally, supporting assistance goes hand-in-hand with military aid and sales, and, again, is concentrated in a very few countries.

In the fiscal 1973 program, 90 percent of supporting assistance has been earmarked for five countries: Vietnam, Israel, Thailand, Cambodia, and Laos.

The committee recommended \$769 million for this item—\$75 million less than requested by the Executive.

After carefully reviewing the whole program, the committee concluded that this cut could be achieved by reducing

or eliminating certain elements, without jeopardizing our whole effort.

The committee also agreed to earmark some supporting assistance funds for certain worthy programs, primarily those dealing with children, orphans and refugees in Indochina. These earmarkings are contained in section 5 of the bill and explained on pages 7 and 8 of the committee report.

MILITARY SALES

The third major authorization is contained in section 10 of the bill. It involves \$527 million in new obligational authority for military credit sales, subject to an overall ceiling of \$629 million.

Military sales are an important part of our international security effort. Whenever possible, this tool is used rather than direct grants or supporting assistance to help a given country meet its essential defense needs.

Nearly one-half of this authorization for fiscal 1973 is programed for Israel, and so earmarked in the bill.

The committee also recommended several changes in the existing law—primarily to promote the shift from grant-aid to sales, and to permit more effective utilization of excess defense articles. These changes, as well as modifications in the regional ceilings, appear in sections 10 and 11 of the bill.

BANGLADESH RELIEF

Finally, the bill provides \$100 million for relief and rehabilitation in Bangladesh.

During the past year, United States humanitarian assistance has contributed significantly to the worldwide effort to help the new state of Bangladesh care for millions of returning refugees and to begin repairing war damage. Most of that effort has been channeled through international organizations and voluntary agencies.

Of the total contributed—some \$800 million—the United States gave about one-third: \$267 million. The proposed authorization, requested by the President, is necessary to continue the tremendous task of relief and rehabilitation.

POLICY PROVISIONS

In addition to the four authorizations and related provisions which I have described, H.R. 16029 contains six items which deal with policy issues and one which is a sense of Congress expression.

The latter one is in section 12 of the bill. It expresses the sense of the Congress in favor of the establishment of a United Nations Environment Fund. This is not an authorization, and any future U.S. support for such a fund would be subject to the normal congressional review and judgment. Section 12 simply endorses the idea of setting up such a fund, as recommended by the Stockholm Conference, because of the need to tackle environment problems which cross national boundaries.

Four of the policy provisions deal with limitations and restrictions on furnishing assistance.

One of them, in section 6, would enable the President to undertake some initiatives toward a country like Somalia

which has found itself in difficulty because of the trade patterns of some ships carrying its flag.

The second, in section 7, would make the furnishing of assistance to Thailand subject to a presidential determination relating to the curbing of illegal narcotics trade. Our committee has been assured that Thailand has an active program under control, and the committee is investigating this matter. In the meantime, until all the facts are in, this particular provision could prove harmful—both to the effort to eliminate illegal trade in narcotics, and to U.S. relations with Thailand.

The third prohibition, also in section 7, relates to Portugal. It would prohibit the carrying out of our part of the agreement relating to our base in the Azores until that agreement is submitted to the Congress for separate approval—either as a treaty or by a resolution of both Houses. This is the first time that I know of that such a requirement is being imposed on a normal base agreement with one of our own NATO allies—and I have some reservations about it.

The fourth restriction, in section 9, would continue a ceiling on U.S. assistance to Cambodia and peg it at \$330 million for fiscal 1973. This is \$11 million below the ceiling which was in effect in fiscal 1972.

In addition, Mr. Chairman, section 14 contains an amendment to the U.N. Participation Act which would allow the President to fulfill our obligations flowing from that act. This provision does not repeal any part of the law presently in effect. It would, however, give the President, on the grounds of national interest, the authority to decide which course is more appropriate.

VIETNAM

This brings me, Mr. Chairman, to the final, and possibly the most controversial provision of H.R. 16029, the provision relating to Vietnam, section 13.

Section 13 would establish October 1 as the date for our military withdrawal from Indochina subject to a cease-fire, the release of our POW's, and an accounting for Americans missing in action.

This is a fairly flexible mandate which conforms in the overall to the objectives that have been pursued by the President, and our country, for some time.

I realize that some Members will object to setting any specific date for our withdrawal from Indochina. So did I, for a long time, because I believed that it could make all the more difficult, the achievement of peace in Vietnam.

I have, however, had some second thoughts on this subject since the invasion of Cambodia and the involvement of our Air Force in Laos.

Moreover, on two occasions—in 1971 and again earlier this year—the Congress passed legislation declaring for a prompt termination of our military involvement in Indochina. Both of those bills have been signed into law by the President.

I do not believe, therefore, considering the long and tragic history of that conflict, and earlier congressional enact-

ments, that the declaration outlined in section 13 is inconsistent with what the Congress has said before, or with ending the war as promptly as possible. The House, however, must be the final judge in this matter.

CONCLUSION

In conclusion, Mr. Chairman, let me repeat that the bill before us is vital to the security of the United States, of many of our friends, and allies, and to the cause of peace and security in the world.

Large part of the authorizations involved is for Vietnam which is to need it even if a cease-fire comes tomorrow.

Another large part—some \$350 million—is for Israel whose security is constantly threatened.

Still another large part is for a handful of other countries whose national life is endangered—countries which are right there, on the firing line.

Then there are our bases and other oversea installations—all a part of our national, and international defense and security system.

We cannot afford to throw that system away.

Mr. Chairman, let me add one last thought:

Funds authorized in this bill are going to be spent primarily in the United States. The equipment made here, and the services provided, will help others defend their security. But the funds stay here.

I urge the House to approve H.R. 16029.

Mr. MAILLIARD. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman and Members of the Committee, the bill we have before us today was debated at great length in the committee. It provides funds for military assistance, regional naval training, military credit sales, supporting assistance, and refugee relief.

I have heard conversations about the Chamber which would indicate that some Members, at least, are not aware that this is a bill wholly for military assistance. It does not have the economic assistance program in it as it has had in years gone by.

It does not contain any of what we usually refer to as economic assistance except for humanitarian relief in Bangladesh.

Chairman MORGAN has already described the bill in detail, including the dollar amounts, and I shall not go over that ground again. In my opinion, the amounts approved by the committee are well justified and deserve our support. In some cases I think maybe the figures may be even a little bit too low.

As the United States gradually withdraws its own military presence around the world these funds are absolutely essential if we are to continue to help our friends and allies maintain their own security and contribute to collective security. In my opinion, it is far less expensive and more effective to provide security assistance so they can handle their own defenses than it is to provide American forces for their protection.

I believe also providing such assistance is vital to our own national security in-

terest. On this point I would subscribe to what our chairman said in his opening remarks.

However, there are provisions that were inserted in this bill in the committee that I think are most unwise. When we get to the amending process I know amendments will be offered. I will certainly be prepared to support most of them.

I strongly object to the so-called end the war provision, section 13, added to the bill by a margin of a single vote in committee. It is unwise and unrealistic.

I would point out to the Members that, in the committee report, there is a rather unusually large number of individual and group views expressed on various portions of the bill.

As stated in the supplemental views signed by several Members, it is unlikely to secure the release of American prisoners of war since it does not call for acquiescence in Hanoi's principal demand that we overthrow the present government of South Vietnam and cease all assistance to that government. It would not end the fighting since it does not call for a general cease fire. The limited cease fire mentioned would only cover our withdrawal as the fighting and killing would continue. This provision, if retained in the bill, could well endanger whatever prospects there are for success in private and public negotiations which are now going on with Hanoi. I am sure we do not want that result.

We will go into this in detail, as already mentioned by the gentleman from Missouri (Mr. BOLLING). He intends to offer an amendment to strike this section, and it should be stricken from the bill, in my judgment.

Mr. Chairman, I also view as unwise the so-called Azores provision. If this becomes law—and I hope it does not—it would seriously damage our relations with Portugal, a member of NATO. The United States has base rights agreements similar to those with Portugal with Portugal with almost every NATO country, and to single out Portugal for specific congressional approval can only be seen as a deliberate affront by Portugal which can jeopardize the retention of our military forces in the Azores which are essential for surveillance of the Soviet submarine activities in the Atlantic. It is unwise, I believe, to pass legislation that amounts to a public insult to an ally simply because we do not like some of its domestic policies. Our views on that should be conveyed through diplomacy and not legislation.

Mr. STRATTON. Will the gentleman yield?

Mr. MAILLIARD. I yield to the gentleman.

Mr. STRATTON. I want to commend the gentleman from California for his remarks in connection with this provision in the bill that would cut off aid to Portugal and the Azores and indicate to him and to the House that it is my intention tomorrow when we get into the amending process to offer an amendment to strike out this section. I think the gentleman put his finger on the real

nub of the matter, which is that this would be very disruptive to the NATO alliance and to our own naval defenses in the Atlantic.

As one who for many years was chairman of the Antisubmarine Warfare Subcommittee of the Committee on Armed Services, I can say that the Azores occupy a very important part in our anti-submarine defense system.

More recently "Jane's Fighting Ships" any many other knowledgeable experts have been telling us about the threat of Soviet submarines. So this anti-Azores provision of the pending bill would cut off our nose to spite our own face. It would be damaging indeed if we were to destroy the arrangements that we have in the Azores now simply because of a hassle as to whether our accord with Portugal ought to be an executive agreement or a treaty.

I do not want to get into that matter. Maybe it ought to be a treaty. But it would be very dangerous indeed for us to destroy the valuable antisubmarine defense arrangements that now exist in the Azores while we wait for treaty ratification. So I advise members of the committee that I will offer an amendment to delete that section when we get to the amending process tomorrow.

Mr. MAILLIARD. I thank the gentleman.

As I have already indicated, I shall certainly support the gentleman's amendment, and I hope that it will be accepted.

Mr. PIRNIE. Mr. Chairman, would the gentleman yield?

Mr. MAILLIARD. I yield to the gentleman from New York.

Mr. PIRNIE. Mr. Chairman, I thank the gentleman for yielding, and I would like to take this opportunity to also indicate to the gentleman from New York (Mr. STRATTON) that I believe his approach is realistic in the cause of peace and good will in the world.

In the subcommittee we have devoted a great deal of attention to this one specific problem which is only one phase of the bill which will be before us. It all relates to the relationships that exist between the nations of the world and their commitment toward stabilizing conditions simply by having the strength and the determination to meet initially those situations which can lead to a real world disaster.

I also wish to congratulate the gentleman in the well and the committee for the basic objective of the bill. I trust that when the bill has gone through the amending process, it will reflect a policy which will contribute greatly to the peace of the world and be still of a character that shows the determination of people to be free.

Mr. MAILLIARD. I thank the gentleman from New York for his comments.

Now we come to another example which is very similar. In this bill there is another public insult to a friend and ally in the provision prohibiting assistance to Thailand unless the President determines that the Government of Thailand has taken adequate steps to prevent the illegal production of and

traffic in narcotics. Everybody is opposed to narcotics, but in this instance, where the Government of Thailand has made strong efforts to combat this traffic, such a gratuitous legislative insult seems to me not to be productive. Communications by these public means generally, in my judgment, are counterproductive, especially when directed at a nation that has been cooperating with us in many ways, including in this field that has been singled out by this amendment.

There are other provisions which we will come to as we get to the amending process that I think might well be stricken from the bill, but I have mentioned the ones that concern me particularly. I am hopeful that tomorrow and perhaps the next day through the amending process we will be able to remove some of the barnacles that were attached to this bill in committee.

I hope I can support the bill with some enthusiasm, which I cannot do in the form in which it is being considered today.

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana (Mr. HAMILTON).

Mr. HAMILTON. Mr. Chairman, and members of the committee, I would like to direct my remarks to section 13 of the bill.

Section 13 of the 1972 Foreign Assistance Act can help end the U.S. military involvement in Southeast Asia.

It sets three fundamental conditions for an end of all land, sea, and air involvement of U.S. forces in Indochina by October 1 of this year. These conditions are:

First. The release of all American prisoners of war held by the Government of North Vietnam or forces allied with such Government.

Second. An accounting with verification by an international body for all Americans missing in action who have been held by, or known to such Government or such forces.

Third. A cease-fire between the United States and North Vietnam and those allied with North Vietnam to the extent necessary to achieve the safe withdrawal of the remaining U.S. forces from Indochina.

REASONS TO SUPPORT SECTION 13

This section is in our national interest because it will help the President end the war.

First. It advises the President of the acceptable and essential conditions of withdrawal. The President should welcome this step from the Congress because it would allow him to leave Vietnam with congressional and bipartisan support, and upon terms that a majority of Americans find acceptable. It assures the President of broad public support for a reasonable offer that assures the safe return of American prisoners and troops.

Second. This section does not bind or tie the hands of the President. It leaves to the President the ultimate responsibility of negotiating an end to the war and preserves his flexibility. It sets no order for fulfillment of the three conditions and it leaves to the President how

those conditions are to be achieved. It does not cut off funds unconditionally for U.S. military involvement in Indochina.

Third. The conditions stated in this section express the overriding interests of the United States in Indochina today. The section does not include conditions which will require us to remain in South Vietnam indefinitely. It does not include conditions which would block acceptance by North Vietnam. These conditions do not give South Vietnam a veto over American actions. I believe that if our negotiating position was based on these conditions, the United States could extricate itself from South Vietnam. The conditions set forth realistic and achievable conditions for withdrawal.

Fourth. This section plainly acknowledges that our national interest does not justify the enormous commitment of resources, human and material, to Indochina.

The cost of U.S. involvement in the military conflict in Southeast Asia is staggering. Over 56,000 American young men have lost their lives; more than 300,000 men have been wounded; over 1,100 are missing; over 500 are known to be prisoners of war. Funds in excess of \$120 billion have been spent since 1965. The war has caused us to neglect massive domestic problems; it has created deep divisions within our society.

It is time to acknowledge that the national security of the United States is not jeopardized in Vietnam. North Vietnam does not and cannot threaten us. If our national security is not at stake in Vietnam, our national interest does not justify the investment of lives and treasure we have made and are making. There are simply far more important places, both at home and abroad, for us to commit our resources.

Fifth. This section, if fulfilled, will lower the level of violence in Indochina, and it will encourage political forces in the area to make an accommodation.

If the level of violence is lowered, the opportunity would be improved to find ways and means to heal the wounds and to make accommodation. A reduction in the violence, if not its end, would complement the President's Asian initiatives, and would set in motion new and indigenous efforts for peace. Political forces would emerge and begin discussions leading to an overall settlement.

Sixth. This section does not commit us to a course of high risk. It includes safeguards against North Vietnamese violations of the agreement, and, if the agreement is broken, the U.S. presence would continue. We would, even in that case, be no worse off than we are now.

RESPONSE TO CRITICISMS OF SECTION 13

Several criticisms are made of this section:

First. Criticism: The North Vietnamese will not honor their side of the agreement.

Response: Recent history suggests that although Communist nations have violated some agreements and treaties, they often abide by agreements, particularly when a treaty or agreement serves their

interests. We can reasonably expect the agreement envisaged by this section to be kept because it is in the interest of North Vietnam to end U.S. military involvement in Southeast Asia.

Obviously, no absolute assurance can be given that the North Vietnamese will abide by any agreement, whether it is the one proposed in the section or the agreement President Nixon proposes. The best that can be achieved is an agreement that has a high probability of acceptance by the Communists because it is in their interest.

A major goal of North Vietnam has been to get the Americans out of Indochina, and an agreement achieved pursuant to this section would provide a means for them to achieve that goal. It is significant that this section includes safeguards against North Vietnamese violations of the agreement. The U.S. withdrawal from Southeast Asia will not occur until prisoners of war are released, and there is an accounting of all Americans missing in action.

If the agreement is broken, the United States would not be any worse off, and we would not be under any obligation. We could take whatever steps would be necessary to protect our interests and our men.

Second. Criticism: This section does not include the condition of an internationally supervised cease-fire, as proposed by the President.

Response: The President's call for a cease-fire strikes a responsive chord in all of us. If the President can negotiate a comprehensive, internationally supervised cease-fire, it would be desirable. He has our support in such a quest, and this section certainly does not preclude such a general cease-fire.

But the question is not whether we want it, but whether it is an impossible and unrealistic condition for our withdrawal. There are several reasons to believe that a general cease-fire is an unrealistic condition for withdrawal:

Such a cease-fire should not be included because there is a high probability that it cannot be achieved. North Vietnam has repeatedly rejected any cease-fire without a political settlement because they consider it tantamount to losing the war. Any general cease-fire would require them to give up the goal they have sought for decades. Because North Vietnam feels that it has had bad experiences in Vietnam ever since 1954 and the Geneva accords, they have been extremely reluctant to accept such a provision.

In July 1971, Le Duc Tho, Hanoi's chief negotiator in Paris, said:

If President Nixon tries to hinge his agreement on the fixing of a withdrawal date with a cease fire throughout Indochina, there can be no accord.

In a recent appearance before the House Foreign Affairs Committee, Secretary Rogers admitted there had been no progress toward a cease-fire, and not even any discussions of the details of the cease-fire. He said a cease-fire was highly unlikely in light of past positions stated by North Vietnam.

An agreement for a cease-fire is made

exceedingly difficult to achieve because the concept is ambiguous, its provisions complicated to arrange, and its enforcement almost impossible.

A general cease-fire provision raises a large number of difficult questions, including: What is its duration? Is it a standstill cease-fire? Does it imply withdrawal? Who controls disputed areas? Must there be an agreement on how the entire map of South Vietnam looks before a cease-fire agreement? How will conflicts be resolved? What verification methods will be used? Can weapons be kept in place? Can military supplies continue?

The demand for an internationally supervised cease-fire requires the United States to continue fighting indefinitely as the parties wrangle over the details of the cease-fire.

A general cease-fire gives Saigon a veto on American withdrawal from the war. It is not in the interests of the Saigon Government for the Americans to leave soon. President Thieu might well object to a cease-fire for fear his power would be jeopardized. If Saigon were to accept a cease-fire, the United States could leave, and Saigon would find it necessary to reach accommodation with Hanoi that Saigon might not wish to make.

It may, however, be in our interests to require those compromises which have not been seriously considered by the Saigon Government, while we have been in South Vietnam.

The general cease-fire is not necessary to achieve our primary objectives in Indochina. These objectives are stated in section 13 of this act.

In short, the requirements of an internationally supervised cease-fire makes illusory the promise of a commitment to a date certain for our withdrawal, and the record to date simply does not provide any evidence that such a cease-fire can be achieved.

Third. Criticism: Once the United States terminates its military involvement in and over Indochina, the South Vietnamese forces will be overrun by North Vietnamese forces and there will be a bloodbath.

Response: Although a completely peaceful ending to this long struggle probably cannot be reasonably anticipated under any proposal, no absolute assurance can be given for any approach. Nevertheless, the bloodbath fear is overdrawn because:

The best way to stop a bloodbath is to stop the one now in progress. The specter of a future bloodbath should not blind us to the realities of the present bloodbath.

There is no conclusive evidence that the North Vietnamese can overrun South Vietnam given the resources available to South Vietnam. There is much less likelihood of a bloodbath under conditions of an indecisive military situation, and military experts think that a decisive military victory by North Vietnam is not likely. A more likely possibility for the present balance of forces is a stalemate which would force accommodations on both South and North Vietnam.

If Vietnamization has succeeded, as

the President claims, a bloodbath is not possible. Section 13 is thoroughly consistent with Vietnamization and it is a natural and logical extension of it.

History gives us no definite answer to the possibility of a bloodbath in Vietnam. Available evidence supports only one conclusion—neither the government in the South, especially the Diem regime, nor the Communist government in the North, refrain from the use of force for political ends. But the reference to previous situations of mass killings is not helpful in predicting the future, because the power relationships between the parties have been altered by events of the last several years.

Fourth. Criticism: The effect of this section would be to permit the Communists to dominate Southeast Asia.

Response: The United States has already done all that any nation has or could ever do for an ally no matter how measured. We leave South Vietnam with a heavily armed million-man force with impressive capability. The United States cannot underwrite South Vietnam's survival indefinitely. The United States must place its own national interest first. Our national security is not jeopardized in Vietnam, and we simply cannot justify the investment in lives and treasure we are making. There are more important places to commit our resources.

Present policy assures the continuation of the war. It is time to put South Vietnam on its own, rather than the present alternative of continuing war.

We should take steps to encourage a realignment of political forces in South Vietnam, and let a new political structure emerge.

Obviously, it would be better for the United States if the Communists do not control South Vietnam, but that is not inevitable and, in any event, essential U.S. interests are not involved. They most certainly are not involved to the extent of the loss of life and treasure that this Nation has experienced.

The only sure deterrent to the spread of communism in Vietnam lies in the ability of its leadership to cope with the problems of economic and social development. Only that leadership can bring about peace, reconciliation, and stability.

Fifth. Criticism: The enactment of this section will upset delicate negotiations now in progress.

Response: The 153d session of the Paris talks was held last Wednesday, August 2, with no indications of progress in achieving a settlement of differences. Neither are Dr. Kissinger's private talks showing any signs of progress.

The Secretary of State indicated in testimony before the Foreign Affairs Committee that no progress was being made in the negotiations. Almost all the expert opinion suggests that the negotiations are in slow motion, or in a "holding pattern," or that the outlook is bleak.

Passage of this section will let our negotiators know that the American people and the Congress want to get out of this war.

Sixth. Criticism: The enactment of this section would lead to a collapse of President Thieu's government.

Response: The passage of this legislation by itself merely establishes a framework for negotiations. It does not have any effect on the Thieu regime. If the United States and North Vietnam were to reach an agreement consistent with the provisions of this section, President Thieu would then have to reach an accommodation with the various political forces in South Vietnam. This could lead to a form of government which would accurately reflect the political forces in South Vietnam. There is nothing in current U.S. policy which precludes this outcome.

Seventh. Criticism: The passage of this section would prolong the war.

Response: Unless the President intends to terminate all U.S. military involvement in Indochina prior to the date set in this section, an agreement negotiated pursuant to this section could not possibly prolong the war. If the President wants to terminate U.S. military involvement in Indochina prior to the date in this section, he need only so state and the passage of this section would become moot.

Under present policy, the war continues. Obviously, no absolute assurances can be given, but this section, if fulfilled, would bring an end to American involvement in the war and lower the level of violence. That is a major step toward stopping the fighting. If the level of violence is lowered, the chance that political forces would emerge to make accommodation would be improved.

Eighth. Criticism: The passage of this section will not help free the prisoners.

Response: Any agreement that is negotiated consistent with this section would require that the prisoners of war be released and the missing accounted for as a condition for U.S. withdrawal. The section leaves the President the flexibility to negotiate the precise timing and terms of the release. Present policy has not succeeded in freeing the prisoners. Unless the President can state that his policies will get the prisoners of war home by the date set in the section, agreement consistent with the section would lead to quicker release than pursuit of current policy.

Ninth. Criticism: The passage of this section could affect critical battles now underway in South Vietnam.

Response: Most of the experts see the current military situation as a stalemate. Neither side can realistically hope for military victory on the battlefield. The effect of an agreement negotiated pursuant to this section would be to put an end to the loss of U.S. lives in such battles.

Mr. MAILLIARD. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey (Mr. FRELINGHUYSEN).

Mr. FRELINGHUYSEN. Mr. Chairman, it looks from the debate thus far as if the really significant discussion of the issues in this bill will take place tomorrow, or perhaps on Thursday, and maybe that is just as well. However, it does seem to me that we have matters of real substance here, and in my remarks during debate on the bill I would like to mention a few of them.

The chairman of the full committee, the gentleman from Pennsylvania (Mr. MORGAN), has discussed in some detail the specific dollar amounts to be authorized by the bill. He has said that in his opinion this bill is vital to the security of the United States and to our friends and allies.

I concur in that statement. I hope that retention of certain language in this bill or, perhaps, removal of certain language, will not lead to a jeopardizing of the bill. I do not want to see defeat of this legislation, as it was defeated in the other body.

I regret very much that the Committee on Foreign Affairs saw fit to insert certain policy provisions in the bill; policy provisions which in some cases I consider highly controversial. Inclusion of certain provisions conceivably could lead individual Members to vote against the bill itself, especially if the language is not modified or if, indeed, any language with respect to the problem is retained.

Let me mention a few. The gentleman from California has indicated his reservations about the language with respect to providing aid to Thailand. In the committee report I gave my views in some detail as to why I think this language is unwise. Let me read the provision to the committee:

No assistance shall be furnished under this Act (other than chapter 8 of part I, relating to international narcotics control), and no sales shall be made under the Foreign Military Sales Act or under title I of the Agricultural Trade Development and Assistance Act of 1954, to Thailand.

Period.

This restriction may be waived when the President determines that the Government of Thailand has taken adequate steps to carry out the purposes of chapter 8 of part I of this Act, relating to international narcotics control.

Mr. Chairman, what is the clear import of language such as this? It seems to say that our committee—and I am glad to say we were divided in our opinion about this language—but our committee feels that if it had its way and had the courage of its convictions, it would provide no assistance to Thailand regardless of how important Thailand is to the efforts that we have been making over a period of years in Southeast Asia. We say, apparently, in so many words that no assistance is to be provided to that country. Then in the next breath in a separate sentence we say, "If the President thinks otherwise, he may resume or continue aid to that country."

I would guess that there was not a member of the committee who did not feel that the escape hatch we were providing by that waiver language would not be used by the President. Most of us must have felt that he would make a finding that Thailand was taking adequate steps to control the traffic in drugs, and therefore should continue to receive assistance. But the clear implication, in my opinion, that this language suggests is that Thailand has not been doing enough.

As the gentleman from California has said, however, do public insults to an ally accomplish anything except to make

it more difficult to get that ally to cooperate on what we think is important? Furthermore, is it true that Thailand has been in some particular way doing less than other countries about a problem which is admittedly difficult even for our own country? We have developed an awareness of the danger posed by the traffic in drugs. We have imposed heavier penalties and developed enforcement procedures, but we know that it is not an easy job. For us, in effect, to look down our noses and throw the book at Thailand because it has not been doing something or because we feel that it has not been doing something, in my mind is unwise—and erroneous.

The Thai's have been doing a great deal, and I would very much like to see this language stricken from the bill.

The chairman of the full committee mentioned his own grave reservations about the proposal that the agreement already entered into with Portugal should not be honored unless either the Senate ratifies that agreement as a treaty or unless both Houses of Congress approve, by resolution, the agreement.

Again it seems to me the height of folly for us in this way to be indicating our disapproval of this agreement with Portugal. This agreement, I might point out, is going to expire in February 1974. So we are talking about something which is of relatively short duration, which is of a nature that normally would not require the dignity of a treaty and ratification as a treaty. The Senate has already considered this situation and in effect has approved. I would guess—and I hesitate to probe the reasons why this language was put in—that this language was put in primarily because some are unhappy about what Portugal may or may not have been doing with respect to its colonies in Africa. But again it seems to me the height of folly for us to throw the book with respect to an arrangement which is of advantage to our country, which is basically the continuation of a relationship with an ally which we have had for many years and in a way which would be very disadvantageous to our national interest.

On another point, let me comment, and I refer to the language on page 5 of the bill, the provision which requires that "No assistance shall be furnished and no moneys shall be expended under this or any other Act, including the Export-Import Bank Act, for Portugal until" there is ratification or approval by both Houses of Congress of the agreement. This language, if not modified, would make it impossible for the Export-Import Bank to facilitate arrangements for our own traders to do business with Portuguese firms. As the committee report itself points out, there is something like \$400 million involved with respect to exports, which this country badly needs and which presumably would be prohibited.

I might point out the agreement itself makes no formal commitment that the Export-Import Bank will do anything. The State Department simply indicated that normal procedures will be followed by that Bank and, if followed, mutually

advantageous trade agreements might result under the terms of the Export-Import Bank Act. Here again, for reasons quite apart from the merits or demerits of the agreement, we seem to be throwing the book at an ally. We seem to be doing this with respect to an arrangement which has been entered into for a considerable period of time, and which is to continue for a period of relatively short duration. To me this makes very little sense. I too share the grave reservations that our chairman has about the wisdom of this language.

Finally, let me touch on what has been called, and which is unquestionably, the most controversial amendment. This is the so-called "end-the-war amendment" incorporated in section 13. The gentleman from Indiana in defense of his own language has suggested that it is going to help the President end the war, that the President can leave Indochina with the knowledge that Congress supports him. Yet he also pointed out that this language leaves the President with the ultimate responsibility of ending the war.

If I felt this was going to end the war, I would be happy to support it, but my guess is that it is not going to shorten the war by one day. It is simply a variation, but a variation with substantial differences, on what the President has already offered the North Vietnamese with respect to what he considers a reasonable settlement.

What are the essential and the most significant differences? The gentleman from Indiana glossed over those differences. One is a set date. He says that a date certain—I do not know exactly how he put it—is of value. I would suggest that whether the date certain is October 1 or whether it is December 1, a date which I understand will be offered as an amendment, that a date certain has a negative value only. It misleads the American people, if they think a deadline has been set to end our participation in the war.

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. WOLFF).

Mr. WOLFF. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I should just like to respond to some of the statements that were made by my colleague, the gentleman from New Jersey, relative to the amendment on the question of the cessation of aid to Thailand.

To correct an impression that there was a division in the committee on this amendment, there was only one dissenting vote on the amendment, and that was the gentleman from New Jersey.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield on that point?

Mr. WOLFF. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. The gentleman is incorrect. I know he was there at the time, but there was a voice vote and more than one voice was raised against it. The chairman of the committee, himself, I would guess, has some reservations, even though he may or may not have voted with the gentleman.

I would suggest we confine ourselves to the facts as presented. It was not a single vote in the committee against it. Even if it were so—

Mr. WOLFF. If there was dissent over the amendment only one voice was raised in any event, there was not a great division, which the gentleman indicated, under any circumstances. Eighty-five Members of this House have joined in co-sponsoring legislation that is embodied in this amendment.

Mr. Chairman, I refuse to yield further at this point.

In addition to this, a story recently appeared in the New York Times, and I should like to quote from that.

A Cabinet-level report has concluded that, contrary to the Nixon Administration's public optimism, "there is no prospect" of stemming the smuggling of narcotics by air and sea in Southeast Asia "under any conditions that can realistically be projected."

"This is so," the report, dated Feb. 21, 1972, said, "because the governments in the region are unable and, in some cases, unwilling to do those things that would have to be done by them if a truly effective effort were to be made."

The report, prepared by officials of the Central Intelligence Agency, the State Department and the Defense Department, noted that "the most basic problem, and the one that unfortunately appears least likely of any early solution, is the corruption, collusion and indifference at some places in some governments, particularly Thailand and South Vietnam, that precludes more effective suppression of traffic by the governments on whose territory it takes place."

The report sharply contradicted the official administration position * * *

Now, I will not declassify this report which I hold in my hand. This is the Government's report, which closely parallels those remarks that were made in the paper. This is a report that was made recently by a Presidential task force consisting of the CIA, Department of Defense, and the State Department.

I might go back again to another point that had been made some time ago, that the Thai Government was doing everything it could possibly do.

In all of 1971, there was seized in Thailand 97 pounds of heroin and 645 pounds of opium. This is the extent of Thai cooperation—a total of 750 pounds in an entire year confiscated by Thai authorities. After Congress directed attention to this lack of Thai cooperation and collusion, Gen. Prapass Charusuathira, second man in command in Thailand, said he burned 26 tons of opium—26 tons, or 52,000 pounds in one night in response to congressional attention to narcotics problems in Thailand—enough to supply 50 percent of the entire demand at the U.S. market for 1 year. After congressional concern was evidenced, Thailand did take some steps. My point in this amendment is very clear. I believe we in the Congress have a responsibility to point out the fact that there is not the type of Thai cooperation needed to stop the opium and heroin traffic from Thailand.

This in no way ties the hands of the President. It actually strengthens the President's ability to be able to deal with

the Thais in stopping opium traffic from Thailand.

The President has on a recent occasion said that the problem of narcotics in this country have reached epidemic proportions. There were more than 1,000 kids in New York City alone who died of overdoses last year. That should certainly point up the extent of the problem here.

I believe that we as a Congress have a responsibility to take every step we possibly can to try to reenforce administration efforts to see that this traffic stops now.

Mr. MAILLIARD. Mr. Chairman, I yield such time as he may consume to the gentleman from Indiana (Mr. DENNIS).

Mr. DENNIS. Mr. Chairman, today we are faced, once again, in the consideration of this bill, with an amendment called by its supporters, an amendment to "end the war."

No one likes the Vietnamese war; and each and all of us are, in some measure, responsible.

It remains a grave national problem; and it is for these reasons, I believe, that this House has repeatedly refused to undercut national policy by an attempted quick solution through the process of amendment on this floor.

A statesmanlike and responsible understanding of the complexity and importance of the problem has, up to date, prevented such ill-considered action.

What, then, has changed today? The war is in relatively good shape, with the enemy offensive blunted and our allies on the counterattack.

American participation in combat on the ground is almost ended, casualties are much reduced, and the phaseout is proceeding on schedule.

Our involvement in this war is on the way to its end.

It is true that we are now engaged in a national election campaign where one of the candidates for the Presidency has adopted the slogan that he would "rather beg than bomb," and has announced that he will, somehow or anyhow, end the war within 90 days, regardless of the results and heedless of the consequences.

These, however, are the personal positions of the candidate—chosen by him—and not, so far as I know, advocated either by the rank and file or by the experienced and responsible leadership of his party.

I would hesitate to believe that there is any Member of this House who would wish to resolve these high national issues on a partisan political basis; or who would permit the views of any candidate to alter his own long-held and well-considered judgment as a responsible American.

I have said that our involvement in the war is on the way to its end.

The reduction in troop strength and the decline in casualties are dramatic proof that this is so; and all signs point to the progressive continuance of this program.

The President will end this war, because he wants to—and because he must. If we do not foolishly undercut him at a delicate and, it may be, a decisive mo-

ment he may well end it by negotiation— if not before then after the election—on terms satisfactory to our Nation and consistent with our objectives.

If a negotiated settlement proves to be impossible the time will come, in my judgment, when American military participation in the war in Vietnam will be brought to an end and our allies there will be left to shoulder the burden alone—as they already are shouldering much of it—with the assistance, only, of our programs for economic and military aid.

It is sophistry to say that this so-called "end the war" amendment will assist the President or will aid our national policy. How can it possibly aid a difficult negotiation to publicly advise the other party that if he will just hold on until a fixed and stated date, he can gain substantially everything he wishes?

I say to you, my colleagues, that, unpopular as this war is, it will be even more unpopular to settle it on the basis of American surrender; and the idea of signaling to the other side at the crisis of a negotiation will not appeal to the American people any more than it has heretofore appealed to the patriotism and to the good sense of this House.

No action of ours here today should destroy the chance of a settlement consistent with our national interests and national objectives; we should, in good conscience and sound judgment, defeat this amendment—which is miscalled an amendment to "end the war."

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. DENNIS. I will be glad to yield to the gentleman.

Mr. FRELINGHUYSEN. Turning to the specifics of the proposal in section 13, I wonder if he would care to comment on the allegation by the gentleman from Indiana that a partial cease-fire between the North Vietnamese and the United States will somehow reduce the level of violence.

Does the gentleman think that is likely, since we are really not actively engaged in combat now ourselves, and if a partial cease-fire does not include a reduction of the level of violence, between the South Vietnamese and the North Vietnamese, which is where the violence is presently occurring?

Mr. DENNIS. I would be inclined to agree with the view of the gentleman from New Jersey on that point. I also think, as a practical matter, it would be very hard to envision what a partial cease-fire is; when you are shooting at another person and he is shooting at you, how do you determine which one is legal and which one is not? It seems to me that is a very difficult proposition to really imagine existing.

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. Mr. Chairman, first of all, I would like to pay the highest kind of compliment to the chairman of the full committee for the way in which he has presided over the committee in connection with the work on this bill. I think that with all of the difficult prob-

lems presented and the very sharp differences of opinion that exist the chairman has been able to keep the committee working in good temper and productivity. We are all very grateful to the chairman for this.

Mr. Chairman, I would just like to make a matter of record a little history of this bill. The chairman mentioned the fact that this bill, assures to Israel \$50 million of supporting assistance, of the total amount authorized, and \$300 million of military credits, of the total amount authorized. It should be noted that those assurances were added to the bill in the committee, pursuant to amendments which I offered. As the bill came from the executive branch, those assurances of assistance to Israel were not included.

Thus, one of the achievements of the committee was to insert these assurances, just as they were inserted in the bill enacted last year.

It is important to recognize that, even though certain developments in the Middle East seem to be encouraging, there is no assurance whatsoever that the present state of relative peace there will continue. Therefore, the need to provide Israel with supporting assistance and military sales credits continues as acutely as before.

What the committee has recommended doing and what the bill does is to make sure that these amounts which are assured for Israel could not be diverted under any circumstances for Vietnam, Cambodia or elsewhere.

There have been some hints that the funds authorized under this legislation including those for Israel might be jeopardized by the inclusion of the end of the war amendment, section 13. I think that, if this is true the threat is an outrageous one: it means that the administration is now willing to put the survival of General Thieu and his government ahead of the survival of Israel, as well as ahead of the achievement of peace in Indochina.

In any case, I do not believe that the threat if it exists is a real one. I do not believe for a moment that the administration is going to allow other provisions of this bill to go down the drain, such as the very large amounts provided in here for assistance to Vietnam and Cambodia. Ways will be found to carry out the intent of this legislation.

It does seem to me extraordinary that the President continues in his apparent determination to disregard the will of the Congress, as indicated by the strongly expressed views of the Congress on the termination of this war. The President failed to consult with the Congress before he escalated the war with the mining of Haiphong and the renewal of extensive bombing in the north. He has rejected as not binding on having a congressional declaration of policy calling for a terminal date. In effect, the President has been saying that he does not care what Congress thinks about this war—he is going to go ahead with his policies anyhow. Thus it is high time that the Congress express its will in a binding and authoritative fashion. As the representa-

tives of the people charged by the Constitution, with the responsibility of declaring war and raising armies, this is our obligation.

I would now like to say a word about the provisions in this bill with regard to the matter of Portugal. Here again, I think it rather strange that some of the Members appear reluctant to have the Congress given a say on the vital question of whether or not the President's agreement with Portugal should go into effect.

That is all this provision is asking for; that the agreement be approved either in the form of a treaty by the Senate or in the form of a resolution by both Houses. This provision of the bill does not pass judgment on the agreement. We are not saying whether it should or it should not be executed and carried out. We are saying that the matter should be debated in the Congress and should be considered by the appropriate committees—that on a matter of this importance the Congress should not be bypassed.

One question about this agreement which ought to be considered and passed upon by the Congress is a most extraordinary misuse of an agency created by the Congress—the Export-Import Bank.

So far as I know, never in the history of this country has a commitment been made in effect by a President that the Export-Import Bank will lend so much money—\$400 million in this case—as part of the quid pro quo for a political agreement, a quasi-military agreement.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MORGAN. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. BINGHAM. Mr. Chairman, the Export-Import Bank is not for the purpose of bribing other nations to carry out our will. It is for the purpose of encouraging exports. It has been frequently stated on this floor that the Bank's operations are not a form of foreign aid, they are a form of aid to our exporters. Yet the administration's announcement quoted on page 9 of the committee report makes quite clear that the deal included, in effect, a commitment to the government of Portugal that \$400 million would be forthcoming in the form of Export-Import Bank loans.

Finally, just a word about section 14 with regard to the problem of Rhodesian chrome. Here the opponents of this provision, which would allow the President a say in the matter, display a complete reversal of their own stance with regard to the proper roles of the executive and the legislative branches.

In the case of Portugal—those who oppose these provisions of the bill say that Congress should have no role. In the case of Rhodesia—the situation is completely reversed. Our opponents are saying that the President should have no role and that the will of Congress should be supreme.

I say that this is a government founded on the principle of partnership among the respective branches, the executive branch and the legislative branch. Accordingly, in both cases, there should

be a role for the Congress and for the President—both in the case of the agreement with Portugal—and in the case violating our treaty obligation in regard to importing chrome from Rhodesia.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman.

Mr. FRELINGHUYSEN. Mr. Chairman, I would like to correct the gentleman in connection with his remarks about a so-called commitment by the Export-Import Bank.

The press release issued by the State Department makes no reference to a commitment at all. There was positively no commitment. There was an understanding at the time the agreement was reached that the Export-Import Bank would be willing to consider the application by Portugal in the same terms that it considers any application. The negotiations and discussions had reached a stage, at the time this press release was issued, which made it possible for the Department of State to say that the Bank has declared its willingness to provide such credit.

I do not see how the gentleman can read any commitment of any kind in view of that. It is not a part of an executive agreement, as the gentleman knows, from discussions we have had in our committee.

I do not know why the gentleman should get agitated about the unusual character of the role of the Bank.

Mr. BINGHAM. The gentleman has made his point. I think it is perfectly clear that the Ex-Im Bank offer was part of the deal. It was announced as part of a program of economic assistance we were making available to Portugal, and the amount is even specified at \$400 million.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MORGAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida (Mr. HALEY).

Mr. HALEY. Mr. Chairman, although this bill before us today is called the Foreign Military Assistance Act of 1972, it appears to me that it is something more than that in that it contains some spending categories which by no stretch of the imagination can be called, realistically, military assistance. To me, the inclusion of these matters makes this just another foreign aid bill—and I am, therefore, opposing it, as I have consistently opposed all foreign aid bills.

The bill, for example, would authorize \$100 million for refugee relief in Bangladesh. I do not question that there is a refugee problem in Bangladesh, but I do question that spending U.S. taxpayers' dollars to relieve that problem can be called military assistance. In addition, the bill would authorize \$2 million for war relief in Cambodia, \$5 million for assistance to South Vietnamese children, and \$700,000 for plastic surgery in Vietnam. Humanitarian, these expenditures may be, but I do not think they can be called, reasonably, military assistance. I may add that I am not opposed

to necessary expenditures of a humanitarian nature, but I am flatly opposed to any attempt to disguise these matters as military aid.

I also find puzzling some of the bill's provisions regarding items that might be called, properly, military assistance. For example, the bill would provide an identifiable \$85.6 million for Thailand in grant military assistance and security supporting assistance—whatever that is—but directs that none of this be spent until the Thai Government has taken "adequate steps to curb the narcotics traffic. But apparently it contains no provisions for making a determination that the Thai Government has taken those "adequate steps," except to leave the decision in the hands of a President who is opposed to the restriction in the first place, and who might therefore have a less-than-realistic definition of the word "adequate."

If the bill were limited strictly to grant military assistance and military credit sales, it might be acceptable. In its present form, it is not acceptable to me, because in view of our own acutely distressed fiscal situation, I can see no justification for spending the \$2.13 billion this bill would authorize.

Mr. MAILLIARD. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio (Mr. WHALEN).

Mr. WHALEN. Mr. Chairman, I shall direct my remarks in the time allotted to me to section 13 of the measure which we are considering today. Last Friday I sent a letter to all of the Members indicating that at the appropriate time I planned to present an amendment which would change the effective date of the termination of our involvement in Indochina from October 1, 1972, which is presently in the bill, to December 1, 1972.

In discussing this matter with colleagues on both sides of the aisle I have been persuaded that the amendment which I shall present should be December 31, 1972, rather than December 1, 1972.

There are two reasons for this. First, and I think the more important of the two, this puts this question beyond the realm of partisan politics. If the December 31, 1972, effective date is retained in the bill, it will come at a time 2 months after the election of the President of the United States. It will also come at a time when the 92d Congress will no longer be in existence. The second reason is a matter of reality. That is, December 31, 1972, will give more time to the administration to remove our troops from Indochina.

I next would like to address myself to what I think is the key issue concerning section 13. That is, should the Congress have a role in determining the termination of hostilities in any given war, in the Indochina war in particular? Congress, of course, is coequal with the executive and the judicial branches of Government. Indeed, in matters of war it is my opinion that the Congress not only shares this power with the Presidency, but in many respects has greater responsibility.

Let me cite several reasons. First, the Congress and only the Congress of the United States has the power to declare war. The Congress has the power to enact draft legislation which will provide the manpower to fight such a war. The Congress has the authority to pass a military procurement bill which will authorize the purchase of weapons to conduct the war. The Congress, likewise, through the appropriation process provides funds for these weapons, and pays and supports the troops who are conducting the war.

So, it seems to me that if Congress has these roles in terms of declaring and waging war, Congress also has an equal or an even greater responsibility with respect to termination of hostilities. Indeed, this is what section 13 is doing. Section 13 of this bill, in effect, is a declaration of policy by the Congress of the United States. The Congress is stating in this section that it is no longer in the interests of the United States to be involved in a very costly war in Indochina. We are saying, in effect, that it is in the best interests of this country to terminate these hostilities as expeditiously as possible.

Further section 13 spells out how this policy shall be effectuated. It sets a termination date—December 31, 1972, if my amendment is adopted at the appropriate time tomorrow. Further, it provides these conditions which must be met in order for this disengagement to materialize.

First, there must be a cease-fire with North Vietnam and its allies to assure the safe withdrawal of our troops. Second, our prisoners of war must be returned. Third, there must be a supervised accounting of our missing-in-action.

These three conditions meet the three remaining interests which the United States has in Vietnam. What are these interests? The safe withdrawal of our troops as expeditiously as possible; the return of our prisoners of war; accounting for missing-in-action.

As I say, this outlines national policy within which the President will be able to negotiate. I suggest further that there is nothing in this section that would tie the hands of the President. He has full power to negotiate within the framework of these broad policy outlines. I certainly hope, therefore, the provisions of section 13 will be retained in the bill when we debate this issue tomorrow afternoon.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I thank the gentleman for yielding.

Mr. Chairman, the gentleman said at the outset that if the change in the date, which he would suggest, should be incorporated into section 13, this would put the question beyond the realm of partisan politics because, among other reasons, the 92d Congress would no longer be in existence. I would suppose the 93d Congress does not come into existence until 1973, so the 92d Congress would still

be in existence on the 31st of December, if this proposal seeks to put this beyond the reach of this Congress.

My basic question is to what extent partisan politics is involved in this anyway? The gentleman has described this as an effective date. It is effective only if it brings a settlement.

Mr. WHALEN. Let me answer the question the gentleman has raised which is to what extent is and should partisan politics be involved? It should not be involved in this, and this is one of the reasons why I have been very active in sponsoring and supporting this legislation. It seems to me it is in the national interest to terminate hostilities as expeditiously as possible. Section 13 will accomplish this, but there has been a change made that the October date would come close enough to the election to make this a partisan issue. So what I am doing by offering December 31 as a proposed withdrawal date is to bring it outside Presidential politics and also to remove it from congressional partisanship.

Mr. FRELINGHUYSEN. But I might say, to the extent that politics is involved it will be involved today and tomorrow, as we discuss the wisdom of the language proposing that we set a deadline; even setting a date the next year, is not going to eliminate any element of politics such as may be involved now. I suppose it is, in fact, partly political that we did not accept the President's suggestion of a cease-fire that would apply throughout Indochina. At least one would come to that conclusion.

Mr. WHALEN. This is not my reason for opposing this language in the Committee on Foreign Affairs in the House of Representatives. My reason is that these actions would continue the war much longer than otherwise would be the case.

Mr. FRELINGHUYSEN. If the gentleman will yield again, if our desire is to end this war as expeditiously as possible—and I am sure everybody shares that desire—why does he not declare the date as tomorrow?

Quite obviously any date by itself is not going to end the war. The other body has seen the lack of wisdom of including any calendar date. They have suggested that after a certain length of time or after certain preconditions are met something is going to happen. I would suggest we drop any reference to any date certain.

Mr. WHALEN. If I may respond, in supporting this section it is my belief that Congress should exercise its authority. This is not the President's war, this in reality is Congress' war too. As I have just explained Congress shares responsibility for this war, and by adopting section 13 we are attempting to exercise our authority in seeking to end it. Certainly if we could get out tomorrow I would say fine, I would support that, we should have been out many years ago. But also we are facing a very practical situation where we still have troops there and we will not be able to get them out tomorrow. In my opinion I do not believe it practicable to say we can get out by October 1. This is one of the reasons why

I am going to present the December 31 amendment tomorrow.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I thank the gentleman for yielding. I commend the gentleman on his statement.

There is just one point I would like to clarify. I think the gentleman said twice, section 13 would amount to a policy declaration by Congress. It is that, but I am sure the gentleman would agree it is not just that. I am sure the gentleman would mean the provisions would be binding on the President.

Mr. WHALEN. This is the law of the land. However, I say also in proposing section 13 Congress is exercising its policymaking authority. I should have made that more clear. I thank the gentleman for clarifying that point.

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana (Mr. ROUSH).

Mr. ROUSH. Mr. Chairman, more than 25 years and \$50 billion ago, we began a heavy reliance on military aid as a tool in U.S. foreign policy. Today an extension of that concept is before you, on one of the first occasions questioned seriously as a workable means of obtaining American aims and defenses abroad. It has over the past 20 years taken on the aura of the sacred cow, and assumed dignity and sanctity merely because of the time span during which we have employed it. But we are questioning it very properly today. My own opinion of these programs since I came to Congress is that they have been ineffective, wasteful, and even destructive of other national interests. Certainly, if nothing else, the bill before you today is expensive. Because of the new requirement that a committee reporting a bill estimate its total cost over the coming 5-year period, the committee report states:

It is difficult to make any long range estimates as to costs. . . . Nevertheless, the Department of State estimates that grant military assistance, credit sales assistance, and security supporting assistance will cost between \$8,384 and \$12,084 billion for the fiscal years 1974-78. . . .

What is our cost-benefit ratio, if you will, from a program that is so dear? I do not contest that this policy initially was of great and saving value, but I firmly believe it to be an anachronism now. What is it really doing abroad?

At best, a lot of bumbling. We have just bought 1,700 Italian motor scooters, valued at \$660,000, and more than \$100,000 worth of color movie film and movie equipment for Cambodia. We are taking care of dental expenses for the Lion of Judah and Monarch of Ethiopia, Haile Selassie, in return for a listening post there, supposedly to buy protection against Russian-backed Somalia and the Sudan. We retain nine MAAG—military assistance advisory group—missions in West European countries where we do not even have military aid programs anymore.

But simple waste is not the worst of this situation. More seriously, our aid abroad is not acting as a deterrent to

war, but I am convinced is exacerbating national rivalries and actually encouraging wars. During the 22-day war in 1965 between India and Pakistan, and more recently in the repeat performance, the two armies battered each other with American supplied weapons. Not only did we make these wars possible, and more destructive than they would have been without our advanced weapons, but we took the chance of increasing the hostility between the major powers of the United States and the Soviet Union. Two of our NATO allies, Greece and Turkey, maintain an old rivalry that could lead to the same point, each army equipped by the United States. In 1967 it took a heroic American diplomatic intervention to prevent just that. Then there is the additional example of El Salvador and Honduras. Having looked at many such instances in Latin America, Edwin Lieuwen, author of "Arms and Politics in Latin America," stated:

Unintentionally and despite its efforts to keep the aid balanced as between the various receiving countries, the United States may be helping to arm Latin America against Latin America. . . . That kind of military aid fails to raise Latin America's capabilities sufficiently to defend itself against an outside threat, but it does provide the military in some countries with the wherewithal to provoke or intensify feuding within the hemisphere.

Another concern is the type of government we support with these programs. In his report to the Congress on foreign policy last February, the President asked for the continuation of this aid by saying:

Security Assistance is a cornerstone of our foreign policy and of Free World security.

The report which your Foreign Affairs Committee has issued to accompany this bill is at least more honest than that. It simply states, on page 4:

The proposed grant military assistance program . . . will enable the United States to provide allied and friendly governments. . . .

Note: we say "allied and friendly," not "democratic" or "free world" governments. For there is little that is either "free" or "democratic" about some governments we are underwriting in these programs. We are shoring up unpopular dictatorships whose survival depends on our military power; it is as simple as that. On the assumption that any government in existence is a better buttress for our security than whatever might follow it, we make pacts with, if not the Devil, dictators, in an attempt to insure their continuance. We have abortively allied ourselves with stasis in a world that is dynamic.

For example, our aid goes to Brazil, a country often accused of torture, and to Pakistan. Jack Anderson on July 24 revealed an interesting request from that country which, if true, is revelatory of some of the internal repression we are supporting in other nations. This included "interrogations powerful lights," "color changer on the lights" for "brainwashing of suspects," "static intercepting devices to intercept unguarded conversations," and a small camera "for unobtrusive photography."

The paramount example of this is, of

course, Greece. Congress tried to stop the aid flow to that country last year but left one loophole in the law which was immediately seized by the President in order to continue our military support there. Even using the broadest definition of democracy, one could not term the military government that has ruled there since 1967 a free government. Stories from emigres which tell of horror and torture have been too numerous for me to elaborate them here. After the firing of the latest cabinet a few days ago, endorsing the present ruler in power even more firmly, who could disagree that we are supporting a dictatorship there? We do it, apparently, because we began doing so under the Truman doctrine as a defense against Bulgaria: expansionism, hardly a serious threat today. In an article written a few months ago by a Washington Post correspondent, an unnamed American military official in Greece was quoted as saying that the ruling junta was "the best damned government since Pericles." Have we actually become apologists to that extent? Perhaps we should be reminded of the words of another Greek; Demosthenes warned that:

Close alliances with despots are never safe for free states.

His words are as valid today as they were in 345 B.C.

We might view Latin America as a microcosm of the world when checking the effect of our aid on other societies. In societies where civilian and military elements are vying for power, we could be the factor that tips the balance in favor of either retaining or establishing the military as paramount. For example, our aid program must be viewed as an important element that helped to tip the balance in Colombia in 1953, bringing the army back into politics after a half-century of civilian rule. This bill proposes to raise the ceiling on military assistance and sales to Latin America from \$100 to \$150 million, despite the fact that such aid has engendered anti-democratic, military rule there. The list of some of the allies we have aided in this manner is long and embarrassing to a truly democratic nation: Somoza, Jiménez, Batista, Trujillo, Stroessner, and so on. Spanish-speaking people have a proverb that goes:

Tell me with whom you walk, and I will tell you who you are.

By that standard, it is no wonder we are looked at as tyrants by many Latin Americans.

We engage in military aid programs under the assumption that so doing will help stem the spread of communism through hemispheric defense. Has it really worked that way? We should listen to one of the recipients. Back in 1937, then Under Secretary of State Sumner Welles suggested the possibility of lending warships to some Latin American countries. A Liberal Party leader from Colombia, Eduardo Santos, plead with him then:

Don't do this evil to us. The use of armaments is like the vice of morphine. Once begun, the cure is almost impossible.

Santos' allusion to addiction, parenthetically, sounded almost like a statement in an open letter to American taxpayers written a year ago by my fellow committee member, chairman of the Foreign Operations Subcommittee, Mr. PASSMAN. In that he wrote:

The habit of giving away our wealth is so ingrained in the minds of the bureaucrats who give away this money that they cannot overcome the addiction.

Mr. Santos lived to see his prophecy fulfilled. He was exiled from his country, the result of a military takeover there, when in 1955 he spoke at Columbia University. Rather than looking backward and speaking with bitterness about the first ignored warning from 1937 that caused his presence there, he instead looked to the future once more:

Then, what we are doing is building up armies which weigh nothing in the international scale but which are juggernauts for the internal life of each country. . . .

If in Latin America, the dictators prevail, if they continue to discredit freedom and law, a fertile field for Communist harvest will be provided. Why? Because our resistance will be gone. We are poor nations who have no investments or great fortunes to defend. What we would defend against Communism would be our freedoms; but if we have already been stripped of them, we have nothing left to defend. It is thus that the gateway for the Communist invasion is thrown open by the anti-Communists.

So much for what we are actually doing abroad with this program. What is all this doing to us? We have seen the effect on the recipients. What effect, now, has this on the donors?

It is placing an exorbitant tax burden on a people already taxed heavily, with the threat of still more taxes looming over them. This bill would authorize the expenditure of \$2.13 billion for fiscal year 1973, a cost well above the purported value. Our own economy is groaning now. There is red ink spilled all over our own ledger sheets; the latest estimated budget deficit for this fiscal year is between \$35 and \$38 billion. We just had to raise the public debt limit—again. Congressman PASSMAN's letter to the taxpayers of last summer revealed that, as of the end of 1970, the public debt of the United States stood higher than the estimated public debts of all other nations of the world combined, and it is still higher today. Not only do we have a budget deficit of gargantuan proportions, but we have a trade deficit with the same girth. Abroad our dollar has been devalued, and our trade deficit for last year was \$2,689 billion. For the first half of this year, the balance of payments was in arrears by \$3.34 billion.

Since our own ability to pay for the world's defense is seriously in question, I asked the Library of Congress to study some figures relating to the ability to pay for armaments. Specifically, I asked for the latest available figures on the budgets of many of our aid recipients, giving the percentage of the GNP's of those countries devoted to arms expenditures, and whether the country was operating with a deficit or a surplus. Conversion in this matter is quite difficult, so specific figures for budget surpluses and deficits were

not provided. The numbers come from such esteemed sources as the U.S. Arms Control and Disarmament Agency and the International Institute for Strategic Studies in London. The list does not cover all countries who would receive aid under this bill. The full catastrophe can be found in Senate report 92-823, chart IV; and the Senate is careful to point out that even that chart, covering 47 countries, does not reveal the entire picture. I should like to insert my chart at this point in the Record.

(Chart mentioned above not printed in the Record.)

You will note that the United States for the last year cited, 1970, spent 7.8 percent of its GNP on defense. Of the recipients of our bounty listed by the Library of Congress, only four countries spent a larger percentage of their GNP's than we: Cambodia, the Republic of China, Saudi Arabia, and Jordan. The others all devoted fewer of their available resources to defense than we did, such as Greece at 4.65 percent, or Ethiopia, 2.1 percent. Three of these recipients did not even have budget deficits, but were operating with surpluses. I should inform you that the figures I am about to provide showing proposed military aid for fiscal 1973 come from the Senate chart I cited above. For some reasons I cannot explain, the House committee felt that a country-by-country listing of proposed aid figures for this year was unwise. It seems unconscionable to me that the only place we can go for this information when debating a bill in the House is to the Senate. Peru, which had a budget surplus in the latest figures available, would according to the Senate chart receive \$5,820,000 in military aid during this fiscal year. If we pass this bill, we will be giving Greece \$95,954,000 in military aid in fiscal 1973. The other countries on this list with a surplus, the Philippines, is slated in this bill to receive \$27,580,000 in military aid this year, and a total of \$83,916,000 in all types of foreign assistance in the same time period.

The figures available for Latin America are generally for 1968. They show that those nations spent from 0.1 percent of the GNP—Panama—to a high of 3.1—Peru—of the GNP for defense—well below the U.S. percentage of 7.8 percent. Albeit there are other more pressing domestic needs there which should absorb available funds, but I am baffled as to why we must tax our citizens for those weapons systems.

This foreign military aid program has cost us far more than just money, of course. It has been a snare, a vehicle for involvement far greater than that which we originally intended. Can we forget that it was the military aid program in Vietnam during the Eisenhower and Kennedy years that was the preliminary commitment and entangling alliance that led to the full-scale U.S. presence there? Vietnam, with a cost so dear, is the culmination of a seemingly harmless military aid commitment. We have lost over 56,000 Americans there. More than 300,000 of our own people have been wounded, over 1,000 are missing, and over 500 are prisoners of war. We can

count expenditures of at least \$120 billion there since 1965. Prior to that, we provided substantial military assistance to the French to carry out their war in Indochina. Estimates have placed the U.S. contribution to the cost of that French war as high as 80 percent.

Lest you consider Vietnam just a fluke, the only example of such escalation, let us take a look at where we stand in Cambodia. In just over 2 years we have provided over \$500 million in military and economic assistance to Cambodia. The number of U.S. officialdom was shooting up at such a rate—going from five in March 1970, to about 160 now—that Congress last year imposed a limit of 200 Americans there. If that sounds familiar, listen to the heard-once-more arguments as to why we are in there. We know only what we have lost, are thoroughly confused as to what we might have gained, and yet uncertain as to what prompted us to go there. What follows is an exchange last March 22 in the Foreign Affairs Committee between our colleague Mr. FRASER and Lt. Gen. George M. Seignious II:

Mr. FRASER. Where is the U.S. interest in what happens in Cambodia after our forces are out of Vietnam?

General SEIGNIOUS. There is no definable security interest.

Mr. FRASER. Then why are we doing it? General SEIGNIOUS. Because I think there is a national interest in trying to prevent the North Vietnamese from overrunning the entire Indochina peninsula.

Dominoes, anyone? I get a queasy feeling of deja vu just reading that.

There may be an underlying assumption here, and an erroneous one, that we have learned our lesson and are curtailing these programs. Not so. The authorization is actually larger, as our colleague Mr. Gross has pointed out in his minority views to this bill's report, than the authorization for last year. Far from a sensible retrenchment, we are proposing to enlarge these programs. There are many references which I could employ here to describe the feeling that we are still being sucked deeper and deeper into this morass: perhaps the metaphor of quicksand would suffice, or better an allusion to the story of Brer Rabbit and the Tar Baby. We have got both hands in there now, and it would not be long before even more of us is stuck. But of all possibilities, I prefer the last two stanzas of a song Pete Seeger composed after an incident involving the death of a platoon member in the Big Muddy River in Louisiana back in 1942:

Well, I'm not gonna point any moral;
I'll leave that for yourself
Maybe you're still walking and you're still talking
And you'd like to keep your health.
But every time I read the papers
That old feeling comes on;
We're waist deep in the Big Muddy
And the big fool says to push on.
Waist deep in the Big Muddy
And the big fool says to push on
Waist deep in the Big Muddy
And the big fool says to push on
Waist deep! Neck deep!
Soon even a tall man'll be over his head
Waist deep in the Big Muddy!
And the big fool says to push on!

I include the following:

THE LIBRARY OF CONGRESS, CONGRESSIONAL RESEARCH SERVICE

MILITARY EXPENDITURES AND RELATED DATA: LATIN AMERICA 1968

[Dollar amounts in millions]

	GNP	Military expenditures	Military expenditures as percent of GNP	
Argentina	\$17,111	\$380	2.2	
Bolivia	786	17	2.2	
Brazil	27,253	651	2.4	
Chile	5,670	127	2.2	
Colombia	5,638	98	1.7	
Dominican Republic	1,169	30	2.6	
Ecuador	1,475	26	1.8	
El Salvador	930	10	1.1	
Guatemala	1,500	16	1.1	
Honduras	621	9	1.4	
Mexico	26,310	184	.7	
Nicaragua	697	10	1.4	
Panama	826	1	.1	
Paraguay	511	10	2.0	
Peru	4,287	132	3.1	
Uruguay	1,589	23	1.4	
Venezuela	9,110	194	2.1	

Source: U.S. arms control and disarmament agency. World military expenditures 1970. Washington, U.S. Government Printing Office, 1971, p. 11.

GNP, MILITARY EXPENDITURES AND RELATED DATA NATO COUNTRIES

[Dollar amounts in millions]

	GNP 1970	Defense expenditures 1970	Defense expenditures as percent of GNP	Budgetary status — deficit +surplus ¹
Belgium	\$24,900	\$688	2.8	—
Canada	78,200	1,687	2.5	—
Denmark	16,000	368	2.3	+
France	148,000	5,982	4.0	—
Germany, Federal Republic	185,000	16,188	3.3	—
Greece	9,200	453	4.9	—
Iceland	465	(²)	(²)	+
Italy	93,200	2,599	2.8	—
Luxembourg	910	8	.9	—
Netherlands	31,300	1,106	3.5	—
Norway	12,460	376	2.9	—
Portugal	6,100	398	6.5	—
Turkey	13,700	503	3.7	—
United Kingdom	121,000	5,950	4.9	—
United States	977,000	76,507	7.8	—

¹ Latest available year.
² Excluding financial assistance to West Berlin which included would make the entry read: 7,067; percent of GNP 3.8.
³ Not available.

Source: International Institute for Strategic Studies. The military balance, 1971-1972, London, 1971. Statesman's Yearbook 1971-72. U.N. Statistical Yearbook 1969.

GROSS NATIONAL PRODUCT AND RELATED DATA OF COUNTRIES RECEIVING MILITARY ASSISTANCE

[Dollar amounts in millions]

	GNP 1970	Defense expenditures 1970	Defense expenditures as percent of GNP	Budgetary status — deficit +surplus ¹
East Asia and Pacific:				
Cambodia	910	336	37.0	—
China, Republic of	5,500	601.25	8.8	—
Indonesia	11,600	272	2.3	—
Korea	8,300	411	4.0	—
Malaysia	3,950	186	4.6	—
Philippines	5,900	135.5	1.9	+
Near East and South Asia:				
Afghanistan	1,400	31.1	2.15	—
Greece	9,200	337.9	4.65	+
India	49,000	1,656	3.4	—
Iran	10,900	1,023	7.1	—
Jordan	640	90.4	16.4	—
Lebanon	1,560	51.1	3.28	—

	GNP 1970	Defense expenditures 1970	Defense expenditures as percent of GNP	Budgetary status — deficit +surplus ¹
Nepal	\$801	(²)	(²)	—
Pakistan	16,000	714	4.46	—
Saudi Arabia	4,100	383	9.4	(³)
Turkey	13,700	446	3.26	—
Europe:				
Austria	14,300	170.14	1.2	—
Portugal	6,100	398.1	6.5	—
Spain	32,300	681	2.0	—
Africa:				
Congo	1,900	84	4.42	—
Ethiopia	1,750	35.64	2.1	—
Ghana	2,570	44.4	1.73	—
Liberia	\$254	(²)	(²)	+
Mali	\$264	(²)	(²)	—
Morocco	3,340	97	2.5	—
Nigeria	9,100	243.6	5.6	—
Senegal	720	18.06	2.5	(³)
Tunisia	1,240	20	1.53	(³)
Latin America:				
Argentina	21,000	477	2.3	—
Bolivia	938	—	—	—
Brazil	33,660	\$579	\$2.6	—
Chile	6,340	—	\$2.1	—
Colombia	6,610	—	\$2.8	—
Dominican Republic	1,351	—	—	—
Ecuador	1,792	—	—	—
El Salvador	1,008	—	—	—
Guatemala	1,844	—	—	—
Honduras	681	—	—	—
Mexico	31,580	\$210	\$1.6	—
Nicaragua	832	—	—	—
Panama	992	—	—	—
Paraguay	582	—	—	—
Peru	5,380	—	—	+
Uruguay	2,036	—	—	—
Venezuela	10,120	—	—	—

¹ Latest available data
² 1968.
³ Not available.
⁴ In balance.
⁵ Estimate.
⁶ 1969.

Source: International Institute for Strategic Studies. The military balance, 1971-72, London, 1971. Statesman's Yearbook 1971-72. U.N. Statistical Yearbook 1969. U.S. Agency for International Development. Gross National Product: Growth rate and trend data by region and country. Washington, May 1971. (GNP for Latin American countries.)

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. DELLUMS).

(Mr. DELLUMS asked and was given permission to revise and extend his remarks.)

Mr. DELLUMS. Mr. Chairman, today we consider once again the issue of military aid. I believe that this issue is the central problem of our foreign policy today; the main indication of whether we will remain enchained by the dangerous safety of traditional responses or whether we will risk trying to shake ourselves loose and see the world as it really is.

I concede there are attempts in this bill to limit the damage caused by some of the more well-known past failures of a foreign policy based on the arrogance of military technology. Obviously, I support these attempts to limit our losses in southern Africa, in Bangladesh, and in Southeast Asia.

With respect to the latter, I might simply say while I certainly would have supported more aggressive efforts to end our adventurism in Indochina, I certainly support the effort on the part of the majority of the members of the Committee on Foreign Affairs to try to place the U.S. Congress in the position it should be in; that is, to get hold of the warmaking powers and end the war, which I have stated for years is illegal, immoral, and insane.

But these provisions should not blind

us to the real thrust of this bill: To continue and deepen our reliance on a program, and on a way of thinking that has caused these disasters in the first place.

Mr. Chairman, the administration has encouraged us with talk of an emerging structure of peace, of breakthroughs in summitry, of secret diplomacy where world leaders try—as they have tried so often in the past—to impose a stabilized status quo on the world.

Yet consider these figures, Mr. Chairman. The fact that arms purchases from us by other nations have increased under the Nixon administration to seven times what they were under President Eisenhower, and twice what they were during the sixties.

If this is peace, give us back the old war-like days, when there were not so many dangerous weapons about.

And the main tendencies of this bill expand this false course. We are asked to increase regional ceilings on arms sales; to increase—under the heading of “excess defense articles”—the amount of aid that does not count as aid; to increase the ease of credit terms allowed to arms buyers; to merely delay aid to the racist colonial regime in Portugal until deference is shown to Congress; and in general, to increase our subsidization of wasteful arms spending.

These are the less dramatic sections of the bill, and we may lose sight of them in today's and tomorrow's debate.

Yet they are the meat of the bill; its real reason for existing—despite the title “Foreign Assistance Act,” despite commendable sections thrown in concerning refugee assistance and ecological concerns.

It is here that the battle for a humane and sensible foreign policy is being fought.

Tomorrow, I will offer three amendments to focus attention on one area of the bill: Our relations to Latin America. A reorientation of our foreign policy might well begin here, because of our long historical association, and because of the visible results of our many past policy mistakes.

The first amendment concerns the allocation of \$5 million for an Inter-American Training Center for Latin American naval officers.

Here we are, giving a great deal of taxpayers' money to a specific institution, and yet we really know very little about it. No reference was made to it during the general hearings on the bill, and there was no opportunity to ask questions or inform ourselves.

I believe that before we allocate money to strengthen military capabilities, we should at least know much more specifically whose capability we are strengthening, for what purposes it will be used, and just whose friendship we will be gaining, and whose we will be losing.

I see no need for such military training centers, and, indeed, I think there is great danger in the philosophy which espouses such centers as an extension of American foreign policy. The following study by Michael Klare presents a detailed analysis of the implications of such

a policy, and Klare specifically notes the role of military training centers such as the one which my amendment will try to halt. The study follows:

U.S. MILITARY OPERATIONS/LATIN AMERICA:
ARMING THE GENERALS

In his report to the President on a 1969 fact-finding mission to Latin America, Nelson Rockefeller warned the nation that:

“Rising frustrations throughout the Western Hemisphere over poverty and political instability have led increasing numbers of people to pick the United States as a scapegoat and to seek out Marxist solutions to their socioeconomic problems. At the moment there is only one Castro among the 26 nations of the hemisphere; there could well be more in the future. And a Castro on the mainland, supported militarily and economically by the Communist world, would present the gravest kind of threat to the security of the Western Hemisphere and pose an extremely difficult problem for the United States.”¹

Although Rockefeller's report was ostensibly concerned with the problems of poverty and underdevelopment in Latin America, it is obvious that the driving force behind his presentation is the fear of “more Castros” in the hemisphere. Thus a considerable portion of the report is devoted to a discussion of proposals for improvements in the Military Assistance Program and other internal security programs sponsored by the United States.

Ever since the triumph of the Cuban Revolution, in fact, Pentagon strategists have been developing contingency plans for counterinsurgency operations against the next Castros. Unlike current U.S. planning for Southeast Asia, our plans for Latin America do not envision a significant overt American military presence; the emphasis, indeed, is on low-cost, low-visibility assistance and training programs designed to upgrade the capacity of local forces to overcome guerrilla movements. Between 1960 and 1970, the United States spent some \$1 billion dollars on military modernization programs in Latin America; most of this money, as we shall see, was concentrated in the area of counterinsurgency and internal security capabilities.

American military policy in Latin America is based on the premise that while economic and social progress is an important task for the hemisphere, no true development can take place in a climate of instability and rebellion. Before the poorer countries can begin the process of modernization, in this view, they must first be able to maintain an atmosphere of “law and order.” For many Latin American nations, Rockefeller indicated in 1959, “the question is less one of democracy or lack of it, than it is simply of orderly ways of getting along.”² [Emphasis added.] In some countries, the armed forces have found it necessary to seize power in order to ensure the maintenance of public order. The United States, in Rockefeller's view, should forget “the philosophical disagreements it may have with particular regimes,” and extend support to the military strongmen who now rule two-thirds of the Latin American republics.³

Current U.S. programs for support of the Latin American military, and other U.S. military activities in the hemisphere, are discussed in detail below.

THE CHANGING NATURE OF U.S. MILITARY AID

The Military Assistance Program (MAP) constitutes the major instrument of U.S. military policy in Latin America. The origins of this program according to Professor Edwin Lieuwen of the University of New Mexico, “can be traced to the eve of World War II,

when Washington, in order to counter the threat of Fascist and Nazi subversion, began to establish military missions.”⁴ Under the Lend Lease Act of March 11, 1941, Latin American armies were supplied with American arms and equipment in return for access to the region's strategic raw materials and the right to use certain air and naval bases. After the United States entered the war, we continued supplying weapons while Latin America provided temporary bases, stepped up production of strategic materials, and collaborated in antisubmarine and other defense operations.⁵

Military aid to Latin America was suspended in the immediate postwar era; as the Cold War intensified, however, the supply of arms to Latin America's armed forces once again became an objective of United States foreign policy. Under the Mutual Security Act of 1951, funds were made available for the strengthening of Latin American armies in the interests of “Hemispheric defense.” A country became eligible for these funds upon certification of bilateral mutual defense assistance pacts with the United States. Such agreements were concluded with Ecuador, Cuba, Colombia, Peru and Chile in 1952, with Brazil, the Dominican Republic and Uruguay in 1953; with Nicaragua and Honduras in 1954; with Haiti and Guatemala in 1955; and with Bolivia in 1958. (The United States has temporarily suspended MAP aid to some nations following coups, and has permanently cut off aid to Cuba and Haiti.) As part of their contribution to the hemispheric defense effort, MAP recipients are pledged to supply the United States with minerals and other strategic raw materials needed by the U.S. war machine.⁶

Throughout the 1950's, the ostensible objective of U.S. military aid to Latin America was to strengthen the region's defense against external (presumably Soviet) attack. Thus as recently as 1960 the principal goal of the MAP program was the development of a strong antisubmarine warfare capability in the Caribbean and South Atlantic. Charles H. Shuff, the then Acting Assistant Secretary of Defense, told a Congressional committee in 1959 that “the most positive threat to hemispheric security is submarine action in the Caribbean sea and along the coast of Latin America.”⁷ However, when the Kennedy Administration took office in 1961, the threat of armed revolution became the major concern of U.S. military planning in the Third World and the goals of the MAP program were modified according. As noted by Professor Lieuwen, “the basis for military aid to Latin America abruptly shifted from hemispheric defense to internal security, from the protection of coastlines and from antisubmarine warfare to internal defense against Castro-Communist guerrilla warfare.”⁸

Funds for counterinsurgency training and supplies were made available to Latin American armies beginning with the fiscal year 1963 MAP program. In the following year, Director of Military Assistance General Robert J. Wood announced that “the primary purpose of the proposed fiscal year 1965 Military Assistance Program for Latin America is to counter the threat to the entire region by providing equipment and training which will bolster the internal security capabilities of the recipient countries.”⁹ And during the 1967 debate on the Foreign Assistance Act, Secretary of Defense Robert S. McNamara asserted that “the primary objective [of the MAP program] in Latin America is to aid, where necessary, in the continued development of indigenous military and paramilitary forces capable of providing, in conjunction with police and other security forces, the needed domestic security.”¹⁰

Of the \$45.5 million requested for MAP grant aid in fiscal 1968, the Pentagon proposed to spend \$34.7 million, or 76 percent, on hardware and services related to counter-

Footnotes at end of article.

insurgency.¹¹ According to Defense Secretary McNamara, "the [1968] grant program will provide no tanks, artillery, fighter aircraft, or combat ships. The emphasis is on vehicles and helicopters for internal mobility, communications equipment for better coordination of in-country security efforts, and spare parts for maintenance of existing inventories."¹² These priorities have continued to shape the MAP program under the Nixon Administration; thus in 1970 the present Director of Military Assistance, Gen. Robert H. Warren, told a Congressional committee that the objectives of the fiscal 1971 aid program were "to help Latin American nations maintain military and paramilitary forces capable of providing, with police forces internal security essential to orderly political, social and economic development."¹³

Total U.S. military aid to Latin America during the period 1950-1970 amounted to \$1.3 billion; this amount includes direct grants totalling \$778 million, credits provided under the Foreign Military Sales program for the purchase of U.S. arms valued at \$253 million, indefinite loans of U.S. naval vessels worth \$201 million, and transfers of "excess" U.S. arms worth another \$63 million. (For a country-by-country breakdown of these expenditures, see the Appendix.) As one would expect, the major recipients of military aid have been the larger countries whose armed forces have come to bear the indelible stamp of U.S. military doctrine, equipment and ideology. Thus Argentina, Brazil, Chile, Venezuela and Peru, which together account for about 60 percent of the gross national product of Latin America, received \$915 million in U.S. aid between 1950 and 1970, or 70 percent of MAP expenditures in the region (see Table 1).

When, however, MAP recipients are ranked by the percentage of their total defense outlays supplied by the United States, a different pattern emerges; as can be seen in Table 2, the most favored recipients of U.S. aid, on a proportional basis, are the smaller and poorer nations of South and Central America—most of which have experienced guerrilla uprisings in the past decade.

Table 1: U.S. military assistance program expenditures in Latin America, 1950-70 a

Includes grants furnished under the Military Assistance Program, credits provided by the Foreign Military Sales program, indefinite loans of U.S. naval vessels, and deliveries of excess U.S. defense articles.

[By fiscal year; dollars in millions]

Country:	Amount
Argentina	131.0
Bolivia	25.3
Brazil	378.4
Chile	151.9
Colombia	114.1
Costa Rica	1.8
Dominican Rep.	28.0
Ecuador	57.0
El Salvador	6.9
Guatemala	18.7
Haiti (to 1963)	4.4
Honduras	8.6
Jamaica	1.1
Mexico	10.6
Nicaragua	13.1
Panama	4.1
Paraguay	11.6
Peru	147.8
Uruguay	45.9
Venezuela	106.1
Region ^b	27.8
Total	1,294.2

a Source: U.S. Agency for International Development, Office of Statistics and Reports,

Footnotes at end of article.

U.S. Overseas Loans and Grants, July 1, 1945-June 30, 1970 (Washington, D.C., 1971).

^b Includes \$12.4 million to Cuba (1950-60).

TABLE 2.—U.S. MILITARY ASSISTANCE AS A PERCENTAGE OF LATIN AMERICAN DEFENSE EXPENDITURES, 1964-67

[In rank order, dollars in millions]

Country	Total defense expenditures, 1964-67 ¹	U.S. aid as a percentage of defense spending
Panama	4	32.5
Bolivia	57	21.9
Uruguay	51	18.0
Paraguay	30	17.0
Ecuador	100	16.0
Honduras	27	12.9
Guatemala	56	12.5
Colombia	302	10.2
Peru	367	9.8
Chile	321	9.7
El Salvador	38	9.0
Dominican Republic	133	6.3
Argentina	843	2.7
Brazil	2,380	2.1
Venezuela	712	0.6

¹ U.S. Department of Defense, Office of the Assistant Secretary of Defense for International Security Affairs, Military Assistance and Foreign Military Sales Facts.

Source: U.S. Arms Control and Disarmament Agency, World Military Expenditures, 1969 (Washington, D.C., 1969), p. 18.

Although the MAP grant program has been declining steadily over the past few years (from a high of \$73 million in fiscal 1968 to \$15.7 million in 1971), arms sales to Latin America have been increasing at a spectacular rate: from an average of \$30 million per year in the 1960's U.S. sales to Latin American governments under the Foreign Military Sales (FMS) program rose to \$72 million in fiscal 1971 and an estimated \$144 million in 1972.¹⁴ Among the major customers for U.S. arms were Argentina (with purchases of \$79 million between 1950 and 1970), Brazil (\$85 million), Peru (\$50 million), and Venezuela (\$103 million).¹⁵ In order to increase military exports to Latin America through the FMS program, President Nixon was obliged, in May 1971, to waive the \$75 million ceiling on arms transfer to the region that had been imposed by Congress in 1968 (under Section 33 of the Foreign Military Sales Act). (For a further discussion of the Arms sales program, see "Arm Now—Pay Later.")

TRAINING

After the supply of arms and equipment the most important function of the U.S. military apparatus in Latin America is to provide training to indigenous military personnel. In recent years, about two-thirds of the MAP grant program has been devoted to this purpose. Training also constitutes the principal day-to-day activity of U.S. officers attached to the military missions in seventeen Latin American countries. The high priority given to training programs was underscored by Defense Secretary McNamara in 1962 as follows:

Probably the greatest return on our military assistance investment comes from the training of selected officers and key specialists at our military schools and training centers in the United States and overseas. These students are handpicked by their countries to become instructors when they return home. They are the coming leaders . . . I need not dwell upon the value of having in positions of leadership men who have first-hand knowledge of how Americans do things and how they think. *It is beyond price to us to make such friends of such men.*¹⁶ [Emphasis added.]

The United States maintains three training programs for Latin American personnel: first, "in-country" training provided by mobile training teams (MTT's) which are sent to a

country on a temporary basis to offer instruction in specialized military skills; second, training at the U.S. military schools in the Panama Canal Zone; and third, training at service schools in the United States. Between 1950 and 1970, 54,270 Latin American officers and enlisted men received training under the MAP program (see Table 3). The various training programs are discussed in detail below.

TABLE 3.—LATIN AMERICAN MILITARY PERSONNEL TRAINED UNDER THE U.S. MILITARY ASSISTANCE PROGRAM, 1950-70¹

Country	Number trained in United States	Number trained abroad ²	Total number trained
Argentina	2,382	426	2,808
Bolivia	410	2,248	2,658
Brazil	6,009	847	6,856
Chile	2,553	1,821	4,374
Colombia	2,126	2,503	4,629
Costa Rica	33	496	529
Cuba (1950-60)	307	214	521
Dominican Republic	609	1,984	2,593
Ecuador	1,538	2,746	4,284
El Salvador	185	886	1,071
Guatemala	626	1,654	2,280
Haiti	444	60	504
Honduras	189	1,389	1,578
Mexico	393	202	595
Nicaragua	615	3,379	3,994
Panama	38	3,110	3,148
Paraguay	287	753	1,040
Peru	2,890	2,117	5,007
Uruguay	933	790	1,723
Venezuela	1,311	2,767	4,078
Total	23,878	30,392	54,270

¹ U.S. Department of Defense, Office of the Assistant Secretary of Defense for International Security Affairs, Military Assistance and Foreign Military Sales Facts (Washington, D.C., 1971).

² Mostly in the Panama Canal Zone.

SOUTHCAM

All U.S. training programs in Latin America are supervised by the U.S. Forces Southern Command (SOUTHCAM), located at Quarry Heights in the Panama Canal Zone. SOUTHCAM is the "unified command" headquarters which oversees all Army, Navy and Air Force activities in South and Central America. Ordinarily, the most important activity of SOUTHCAM personnel is the supervision of the seventeen U.S. military missions in Latin America and administration of the MAP program. The advisory missions, or Military Assistance Advisory Groups (MAAG's); range in size from 5 men in Costa Rica to 90 in Brazil; as of July 1, 1971, there were 531 officers, enlisted men and civilian employees assigned to the MAAG's and missions in Latin America. These men provide training in various military and technical skills, and advise the host country military in the development of counterinsurgency and internal security programs.

In addition to its administrative and training functions, SOUTHCAM maintains a communications and logistics network which directs and supplies all U.S. military forces in Latin America. This network is designed to support any U.S. troops that would be deployed in the future interventions or "police actions" in the region.

U.S. ARMY SCHOOL OF THE AMERICAS

The U.S. Army School of the Americas (USARSA), located at Fort Gulick in the Panama Canal Zone, is the only Army training institution catering exclusively to Latin American personnel. It is also the only military school to provide instruction in a foreign language. An element of SOUTHCAM, the School has trained over 26,000 Latin American officers and enlisted men in various military specialties. Most of the courses at the School emphasize counterinsurgency and other internal security functions. According to the September 1968 issue of *Army Digest* magazine, the School's Irregular War-

fare Committee "teaches various measures required to defeat an insurgent on the battlefield, as well as military civic action functions in an insurgent environment."¹⁷ Military cadets who receive their advanced training at USARSA undertake a week-long maneuver known as the "Balboa Crossing" in which they "trek across the isthmus from Pacific to Atlantic shores on a simulated search-and-destroy mission, putting into practice what they have learned about guerrilla warfare and jungle living."¹⁸

USARSA boasts that "alumni have risen to such key positions as Minister of Defense and Chief of Staff in Bolivia, Director of Mexico's War College, Minister of War and Chief of Staff in Colombia, Chief of Staff for Intelligence in Argentina, and Undersecretary of War in Chile." The United States profits from this arrangement as well: according to *Army Digest*, "training Latin Americans in U.S. military skills, leadership techniques and doctrine also paves the way for cooperation and support of U.S. Army missions, attaches, military assistance advisory groups and commissions operating in Latin America."¹⁹

INTER-AMERICAN AIR FORCES ACADEMY

Closely related to the Army's School of the Americas is the Inter-American Air Forces Academy (IAAFA) at Albrook Air Force Base in the Canal Zone. Like USARSA, the Academy offers instruction in Spanish and caters primarily to Latin American personnel. By the end of 1970, some 10,000 officers and enlisted men had received training at the Academy. Instruction is provided in aircraft maintenance, electronics, radio, instrument training and repair, engine and weapons mechanics, and medical specialties. As at Fort Gulick, the emphasis is on counterinsurgency and civic action programs. Beginning in 1963, the Academy offered a course on "Special Air Operations" jointly with USARSA and the 24th Special Operations Wing (the Air Force equivalent of the Army's Special Forces); the course includes study of such skills as close air support on the battlefield, supply operations for counter-guerrilla forces, and airborne operations.²⁰

EIGHTH U.S. SPECIAL FORCES

Fort Gulick in the Canal Zone is the headquarters of the Eight U.S. Special Forces—the famed "Green Berets." This elite unit consists of some 1,100 officers and enlisted men, who in turn constitute approximately 25 Mobile Training Teams of up to 30 men each. These MTT's have traveled throughout Latin America, supplementing the work of the resident U.S. military missions by providing intensive training in counter-guerrilla operations. Since the formation of the 8th Special Forces in 1962, such teams have visited every Latin American country except Cuba, Haiti and Mexico. As noted by MTT's Center for International Studies, MTT activity always peaks when a pro-U.S. regime is threatened by insurgent uprisings.²¹

Visitors to Fort Gulick are told that "the principal mission of the Special Forces is to advise, train and aid the Latin American military and paramilitary forces to conduct counterinsurgency activities, and to do so in support of the objectives of the United States of America within the framework of the Cold War."²² In fulfillment of this mission, 16 Green Berets headed by Maj. Ralph W. "Pappy" Shelton traveled to Bolivia in April 1967 to train and supervise the Bolivian Army ranger battalion that was used to hunt down the guerrilla band of Ernesto Che Guevara.²³

The Inter-American Defense College (IADC) was established in 1962 as a senior service school similar to the U.S. National War College, Great Britain's Imperial Defense College, and the NATO Defense College. Located at Fort Lesley McNair in Washing-

ton, D.C., IADC occupies a building that was refurbished for its use by the MAP program at a cost of \$1 million. The College is administered by the Inter-American Defense Board (IADB), which is composed of military representatives of the 22 member nations of the Organization of American States.

The emphasis at IADC is on the quality, not the quantity, of its students, who come from all Latin American countries except Cuba. Admission requirements include the rank of lieutenant colonel or above graduation from an advanced command and general staff college, and military command experience. IADC, according to an official brochure, is "a military institution of high level studies, devoted to conducting courses on the Inter-American System and the political, social, economic, and military factors that constitute essential components of Inter-American defense." The nine-month course of study stresses Cold War ideology and the need for joint action against "Castro-Communist" guerrillas. The curriculum also includes several sessions on the theory and practice of military civic action and related counterinsurgency activities. Most instruction is given in Spanish; as of June 1970, some 230 students had graduated from IADC.²⁴

INTERNATIONAL POLICE ACADEMY

The International Police Academy (IPA), located in the Georgetown section of Washington, D.C., is sometimes referred to as the "West Point" of the international law enforcement community. Administered by the Office of Public Safety (OPS) of the Agency for International Development, IPA provides instruction in various police and paramilitary skills to foreign police commanders. Originally known as the Inter-American Police Academy and located in the Panama Canal Zone, IPA was moved to Washington in 1964 and its scope broadened to include students from throughout the Third World (Latin Americans still constitute a majority of the student body, however). By 1969, over 3,000 foreign police officials had graduated from IPA.

Although IPA provides instruction on such conventional subjects as fingerprint identification and firearms maintenance, the emphasis is on internal security and riot control. Students at the Academy spend three days at the John F. Kennedy Special Warfare Center at Fort Bragg, N.C., for a series of briefings on "civil-military relationships in counterinsurgency operations and police support in unconventional warfare."²⁵ Prior to graduation, IPA students test their knowledge of anti-riot tactics in a facility known as the Police Operations Control Center (POCC). One journalist who visited IPA reported: "At the front of the POCC is a magnetic game board on which has been constructed the map of a mythical city, Rio Bravos . . . From the control booth, faculty field commanders alert the students to a communist-inspired riot at the city's university, or to a bombing attempt by communist subversives from the neighboring country, Maoland. The students deploy their forces on the board and plan strategies, much as they would from a real police control center."²⁶

SERVICE SCHOOLS IN THE UNITED STATES

Over 140 Army, Navy, and Air Force installations in the United States provide training for foreign military personnel under the MAP program (see Appendix for a list of these facilities). Although precise figures on the numbers of Latin Americans attending each of these schools is not available, it is known that the Army has tailored the curricula of two of the schools to emphasize military operations in underdeveloped areas. These installations are the Special Warfare School at Fort Bragg, N.C., and the Civil Affairs and Military Government School at Fort Gordon, Ga.

The Special Warfare School (part of the

John Kennedy Center for Military Assistance) offers courses on counterinsurgency, unconventional warfare, and psychological operations. Most of the students are U.S. military personnel who have been assigned to military missions or Special Forces units in the Third World; however, it is known that several hundred Latin American officers have also received training at the School.²⁷ In 1963, Assistant Secretary of State Edwin Martin reported that Latin American military personnel were receiving training at Fort Bragg "in riot control, counter-guerrilla operations and tactics, intelligence and counter-intelligence, and other subjects which will contribute to the maintenance of public order."²⁸

The Civil Affairs School is the principal center in the United States for training in the administration of military civic action programs. As at Fort Bragg, most students are U.S. military personnel assigned to a military mission, military assistance advisory group, or mobile training team in the Third World. The civic action course includes instruction in the theory of economic development, organization and logistics for civic action projects, and psychological operations in counterinsurgency.²⁹

U.S. military assistance to Latin American armed forces has often provoked criticism from the world press, particularly when U.S.-equipped armies have seized power from democratically-elected governments. In response to this criticism, Secretary of Defense Robert S. McNamara stated in 1964 that "the essential role of the Latin American military as a stabilizing force outweighs any risks involved in providing military assistance for internal security purposes."³⁰ McNamara acknowledged that discontent would not disappear from Latin America until the underlying problems of poverty and underdevelopment were overcome; it was for this purpose, he indicated, that the United States had launched the Alliance for Progress. But U.S. policy is firm on one point: "the goals of the Alliance," he insisted, "can only be achieved within a framework of law and order."³¹ [Emphasis added.] Current U.S. policy as we have seen, calls for the use of the Latin American military as the prime instrument of "law and order." American bases in Puerto Rico, the Canal Zone and the U.S. mainland constitute a logistical and communications apparatus that would be used to support any future intervention operations. SOUTH COM's Canal Zone facilities have already been described; in the following section, we will look at some of the installations in Puerto Rico that contribute to America's intervention capability in Latin America.

PUERTO RICO INSTALLATIONS

Puerto Rico performs for the U.S. Navy the same pivotal role performed for the Army by the Panama Canal Zone. The island "Commonwealth" is the headquarters of the Commander, South Atlantic Force (COMSO LANT) and of the 10th Naval District commanding the Caribbean Sea Frontier. The Navy's offices in San Juan and at the Roosevelt Roads Naval base command all Navy activity in the Caribbean and in the Atlantic Ocean south of the Tropic of Cancer. Other Navy bases, at Guantanamo Bay in Cuba, Chaguaramas in Trinidad and St. Thomas in the Virgin Islands, are also under the jurisdiction of the Puerto Rico commands. The naval blockade of Cuba and Navy support operations during the 1965 intervention in the Dominican Republic were both directed from Puerto Rico.³²

Roosevelt Roads is an all-purpose Naval base located on the east coast of Puerto Rico. It has three harbors, the largest of which can berth dozens of major warships at one time (thus serving as the South Atlantic equivalent of Pearl Harbor in the Pacific). The facilities at Roosevelt Roads can accommodate any warship in the world, including the giant aircraft carrier Enterprise, which

trained here before sailing to the waters off Vietnam. The base also encompasses a large Naval Air Station, which house several squadrons of jet interceptors and reconnaissance aircraft.

Vieques is an island located just off the east coast of Puerto Rico which is largely devoted to military use. Of the island's 35,000 acres, some 26,000 have been appropriated by the U.S. Navy for training facilities and other installations, including a huge underground ammunition storage depot. Vieques acquires special prominence periodically during the year as the site of the Atlantic Fleet's training exercises. A New York Times dispatch of April 10, 1965 describes one of these exercises as follows: "about 4,000 Marines and Army paratroopers fought a sham war today across the sun-baked brown hills of Vieques. . . . The troops, supported by a Navy amphibious force and Air Force, Marine and Navy planes, continued Quick Kick VII, a combined airborne-amphibious assault." It is clear from this and other reports that these exercises are designed to prepare the Atlantic Fleet for future interventions in Latin America which would require an amphibious landing.

Culebra is a small island located off the eastern tip of Puerto Rico which is used by the Navy for bombing and shelling practice exercises, and for tests of new non-nuclear munitions. In the past few years, Culebra residents have organized a campaign to expel the Navy gunners from their island. After a Congressional investigation and many protests by the Culebrans, the Navy agreed in 1971 to find alternative sites for its shelling exercises.

Ramey Air Force Base is the only Strategic Air Command (SAC) base in Latin America. Ramey normally houses two reconnaissance wings and one bomber wing composed of B-52 heavy bombers. The base also has a full complement of heavy transport aircraft capable of airlifting almost every type of military equipment, plus large numbers of troops, to airstrips in the Caribbean and elsewhere in Latin America. During the Dominican crisis of 1965, Ramey provided logistical support to General Wessin y Wessin's blockaded troops at San Isidro alybase, and later was used to ferry U.S. troops to the Dominican Republic. Massive airlift operations of this type have come to assume a crucial place in U.S. intervention strategy, and it is safe to predict that Ramey will play a pivotal role in any future "police actions" in the Western Hemisphere.

FOOTNOTES

¹ Nelson A. Rockefeller, "Quality of Life in the Americas," Report of a Presidential Mission for the Western Hemisphere," *Department of State Bulletin*, December 8, 1969, p. 507.

² *Ibid.*, p. 515.

³ *Ibid.*

⁴ Edward Lieuwen "The Latin American Military," a report incorporated into U.S. Senate, Committee on Foreign Relations, Subcommittee on American Republics Affairs, *Survey of the Alliance for Progress*, Compilation of Studies and Hearings (Washington, D.C.: Government Printing Office, 1969), p. 113.

⁵ *Ibid.*

⁶ For text of the agreement with Ecuador (which served as a model for the others), see: *Department of State Bulletin*, March 3, 1952, p. 336 ff.

⁷ U.S. House of Representatives, Committee on Appropriations, *Mutual Security Appropriations for 1960*, Hearings, 86th Cong., 1st Sess., p. 736.

⁸ Lieuwen, p. 115.

⁹ General Robert J. Wood, Address before the Los Angeles World Affairs Council, December 3, 1964.

¹⁰ U.S. House of Representatives, Committee on Foreign Affairs, *Foreign Assistance Act of 1967* Hearings, 90th Cong., 1st Sess., p. 117.

(Hereinafter cited as *Foreign Assistance 1967*.)

¹¹ *Ibid.*

¹² *Ibid.*, p. 118.

¹³ U.S. House of Representatives, Committee on Appropriations, *Foreign Assistance and Related Agencies Appropriations for 1971*, Hearings, 91st Cong., 2d Sess., Part I, p. 389.

¹⁴ U.S. Department of Defense, Office of the Assistant Secretary of Defense for International Security Affairs, *Military Assistance and Foreign Military Sales Facts* (Washington, D.C., 1971), p. 21.

¹⁵ *Ibid.*, p. 23.

¹⁶ U.S. House of Representatives, Committee on Appropriations, *Foreign Operations Appropriations for 1963*, Hearings, 87th Cong., 2d Sess., Part I, p. 359.

¹⁷ "Bridge of the Americas," *Army Digest*, September, 1968, pp. 12-13.

¹⁸ "U.S. Army School of the Americas," *Military Review*, April, 1970, pp. 90-91.

¹⁹ "Bridge of the Americas," p. 14.

²⁰ C. Neale Ronning and Willard F. Barber, *Internal Security and Military Power* (Columbus, Ohio: Ohio State University Press, 1966), p. 162-3.

²¹ Geoffrey Kemp, *Some Relationships Between U.S. Military Training in Latin America and Weapons Acquisitions Patterns, 1959-1969* (Cambridge, Mass.: MIT Center for International Studies, 1970), pp. 16-56.

²² Quoted in Philippe Nourry, "Camping Tonight, Camping Tonight," *Atlas*, May, 1968, p. 19. (Translation from *Le Figaro*, Paris.)

²³ See Andrew St. George, "How the U.S. Got Che," *True*, April, 1969, p. 30 ff.

²⁴ See "Inter-American Defense College," *Military Review*, April, 1970, pp. 20-27, and "Inter-American Defense College Educates Officers of 22 Nations," *Army Research and Development*, March, 1968.

²⁵ "The IPA Faculty," *IPA Review*, January, 1967, p. 11. (The *IPA Review* is the official publication of the International Police Academy, Washington, D.C.)

²⁶ David Sanford, "Agitators in a Fertilizer Factory," *The New Republic*, February 11, 1967, p. 17.

²⁷ Barber and Ronning, p. 149.

²⁸ Edwin Martin, "Communist Subversion in the Western Hemisphere," *Department of State Bulletin*, March 18, 1963, pp. 406-7.

²⁹ Barber and Ronning, p. 152-4.

³⁰ U.S. House of Representatives, Committee on Appropriations, *Foreign Operations Appropriations for 1964*, Hearings, 88th Cong., 1st Sess., Part II, p. 84.

³¹ *Foreign Assistance 1967*, p. 117.

³² For background on U.S. military activities in Puerto Rico, see: Richard Krushnic, "United States Military Bases in Puerto Rico and Their Strategic Function," a paper available from Student World Relations, 475 Riverside Dr., New York, N.Y. 10027.

U.S. ARMS SALES TO THE THIRD WORLD—ARM NOW PAY LATER

(NOTE.—Charts not printed in the RECORD.)

One of the fastest growing markets for industrial products in the world today is the defense systems of Third World nations. Total military spending by the underdeveloped nations is growing at a rate of nine percent a year—twice that of developed countries, and also twice the rate of economic growth in the Third World.¹ One survey of worldwide defense spending indicates that Third World expenditures on military hardware increased from \$3.3 billion in 1968 to an estimated \$5.5 billion in 1972—an increase of 67 percent in five years.² Since most countries seek to acquire increasingly complex and sophisticated weapons, the production of such equipment tends to be concentrated in a handful of the most advanced industrial nations: between 1950 and 1969, four countries—the United States, Soviet

Union, Britain and France—supplied 87 percent of the major weapons systems acquired by underdeveloped countries.³ The United States, faced with mounting balance-of-payments deficits, has sought to encourage and exploit the growing appetite for advanced weapons in the Third World by mounting an aggressive and well-organized sales campaign.

The Pentagon's arms sales effort, known as the Foreign Military Sales (FMS) program, was developed as an adjunct to the grant system of Military Assistance Program (MAP). Thus FMS shared the MAP program's Cold War goal of strengthening "Free World" defenses against anticipated Soviet invasions. George Thayer, who discusses the U.S. sales effort in his book *The War Business*, has written that: "Our arms aid program was originally conceived to promote the defensive strength of the West against the communist threat and to promote the concept of cooperative logistics—i.e., the use of common weapons systems—among allies. It was grounded in the knowledge that most of our allies were militarily vulnerable and in the belief that the Soviet Union was about to march into Western Europe and several other areas. Thus, the United States began to ship large quantities of weapons to its allies who, it was hoped, would help stem the Soviet tide."⁴ Since, in the immediate postwar era, most of our allies were unable to shoulder the burden of their own and the common defense, the United States gave generously of its own resources to remilitarize Western Europe and the "forward defense areas" on the borders of the Soviet Union in Asia. Between 1945 and 1961, the United States gave away weapons worth a total of \$25 billion, while arms sales in the same period amounted to only \$2.5 billion, or ten percent of the grant effort.

When President Kennedy took office in 1961, the goals of the FMS program changed radically. Defense Secretary Robert S. McNamara, who sought to expand the Pentagon's conventional warfare capabilities, recognized that overseas deployment of U.S. troops (and other war-related activities in Southeast Asia) would contribute to an ever-increasing balance-of-payments deficit. In order to compensate for increased U.S. military spending abroad, therefore, he sought to persuade our allies in Western Europe and Asia to make substantial purchases of U.S. weapons.⁵ At the same time, McNamara discovered that Congress was increasingly unwilling to subsidize the defense expenditures of our less-fortunate allies (MAP grant aid to Third World countries dropped from \$1.3 billion in fiscal 1963 to \$678 million in 1967), and thus he established an elaborate program of credits and loans to enable poor countries to borrow funds for the purchase of U.S. arms at attractive interest rates.⁶ McNamara's new arms sales policies were summarized in 1963 in Department of Defense Directive Number 5132.3, which affirmed: "Consistent with overall security objectives, maximum effort will be made to promote the program of selling U.S.-produced military equipment and services to friendly nations."⁷

In order to facilitate overseas purchases of U.S. arms, McNamara in 1961 established a Pentagon sales agency, the International Logistics Negotiations (ILN) Office, and appointed Henry J. Kuss, Jr. to head the FMS promotion campaign. Often compared to Sir Basil Zaharoff, the original "Merchant of Death," Kuss was promoted to Deputy Assistant Secretary of Defense in 1964 for his success in boosting military sales. "Henry wore a homburg," one of his associates later recalled, "but he wasn't a Zaharoff . . . McNamara simply appointed him vice-president and general manager in charge of pushing arms in the far corners of the globe—and Henry pushed them."⁸ While heading the ILN office, Kuss converted the Pentagon's

Footnotes at end of article.

military aid missions abroad into agents for the U.S. arms industry—a function they still serve (see below). The results of this campaign were striking: between 1961 and 1967, U.S. arms sales increased sixfold—from \$300 million to \$1.8 billion annually.⁹

During the Kuss regime, the Pentagon's sales campaign was directed primarily at the developed nations of Western Europe, as well as Japan, Canada and Australia. Between 1962 and 1968, FMS sales to developed countries mounted to \$10.5 billion while sales to underdeveloped nations came to only \$1.1 billion.¹⁰ As the 1960's progressed, however, the market for American military products in the developed nations began to shrink: worried that the increased sophistication of modern arms would lead to the monopolization of weapons development by the Soviet Union and the United States, many European nations (and later Japan) expanded their own arms industries in order to be assured that they would not be "frozen out" of advanced military technologies. U.S. sales to developed countries reached a peak of \$1.6 billion in fiscal 1966, and then dropped to an average of \$900 million an-

nually in the succeeding five years (see Chart A). In order to make up for this decline in foreign sales, the Pentagon began to encourage substantial arms purchases by the Third World nations dependent upon the U.S. for economic and military aid: no longer would our underdeveloped allies receive gratis the weapons we wanted them to have—instead they would be obliged to further tax their citizenry in order to pay for the military equipment we persuaded them to buy. As a result of a vigorous promotional campaign, FMS sales to underdeveloped countries rose from \$96 million in fiscal 1965 to \$1 billion in 1971—a 1,000 percent increase. (See Chart A).

Increased U.S. weapons sales to the Third World is a major component of President Nixon's military policy. Under pressure from an aroused public and a war-weary Congress, the Administration has been obliged to withdraw American combat troops from Asia and to reduce the rate of defense spending at home. In order to protect American interests abroad from the threat of armed liberation movements, Nixon has forced our client regimes in the Third World to purchase substantial quantities of U.S. arms and to supply mercenaries for U.S.-led

counterinsurgency operations. The Administration's plan was spelled out by Deputy Secretary of Defense David Packard in 1970 as follows:

"The Nixon Doctrine places the Military Assistance Program and Foreign Military Sales in a special position in our foreign policy. It is now more important than ever that these two instruments of U.S. policy be put to optimum use in helping to reduce both the monetary and the manpower burden we now carry in honoring international obligations. I believe that the best hope of reducing our overseas involvements and expenditures lies in getting allied and friendly nations to do even more in their own defense. To realize that hope, however, requires that we must continue, if requested, to give or sell them the tools they need for this bigger load we are urging them to assume.

"That is why, in the interests of maintaining an adequate defense posture at minimum cost, the growing use of credit-assisted sales of military equipment, as well as increased military assistance, seem clearly indicated for the immediate future."¹¹

TABLE 1.—FOREIGN MILITARY SALES TRENDS, 1965-71

[By fiscal year; dollars in millions]

	1965	1966	1967	1968	1969	1970	1971	Total, 1965-71
FMS Sales to developed nations.....	1,147	1,556	966	784	1,170	688	834	7,143
FMS sales to underdeveloped nations.....	96	204	128	299	515	227	1,048	2,515
FMS sales to international organizations.....	6	25	34	30	34	19	15	167
Total FMS sales¹.....	1,248	1,785	1,128	1,113	1,720	933	1,898	9,825
Commercial sales ²	274	312	345	335	329	567	416	2,578
Grand total, sales.....	1,522	2,097	1,473	1,448	2,049	1,500	2,314	12,403
Total military-assistance grants ³	1,236	1,062	814	719	589	538	702	5,622
MAP grants to developing nations.....	1,042	965	678	640	584	538	702	5,149

¹ Source: U.S. Department of Defense, Office of the Assistant Secretary of Defense for International Security Affairs, Military Assistance and Foreign Military Sales Facts (Washington, D.C.: 1971).

² Source: Department of States Bulletin, Feb. 22, 1971, p. 226.

³ Source: U.S. Agency for International Development, Office of Statistics and Reports, U.S. Overseas Loans and Grants, Preliminary fiscal year 1971 and Trend Data (Washington, D.C.: 1971).

On the basis of this argument, Nixon in 1971 sought approval for the largest FMS program in United States history: \$510 million in credits and loan guarantees was requested to help finance total arms purchases estimated at \$2.15 billion—a 700 percent increase over the pre-1961 average of \$300 million a year and twice the average rate during the 1960's.

In its effort to increase arms sales to the developing areas, the Nixon Administration has had to overcome the resistance of a handful of Congressmen who—in an attempt to prevent more Vietnam-type wars—have sought to limit military exports to Third World nations. Led by Senators J. W. Fulbright and Stuart Symington of the powerful Foreign Relations Committee, these dissidents have been able to impose several restraints upon the FMS program. The Foreign Military Sales Act of 1968 limits annual arms exports to Latin America and Africa to \$75 million and \$40 million respectively, and suspends all U.S. economic and military aid to underdeveloped countries which divert an "excessive" amount of their resources to the acquisition of weapons. Amendments to the Foreign Military Sales Act and Foreign Assistance Act have further restricted the transfer of advanced military equipment (particularly supersonic aircraft) to Third World countries.¹²

The 1968 Foreign Military Sales Act and subsequent legislation constitute a significant obstacle to President Nixon's effort to increase arms sales to the Third World, and Administration officials have campaigned vigorously to overcome these restrictions. In a 1969 statement to the Senate Subcommit-

tee on Western Hemisphere Affairs, Assistant Secretary of State Charles A. Meyer reported that "Latin Americans have become puzzled and even suspicious of our motives. Strong nationalist resentment has arisen over what is seen as United States efforts to infringe on the sovereign rights of a country to determine its own military requirements." While these countries would prefer to obtain American equipment for their armed forces, he argued, Congressional restraints on the sale of sophisticated weapons are forcing them to turn to more expensive European substitutes.¹³ Since major sales agreements are normally accompanied by the provision of on-site training and technical assistance, the switch to European (or Soviet) producers would involve a corresponding decline in American influence upon the indigenous military. Backed by these arguments, the Administration is pressuring Congress to raise the ceilings on arms exports to Latin America and Africa. Meanwhile, not content to await the outcome of this legislative campaign, President Nixon in 1971 exercised his opinion, under Section 33c of the Foreign Military Sales Act, to waive the \$75 million ceiling on arms transfers to Latin America.¹⁴

U.S. ARMS SALES PROGRAMS

In its drive to secure increased exports of military hardware to the Third World, the Department of Defense can employ a variety of methods for consummating and financing such sales.

FMS Credit Sales: Under the Foreign Military Sales Act, the Pentagon is authorized to extend credit to underdeveloped nations for the purchase of American arms. Such funds must be appropriated by Congress, and when repaid, returned to the U.S. Treasury. Credit

terms are generally favorable: interest rarely exceeds 6 percent annually, and up to 10 years are allowed for repayment. (Recently, the Pentagon has requested approval of "concessionary" credit terms—3 percent interest and 20 years to pay—in order to further encourage purchases by Third World nations.¹⁵ Between 1950 and 1970, the Pentagon provided a total of \$1.86 billion in credits under the FMS program, and another \$1.34 billion is programmed for 1971-1972. (See Table 2 for a breakdown of FMS credits by region; credits to individual countries are provided in *NACLA Newsletter*, Vol. V, No. 2, April, 1971.)

FMS Loan Guaranties: In order to generate additional funds for purchase of U.S. weapons the Pentagon is authorized to guaranty loans by private banks and lending institutions to foreign governments for the purpose of obtaining American military goods. Under the Foreign Military Sales Act, the Department of Defense must maintain a reserve equivalent to 25 percent of all outstanding loans; funds for this purpose are voted annually by Congress. In the past, such guaranties have amounted to approximately \$100 million annually (entailing an appropriation of \$25 million for the reserve fund).

FMS Cash Sales: Under the Foreign Military Sales Act and other legislation, the Department of Defense is authorized to arrange direct government-to-government sale of American military hardware. Such sales totalled \$11.13 billion between 1950 and 1970, and were expected to reach \$13.84 billion by the end of fiscal 1972. As can be seen in Table 2, Western Europe, Canada and Japan have been the largest customers for our military products.

Footnotes at end of article.

TABLE 2.—MILITARY SALES BY REGION, 1950-72

[By fiscal year; dollars in millions]

	Total, 1950-64	1965	1966	1967	1968	1969	1970 ¹	Estimated		Total, 1950-72		Grand total 1950-72
								1971	1972	Cash sales	Credit sales	
East Asia and Pacific.....	445	268	174	135	164	158	173	259	245	1,546	462	2,008
Near East and Southeast Asia.....	222	154	355	354	346	607	246	1,031	711	1,864	2,153	4,017
Europe and Canada.....	4,015	793	1,181	525	522	863	472	500	1,029	9,786	110	9,896
Africa.....	9	6	2	38	3	21	7	21	18	73	53	125
Latin America.....	267	22	47	43	48	36	16	72	144	313	377	690
International organizations.....	136	6	25	34	30	34	19			257	23	280
Unallocated credit.....								15			15	15
Total FMS sales.....	5,095	1,248	1,785	1,128	1,113	1,720	933	1,898	2,146	13,838	3,193	17,031

¹ No FMS credits appropriated in fiscal year 1970.

Export-Import Bank Loans: Since 1963, the U.S. Government's Export-Import Bank (Eximbank) has been authorized to serve as an agent for the Department of Defense by providing funds for the purchase of U.S. arms. Principal Eximbank borrowers have been the advanced nations of Western Europe—but Third World countries have also obtained funds from the bank under a program known as "Country-X" loans, in which the identity of the borrower was known only to the Department of Defense.¹⁶ Country-X loans were prohibited by the Foreign Military Sales Act of 1968, and now the Eximbank is only allowed to make loans to developed countries. So far, six countries have made use of this service: Britain (\$810 million), Australia (\$614 million), Italy (\$153 million), Spain (\$120 million), New Zealand (\$55 million), and Austria (\$31 million); together, these countries have borrowed a total of \$1.78 billion from the Eximbank.¹⁷

Direct Commercial Sales: Under existing legislation, direct sales of military hardware by private U.S. firms to foreign governments are under the purview of the Department of State and Treasury. The Mutual Security Act of 1954 requires that firms wishing to engage in such trade must obtain a license from the State Department's Office of Munitions Control. Once a license has been issued (presumably after it has received the blessing of the Department of Defense), the Office has no authority to supervise a sales agreement or to publish reports of such transactions.¹⁸ Total commercial sales for 1962-69 amounted to \$3.5 billion, while sales for 1970-71 came to an estimated \$983 million.¹⁹ Europe, Canada and Japan accounted for the bulk of such purchases.

Licensed Overseas Production: The 1954 Mutual Security Act and associated legislation enable the State Department's Office of Munitions Control to permit private U.S. firms to sell licenses for the overseas production of American arms by foreign firms or governments. Such transactions can involve merely the sale of blueprints, or the construction of entire munitions factories (an example of the latter is the arrangement whereby Colt Industries, Inc. will supply equipment for and supervise construction of an M-16 rifle assembly plant in South Korea). Recent licensing agreements involve the production of Sikorsky CH-53G Sea Stallion helicopters in West German, and McDonnell-Douglas F-4 Phantom fighter-bombers in Japan (see Appendix).

"Third Country" Arrangements: Occasionally, the United States will permit a foreign government to sell its U.S.-supplied weapons to another country, or a private U.S. firm to arrange for the licensed production of U.S. arms in one country for sale to another country. Thus, Boeing-Vertol CH-47C Chinook helicopters now being assembled in Italy are eventually destined for sale to Iran. Such third-country transactions are often employed when direct American sales would

prove embarrassing to the U.S. Government. United States regulations require that all third-country deals receive the approval of the U.S. Government; needless to say, such mandates are extremely difficult to enforce while, in many cases, there is no desire to enforce them. Thus a study team organized by the Senate Foreign Relations Committee reported in 1967 that some North American F-86 Sabre fighters manufactured under license in Canada for use by the West German air force and later "sold" to Iran had ultimately wound up in the hands of Pakistan—despite an "official" U.S. policy of halting arms transfers to that country.²⁰

Actual sales and credit agreements under these various programs for the years 1965-71 are summarized in Table 1, "Trends in Foreign Military Sales," and in Table 2, "Foreign Military Sales Summary by Region." During this period, FMS sales to underdeveloped countries rose steadily from \$96 million in fiscal 1965 to \$1.05 billion in 1971, amounting to a total of \$2.5 billion for the entire period (the dramatic increase in FMS sales to Third World nations is indicated in Chart A). Military Assistance Program grant aid declined in these years from \$1.24 billion in fiscal 1965 to \$680 million in 1971; total MAP aid during this period amounted to \$5.6 billion, or less than half the amount of sales. (The shift in emphasis from grant aid to FMS sales is vividly demonstrated in Table B.) As can be seen in the Appendix, the principal beneficiaries of the growing sales program are the aerospace companies which produce the jet fighters, transport planes, light aircraft, and helicopters currently sought by foreign armed forces. (For a list of major U.S. arms transfers 1968-1972, see Appendix.)

THE U.S. SALES APPARATUS

In order to provide greater coordination of U.S. military export programs at the command level, President Nixon on August 11, 1971, created the Defense Security Assistance Agency (DSAA) as the sixth Defense-wide management organization (other such organizations are the Defense Supply Agency, Defense Communications Agency, and Defense Intelligence Agency). DSAA assumed most of the functions of the Office of the Deputy Assistant Secretary of Defense for Military Assistance and Sales (the successor of the International Logistics Negotiations Office originally headed by Henry Kuss), which had shared authority over the FMS program with the sales agencies of the separate services. The new head of DSAA, Army Lt. Gen. George M. Seignious II, has direct access to the Secretary of Defense as well as increased authority over the service sales agencies. The new Agency's charter (embodied in Department of Defense Directive Number 5105.38) specifies that, among other functions, DSAA will:

Conduct international logistics and sales negotiations with foreign countries, as directed by the Assistant Secretary of Defense (International Security Affairs) and in coordination with the Assistant Secretary of Defense (Installations and Logistics).

Maintain liaison with and assist U.S. industry in the export of military supplies, equipment and services.

Manage governmental and government-supported private sources of credit financing of foreign military sales.²¹

If the Director of DSAA is the Pentagon's "Vice-President and General Manager for sales," then the principal salesmen in the field are the military advisors assigned to U.S. Military Assistance Advisory Groups (MAAG) in 45 countries. MAAG personnel are specifically charged with the responsibility to "further the sale of U.S.-produced military equipment to meet valid requirements."²² MAAG functions under the FMS program include supplying the Pentagon with data on host country capabilities, resources and requirements, and acting as a go-between for the host country and the U.S. Government in processing and implementing sales transactions. Specifically, the MAAG's are enjoined with the responsibility to:

Analyze and survey potential needs and requirements of the country, keeping higher logistics headquarters informed, and requesting [data on the] availability (or future availability) of U.S. material that could be sold to meet these needs.

As appropriate, develop plans and programs to demonstrate and promote the sale of such available (and future available) material to the country.

Work directly with military departments and appropriate military area commands in arranging for receipt and transfer of military sales material, training and services.

Provide assistance to the country in preparation of purchase or loan requests.²³

The wealth of information supplied to Pentagon salesmen in Washington by MAAG personnel gives the United States a distinct competitive advantage when negotiating for the sale of American equipment. As noted by the Arms Control Project of MIT's Center for International Studies, "it can also be suggested that any state interested in selling its arms to other countries is at a tremendous advantage when it has military advisers capable of providing sales information in such detail assigned to advise its potential sales customers."²⁴ Under current Department of Defense regulations, U.S. military advisers are also mandated to cooperate with private industry in promoting the sales of American arms abroad. Thus the Air Force manual on Military Assistance Sales indicates: "When directed by appropriate authority, [MAAG personnel will] cooperate with representatives of specified U.S. firms in furthering sales of U.S.-produced military equipment to meet valid country requirements."²⁵ Not only are the MAAG's enjoined to provide private firms with information, but also to actively promote such commercial sales: the same manual notes that it is U.S. Air Force (USAF) policy "to encourage direct transactions between eligible recipients and U.S. manufacturers or suppliers, for defense articles and services which are not available from USAF stocks or resources."²⁶

Concluding that significant host country purchases of U.S. arms will win Washington's approval and thus advance their careers, many MAAG officers develop a personal interest in the FMS program, and thus, as noted by the MIT arms control project, generate independent momentum for the sales effort.²⁷

In their efforts to further the sale of American weapons to the Third World, MAAG personnel benefit from the program which sends thousands of Third World military personnel to armed forces schools in the United States and the Panama Canal Zone every year for training in various military specialties. Between 1950 and 1970, 319,000 foreign military officers and enlisted men received training at schools in the United States and at U.S. bases abroad. Of this number, the great majority came from Third World countries: thus Latin America accounted for 54,000 men, East Asia 144,000 and the Near East 50,000.²⁸ Although ostensibly this program is designed to improve the defense capabilities of underdeveloped countries, a very real—if unspoken—goal is to inculcate a familiarity with, and appetite for, American-produced weapons.

In supporting this program, Pentagon officials calculate that when such students return to their country, they will request purchases of the American equipment they had become accustomed to using in training exercises. It is argued, for instance, that Latin American pilots who receive technical instruction at the Inter-American Air Forces Academy at Albrook Air Force Base in the Canal Zone will naturally seek to fly in American planes (the kinds they are most familiar with) when they rejoin their own air forces.²⁹

In summarizing the Government's arguments on behalf of the Foreign Military Sales program, Assistant Secretary of Defense Paul C. Warnke commented in 1968 that "in a perfect world we wouldn't have to deal with arms sales. But we are no more in a position to discontinue our supply of arms to our friends than we are in a position to disarm unilaterally, and I think in effect if we were to foreclose our sales of military equipment . . . to our friends throughout the world, we are disarming ourselves." Warnke went on to suggest:

In many instances these are the cheapest defense dollars that we spend. By equipping the indigenous people to contribute to their own defense and hence to the defense of the free world, we make it unnecessary for ourselves to get directly involved in (Vietnam-type) situations. Hopefully, we will be able at some point to talk with the Soviets both about the mutual disarmament and about control over arms races. Until that day comes, however, I believe it is absolutely essential that we retain the ability to supply those countries that are willing to work with us toward a program of collective security.³⁰

Since, as we have seen, the United States Government is determined to expand weapons sales to the Third World in order to further enrich the U.S. arms industry while arming America's client regimes, it is unlikely that the day will come soon when the United States will cooperate in the control of overseas arms races.

FOOTNOTES

¹ U.S. Arms Control & Disarmament Agency data, as cited in *The New York Times*, Mar. 23, 1970.

² "Worldwide Procurement Potential for Military Arms and Equipment, 1972," *Government Business Worldwide*, December 20, 1971.

³ Stockholm International Peace Research Institute, *The Arms Trade with the Third World* (Stockholm: Armquist & Wilksell, 1971), p. 9. (Hereinafter cited as *Arms Trade/3rd World*.)

⁴ George Thayer, "American Arms Abroad," *The Washington Monthly*, January, 1970, p. 63.

⁵ Thayer, "American Arms Abroad," p. 64. See also *Arms Trade/3rd World*, pp. 170-71.

⁶ For discussion of these programs, see: U.S. Senate, Committee on Foreign Relations, *Arms Sales and Foreign Policy*, Staff study, 90th Cong., 1st Sess., 1967, pp. 5-7; and *Arms Trade/3rd World*, pp. 171-4.

⁷ Cited in U.S. Department of the Air Force, *Military Assistance Sales*, Air Force Manual 400-3 (Washington, D.C.: 1966), pp. 2-3.

⁸ Quoted in Peter T. Chew, "Purveying Weapons to World's 'Needy,'" *National Observer*, February 16, 1970.

⁹ *Arms Sales and Foreign Policy*, p. 3.

¹⁰ *Congressional Record*, vol. 115, pt. 22, p. 30274.

¹¹ Quoted in Chew, "Purveying Weapons."

¹² Statutory restraints on the FMS program are summarized in U.S. Department of the Air Force, Directorate of Military Assistance and Sales, *Information and Guidance on Military Assistance Grant Aid and Foreign Military Sales*, 12th ed. (Washington, D.C.: 1970), pp. 17-19. See also discussion in *Arms Trade/3rd World*, pp. 175-8.

¹³ Charles A. Meyer, "U.S. Military Assistance Policy Toward Latin America," *Department of State Bulletin*, August 14, 1969, p. 102.

¹⁴ *The New York Times*, May 19, 1971.

¹⁵ U.S. House of Representatives, Committee on Foreign Affairs, *Foreign Assistance Act of 1971, Hearings*, 92nd Cong., 1st Sess., 1971, 55.

¹⁶ *Arms Sales and Foreign Policy*, pp. 5-7. See also discussion in *Arms Trade/3rd World*, pp. 171-4.

¹⁷ U.S. Agency for International Development, Office of Statistics and Reports, *U.S. Overseas Loans and Grants, July 1945-June 30, 1970* (Washington, D.C.: 1971).

¹⁸ *Arms Sales and Foreign Policy*, pp. 7-8.

¹⁹ *Congressional Record*, vol. 115, pt. 22, p. 30274; and *Department of State Bulletin*, February 22, 1971, p. 226.

²⁰ *Arms Sales and Foreign Policy*, p. 3.

²¹ Department of Defense Directive 5105.38, August 11, 1971, cited in "Defense Security Assistance Agency," *Government Business Worldwide*, October 28, 1971.

²² U.S. Military Assistance Institute, "MAAG Duties," Memorandum, December 3, 1964, cited in James Refson, *U.S. Military Training and Advice: Implications for Arms Transfer Policies*, Arms Control Project, Center for International Studies (Cambridge, Mass.: Massachusetts Institute of Technology, 1970), p. 10. (The MIT study is hereinafter cited as *Military Training and Advice*.)

²³ U.S. Department of the Army, *General Policies and Principles for Furnishing Defense Articles and Services on a Sale or Loan Basis*, Army Regulation 795-2-4, Washington, D.C., January 20, 1966, cited in *Military Training and Advice*, p. 42.

²⁴ *Military Training and Advice*, p. 46.

²⁵ U.S. Department of the Air Force, Manual 400-3 op. cit., p. 2-3.

²⁶ *Ibid.*, p. 2-3.

²⁷ *Military Training and Advice*, pp. 49-50.

²⁸ U.S. Department of Defense, Office of the Assistant Secretary of Defense for International Security Affairs, *Military Assistance and Foreign Military Sales Facts* (Washington, D.C., 1971), p. 15.

²⁹ For discussion of U.S. training programs for Latin Americans, see: Willard F. Barber and C. Neale Ronning, *Internal Security and Military Power* (Columbus, Ohio: Ohio State University Press, 1966); Michael Klare, "U.S. Military Operations—Latin America," *NACLA Newsletter*, II (October, 1968), p. 1-8; and U.S. House of Representatives, Committee on Foreign Affairs, *Reports of the Special Study Mission to Latin America*, Committee Print, 91st Cong., 2nd Sess., 1970.

³⁰ U.S. Senate, Committee on Foreign Relations, *Foreign Military Sales, Hearing*, 90th Cong., 2nd Sess., 1968, p. 42.

My second amendment duplicates an amendment I offered last year at this time. It cuts off military aid to Brazil until we are sure we are not thereby subsidizing torture. When I offered the amendment last year, we were assured that the brutal repressive policies in Brazil were merely local overreactions to difficult problems. While I have no reason to doubt the sincerity of these assurances, a year's experience has proved them wrong. It would now be difficult to deny that recourse to torture is systematic policy on the part of the Brazilian Government. I do not think it is necessary to make a long argument here; it should be sufficient to point to the facts and say, "we have no business being mixed up in this. Our participation must end—it must end now." But, I am afraid that information about torture in Brazil is limited and must be brought before this body. After reading the following articles, I find it difficult to see the torture employed in Brazil as examples of "isolated incidents." These articles follow:

SOCIAL GAP WIDENS IN BRAZIL

(By Richard Bourne)

The president of the Central Bank of Brazil, Senhor Ernane Galves, believes that Brazil may have the highest growth rate in the world this year. At a Latin American bankers' conference he forecast that the increase in the gross national product, expected to be between 10 and 11 per cent, may turn out to be even higher than Japan's.

All of this says nothing much about the distribution of wealth—and 85 per cent of business is in foreign ownership—nor does it immediately help the "flagellated ones" in the Brazilian north-east, who are still on the poverty line. But it is a great source of pride and an important political card of the military-backed revolutionary Government.

If Brazil has the highest growth rate it will not be for the first time. In the late 1950s, under the expansive presidency of Juscelino Kubitschek, who founded Brasilia, a similar claim was made. The difference now is that inflation is running at scarcely 20 per cent a year, and that the bargaining power of organized labour has been broken by the tight restriction on trade union and political activity.

Since the nineteen-forties the Brazilian middle classes, well represented in the cities of the centre-south from Sao Paulo down to Porto Alegre, have been becoming both stronger and converted to the virtues of development. "The result, now that there is a powerful middle-class Government pursuing a private enterprise policy with some dirigiste elements, is that the rich cities look like islands transported from Europe or North America, while the military technocrats set about the north-east, Amazonia, and the oceans of underdevelopment with the zeal of Victorian missionaries.

With the country open for foreign capital and a high rate of domestic saving there is plenty of visible progress in fields like housing, road-building, and the car industry. After a faltering start, the car industry is now the world's tenth, with a forecast output of a million units in 1975. Foreign exchange reserves are a healthy \$1,500 millions and exports are twice that figure annually, and a fifth of the exports is now made up of manufactured goods.

There is little doubt that some at least of this economic progress has been passed on to Brazil's poor. But the minimum salary for a worker in Rio de Janeiro is only around £4 a week and, without even going into the countryside, it is not hard to find a scale of under-employment, malnutrition, and social

need which would be regarded as an endemic scandal in the less developed parts of Europe.

Such paradoxes make some observers in Brazil wonder whether it is right to describe the present economic progress as "development," or merely "development of the under-development." Booming stock markets and a literacy drive designed to enable a million more adults to read each year may be insufficient to ensure that magical "take-off" so beloved of economists a few years back. The steady extension of the middle classes with their beach clubs and cars is almost certainly in advance of the rate of progress of peasants and workers who are being so firmly excluded from politics.

Brazil, with 95 million people and awe-inspiring natural and mineral resources, could continue its present economic policy for years before hitting labour shortages and unstoppable wage pressures. It could be a "Japanese miracle" over again, with the special advantage of enormous domestic resources at a time when the rest of the world is running short.

The vision rests on two assumptions: that the workers and peasants will continue to be kept out of the game by force, and that the military will go on preferring a capitalist to a nationalist economic strategy. Bearing in mind the nationalist tradition in Brazil's armed forces both assumptions must be insecure in the long run, which explains why the present Government seeks to emphasize that the development is in the national interest and that everyone is getting something out of it.

In the meantime Senhor Delfim Neto, Minister of Finance, takes every opportunity to claim that his policy is designed to underpin a more open and plural political system—as if to assuage middle class consciences about the illiberal political price. But if his political aim was achieved his economic policy would at least be modified, and for the present the ends are strictly subordinate to the means.

[From the Wall Street Journal, April 21, 1972]

WHILE BRAZIL BOOMS, BIG AREAS STAY POOR, MILLIONS BARELY SUBSIST
(By Everett G. Martin)

RECIFE, BRAZIL.—In the past few years, Brazil's economy has bounded ahead at one of the world's fastest rates of growth. But try telling this to Maria Souza.

"Times are worse now," says the gaunt, underfed Mrs. Souza. "Now we got only two eggs a week. We buy no more oranges, no more bananas." The 30-year-old mother lives in a mud hut near here and wonders how to support her five children (two others died) on her husband's earnings from unsteady construction work.

The Souza family suffers from a situation that seems nearly incredible at first: While Brazil's real economic growth has averaged 9.8% in the last four years, the boom has had practically no impact at all on well over half the country's 95 million citizens. In fact, millions are actually poorer now than they were five years ago.

The reason, apparently, is that while factories spring up everywhere in this nation they have no use for the millions of unskilled workers; indeed, they tend to throw older workers out of their jobs. Moreover, to combat inflation, the government has held down wage increases so that in most cases a worker's earnings buy less every year. To compound the problem, the poor people as a whole reproduce so rapidly that even though some unskilled workers are being trained and getting jobs the lower class, as a whole, is growing instead of shrinking.

For more than a decade, the Brazilian government, industry and U.S. aid programs have poured hundreds of millions of dollars into projects designed to alleviate this problem.

Yet those projects that stressed industrial development have produced more than their share of frustration and failure. Now Brazil is trying a different approach that stresses agricultural development. If it works, it may offer lessons that can be applied elsewhere.

A THREAT TO THE BOOM

Success in this area is plainly crucial to the poor—and perhaps to the affluent as well. Continuation of unalleviated poverty in a period of national boom obviously poses at least a potential threat to the stability of the military regime, which took over in a coup in 1964. It also threatens the boom itself.

"Only 20 million people in the whole country can readily be called consumers," explains a banker in Rio de Janeiro. "The government wants to push this to 35 million in the next two years. They have to do something before all our new industries run out of customers."

The problem is most crucial here in northeastern Brazil, a hot, drought-ridden area that is nearly four times the size of California. Nearly one-third of all Brazilians live here, but they share only 15% of the nation's output. The area is so much poorer than the rest of Brazil that the U.S. aid programs treat it almost as a separate country. In the last 10 years, the American government has spent almost \$400 million to help develop the region.

Paradoxically, Brazilian government statistics show that the Northeast is growing faster economically than the rest of the nation. Yet most of the tangible results of this growth accrue to the affluent few.

"Real incomes of employed and partially employed workers for the lower two-thirds of the labor force have not increased in the past five years and probably have decreased," says a U.S. State Department report on the region. ("Real incomes" are earnings adjusted to exclude the effect of inflation on purchasing power.)

LIFE ON \$50 A YEAR

Factories lured to the area by government tax incentives and other factors now employ about 900,000 workers. But nearly two-thirds of these workers earn less than the \$30 a month that the government figures it costs to subsist in the cities. And on the farms, fully 80% of all families earn less than \$50 a year.

The situation forces thousands of Northeasterners each year to migrate to the South in hopes of better jobs. There they usually live in wretched shantytowns like the notorious *favelas* of Rio de Janeiro. Yet even these represent a step up from the poverty of Mrs. Souza—and of more than 25 million other poor Northeasterners who share her plight.

Mrs. Souza lives in Ponce de Carvalhos, a sprawling collection of 4,000 huts made of mud plastered on sticks. The roofs are mainly rusting sheet metal. They leak a lot. The huts have no hot water, sewage or electricity.

New factories line the highway that runs alongside Ponce de Carvalhos, but few of the plants bring any benefit to the 20,000 people who live in the huts. The modern plants need skilled workers. Most of the people in the settlement can't even read.

In one group of 50 families, only four men hold regular jobs. As for the other workers, six days a week at four o'clock in the morning trucks haul them off to work in the sugar cane fields until dusk. The temperature often soars into the 90s. A cane harvester can earn 60 cents a day if he's really good. And part of this he must kick back to the hiring boss.

While the work lasts, it feeds a family. But the work lasts only six months a year. In the other six months, the men scrounge for foods such as the small crabs they catch in the rivers.

Far from helping such workers, Brazil's modernization actually victimizes thousands. When a salt company bought new equipment, efficiency soared—but 7,000 people lost their jobs. In Ponce de Carvalhos, many

suffer indirectly from the mechanization of sugar plantations in far-off parts of Brazil; this has made the local plantations uneconomic. Thus, many plantation owners near here have turned their land over to cattle grazing, which requires far less labor than growing sugar.

A 60-year-old woman who had worked 20 years on one plantation says she and 1,000 other workers were told to "harvest your crop, plant grass for cattle and get out." She now earns \$6.50 a month washing clothes. A 41-year-old man who worked 18 years at the Mary-of-Mercy sugar mill now peddles bread by the roadside for 54 cents a day.

According to official estimates, 17% of all workers in the Northeast are either unemployed or underemployed. But everybody agrees that statistics in Brazil have a quality of fantasy about them that infuriates economists; Antonio Delfim Neto, the finance minister, once told a friend that to be an economist in Brazil you must also be a poet. Most economists think the region's rate of joblessness and underemployment is really about 30%.

THE MALE EGO

To aggregate misery, the Northeast region's annual birth rate is about 40 per 1,000 inhabitants, one of the world's highest and more than double the U.S. rate. But a U.S. aid official says any mention of birth control in Brazil meets real resistance. He contends that the main reason for this resistance is not the doctrine of the dominant Catholic Church, but rather the ego of the typical Brazilian male who thrives on his reputation for potency. For example, one jobless man here boasts that he has 19 children by four women—and supports none of them.

Indeed, it is estimated that as many as half of Brazil's children are illegitimate. One reason, of course, is that many couples simply cannot afford the fee for a marriage license, about \$10.

In addition to these woes, disease is rampant. According to the 1970 census, the rate of infant mortality was a staggering 165.3 per 1,000 live births here in Recife, triple the 52.9 in Rio de Janeiro and about eight times the U.S. rate. Numerous youngsters in Ponce de Carvalhos have legs deformed by rickets.

Fully 20% of the children in the region's coastal belt suffer from malnutrition so severe that it has damaged their brains for life, says Dr. Nelson Chaves, a nutritional expert working in the area. Numerous children have bellies that bulge from poor diets. Moreover, millions in the area of all ages fall prey to debilitating diseases that sap their energy and lead to an early death.

WALKING TO RECIFE

Debilitating illnesses have made Manuel Jose, only 37, too weak to work in the cane fields. So this Ponce de Carvalhos resident walks the 15-mile round-trip to Recife three days a week to beg. He must support a pregnant wife and three children. His other five children have already died.

Yet many Brazilians in the booming South feel little sympathy for the impoverished Northeasterners. "Their trouble is that they are lazy," declares a young American-educated Rio matron.

Such Southerners often resent the money that is being spent to develop the Northeast, especially since many of the projects have so far proved frustrating. As the biggest spur to investment in the area, the government waives up to half of a corporation's income-tax obligation if the company invests the funds in approved Northeast development projects. Individuals can deduct from their taxable income 30% of any approved investments they make in the area.

Combined with some government arm-twisting, these incentives have indeed spurred rapid industrial growth in the region. Last year alone, the government approved 152

projects worth \$108 million. The projects are expected to create 11,000 jobs directly and 41,000 jobs indirectly, government officials say.

EVEN SALVADOR CAN'T KEEP UP

The cities of Salvador and Recife, each with a population of about one million, get most of these investments. But the only solid benefit is seen around Salvador, which is located nearer the big consumer markets of the South. And even there, new jobs aren't being created fast enough to keep up with the growing supply of unskilled labor, says Mario Kertesz, the local planning minister.

Recife, which is 1,100 miles from Rio de Janeiro, is so remote from big markets that most industries can make money only by selling their products locally. Yet most of the local people don't have enough money to buy. Result: Factory after factory operates at only a fraction of capacity.

For instance, Ford Motor Co. assembles only 13 little "Rural" station wagons a day at its Recife plant. The plant is so uneconomic that management is considering using it to make something else such as uniforms for workers in the big Ford plants in São Paulo. Simply for lack of customers, General Electric Co.'s light bulb factory here is also doing poorly. Yet because of the tax breaks many plants will be able to operate this way forever.

A German businessman observes: "After all, if building a plant in Recife were such a good investment, the government wouldn't have to offer such liberal incentives." Israel Klabin, head of Brazil's largest paper company (which has invested in the region), adds: "We have produced an underdeveloped, highly industrialized region."

BACK TO THE FARM

Realizing that industry alone hasn't provided the answer, the government is trying a new approach. Now, a large share of the tax incentive money will be used to develop agriculture and agriculturally based industries to use the Northeast's natural production. Another big chunk of the money will go into developing the Amazon region, partly in hopes that new opportunities there will draw surplus workers out of the Northeast. In addition, new vocational training programs are planned for the Northeast.

Many economists think that if the shift in emphasis works, it may offer valuable lessons to other developing nations that have met frustration in stressing rapid industrialization instead of agriculture.

Yet some doubt that the Northeast will ever catch up with the rest of Brazil, at least not within the lifetime of the children in Ponce de Carvalhos. "It is a problem that is just too damn big," says Mr. Klabin, the paper mill executive. Adds an American observer: "You have probably 26 million people with no education, mentally stunted by malnutrition, suffering from diseases—what can any underdeveloped country do for so many marginal people?"

BRAZILIAN BLEMISHES

In spite of the air of euphoria with which the City of London regards Brazil today, there are signs that not all is well with the economy and that the problems will not easily be solved.

This week the City's enthusiasm for Brazil will rise to a new peak with the arrival of a large trade mission led by the 33-year-old Minister for Trade and Industry, Marcus Frattini de Moraes, whose chief aim is to boost Brazilian exports of manufactured goods.

The enthusiasm is based on the phenomenal growth of Brazil's national product (11.3 per cent last year), the generous welcome offered to foreign capitalists at a moment when other doors around the world are closing fast, and the extremely skillful and sophisticated diplomacy practised by the Brazilian Foreign Ministry.

The appeal of Brazil to foreign investors is similar to that proclaimed by Nigeria in a recent series of disagreeable advertisements accepted by some national papers:

"People are making huge profits in Nigeria, why don't you?" was the alluring headline. Among the reasons for investing were plentiful labour at £1.20 a week and a stable political environment. Investors would get their money back in three years, which may be translated into annual profits of 33.3 per cent after tax.

Similar claims—expressed rather less crudely—are made for Brazil, and there is no shortage of takers.

Volkswagen operates one of the largest integrated car manufacturing plants in the world; Ford is about to manufacture Pinto engines for Detroit in São Paulo (the ones Henry II decided not to make in Britain?); and Nippon Steel from Japan is thinking about building one of the world's largest steel mills for exporting semi-fabricated products to the rest of the world.

The Brazilian boom is indeed sending shock waves around the world, and the Japanese are extremely interested—for various reasons. In the first place, Brazil is perhaps the greatest store of untapped natural resources in the world—with the possible exception of the Soviet Union.

Secondly, there are links with Japan going back to the beginning of this century, with almost a million Brazilians being descended from Japanese immigrants; thirdly, Brazil seems oblivious of the dangers of pollution in its headlong quest for industrial growth; and fourthly, it has a currently inexhaustible supply of cheap labour.

All these factors make Brazil a suitable base for Japanese manufacturing operations. Apart from the steel industry, Japanese companies are deeply involved in Brazil's shipbuilding and petro-chemical industries.

An intriguing recent rumour has it that the Japanese are considering a deal whereby whole factories would be transferred from Taiwan to Brazil—with financial assistance from the Brazilian Government. It is hard to pin the report to a source but it is certainly believed in well-informed quarters.

It is quite irrelevant to the investment decisions of Japanese, North American, or European businessmen that Brazil is a military dictatorship, in which political dissent is punished with exile (at best) or torture and death.

Political freedom can be argued so many ways, and the average visitor (for business or pleasure) is no more aware of the repressive apparatus than he is in, say, France. And anyway there is no sign of international investors shrinking from South Africa, where the exploitation of one class by another is perhaps more naked than anywhere else in the world.

The businessmen may, however, be interested to hear about the battles which are currently going on inside the Brazilian administration, battles which are just now coming to the surface and providing the first crack in the facade of prosperous stability which has been maintained since President Emílio Garrastazu Médici came to power in 1969.

His years in office have seen the virtual liquidation of the urban guerrillas as well as victory in the World Cup, a period of dramatic growth in the Brazilian economy, improving relations with the rest of the world, and the election of a Brazilian Miss World. It has seemed as if nothing could go wrong.

Paradoxically, Finance Minister Antonio Delfim Neto, who is frequently seen as the architect of the "Brazilian miracle," is at the centre of the present storm, which concerns the management of the economy as it affects Brazilians, rather than as it is presented to the outside world.

Inflation is still a major problem: in spite of the Government's promise to cut it back

to 10 per cent in 1973, it is still bowling obstinately along at 20 per cent a year.

The President, in his best parade ground manner, as befits a general, has said that inflation will be brought down to 15 per cent this year and 10 per cent next year. Delfim is working on it with little hope of success.

The impact of inflation on the middle classes—and most significantly on the whole officer class—has been made worse by a nine-month-long bear market on the stock exchange.

The index climbed and climbed through 1969 and 1970 and at the beginning of 1971 stood at 2,600. By May it had reached 3,400, and in June it reached its high-water mark at 5,600. Today it is back at around 2,600.

The importance of this may be illustrated by a nice if improbable story which is going the rounds in Rio. Last June Delfim Neto is supposed to have told a group of senior officers who were demanding a pay rise that they should instead invest their savings on the stock exchange.

True or not, Delfim is under pressure from the military to get the market up again and measures have been taken to this end. Officially-controlled funds are being pushed into the market, and the issue of new shares is being controlled.

Of course, there are other reasons for the present attacks on Delfim Neto. The Foreign Minister, Mario Gibson Barbosa, is jealous of the Finance Minister's increasing influence over the making of Brazilian foreign policy.

Delfim Neto is constantly making trips abroad, feted by bankers and politicians wherever he goes, and is reported to be seeking to create a foreign trade ministry—responsible to the Finance Ministry—which would inevitably reduce the authority of the Palácio de Itamaraty, as Brazil's prestigious foreign ministry is called, after the building in which it was originally housed.

The effect of inflation on middle class standards of living, the decline on the stock market, and power struggles within the Government may all be adduced as reasons for the pressure on Delfim.

The larger problems, underlying the squabbles, are more complicated. Basically the problem is that if Brazil is to emerge (as the generals desire) as a major world power—a member of the Group of 10 rather than the Group of 77, as it is sometimes expressed—its industries require larger markets.

This is not a straight choice between enlarging the domestic market and boosting exports, as the domestic market must be allowed to grow if unit costs are to be kept sufficiently low to make Brazilian products competitive.

In order to maintain the pace of industrial development, a number of decisions have been taken.

Wages have been deliberately held down, and statistical evidence shows that real wages of factory workers in São Paulo—the largest industrial centre in the southern hemisphere of the world—have been almost halved over the past 10 years. Family incomes have only kept pace by workers working longer hours and wives going out to work.

Foreign capital has been given a warm welcome, and no attention has been paid to whether the industries being set up are capital or labour intensive. In fact, the problem is not just that modern low-cost plants do not employ many workers, they actually put thousands of workers out of work in companies which cannot compete.

In spite of all expedients, and the rapid growth of manufactured exports, the balance of payments is still giving cause for concern. Last year, there was a deficit on current account of \$1,287 millions, which was put into surplus by foreign loans and equity investment.

Brazil is taking urgent steps to borrow more eurodollars—in fact this will be the

primary task of the European Brazilian Bank which Delfim Neto will be coming to London to open this week.

EUROBRAZ, as it likes to be called, is jointly owned by the Bank of America, Union des Banques Suisses, the Deutsche Bank, and Banco do Brasil.

This is a very high-class group, and it is a measure of Brazil's current financial success that it could put it together. There was a queue of international bankers wanting to participate—including Barclays, who were turned down flat.

Nevertheless, while the bankers and industrialists are rubbing their hands together and counting out the money, more and more Brazilians are discussing the distributive effects of the economic miracle—and some are even going so far as to ask whether it would be possible at all without taking from those who have not and giving to those who have.

[From the Los Angeles Times, June 21, 1972]

**BRAZIL MILITARY REGIME CRITICIZED IN STUDY
BY ITS OWN WAR COLLEGE**
(By Leonard Greenwood)

RIO DE JANEIRO.—Brazil's military government, already facing mounting protests against its repressive policies, is being further aggravated by widespread publication of a study by its own Superior War College advocating press freedom and the right to criticize.

Copies of the study were made available to newsmen at the War College for unknown reasons, and details have been appearing piecemeal in the Brazilian press in recent days—in such leading newspapers as Rio's Journal do Brasil and O Estado de Sao Paulo.

The disclosures came at a particularly awkward time for the government of President Emilio Garrastazu Medici.

In the past two weeks the country's lawyers, the decree-weakened opposition in Congress and the more courageous sectors of the press have pointed the Roman Catholic Church in telling the government that Brazilians are chafing increasingly at their lack of freedom, insecurity and instances of torture after eight years of military rule.

LANGUAGE MODERATE

The protests have been couched in moderate language but with a firmness, boldness, and unity not shown in this country since the government suspended guarantees of freedom under Institutional Act No. 5 in December, 1968.

Political commentators attribute the government's silence to its total surprise over the disclosure. These sources add, however, that government and military leaders already are making it clear in private talks that no changes are contemplated in the situation.

The study, one of a Superior War College series this year, was concerned with social communications in a contemporary society. It was carried out by three psychologists and an artillery colonel, led by Otto Julio Marinho, an assistant in the college's psycho-sociological department.

The report said that to create a good image the government must explain to the people what it is doing and tell them about its successes, but it must also admit its failures.

"Trying to hide facts so that the image of an administration should not be damaged, or hiding failures or imprudences, causes a loss of confidence on the part of the people in the communications media and in the voice of the government," said the study. "It provokes rumors, veiled comments and scandals. Responsible criticisms must exist. It is the only way for a government to have a real concept of the situation."

NEED FOR FACTS

The study said a democratic society depends on freedom of information and the

free flow of ideas and opinions because "conformity signifies death by self strangulation."

"In the search for truth men need all the information they can get and access to all ideas—not only those others want to give him," said the study.

The study dealt at length with censorship of the press and said this violates the rights of free expression and might lead to tyranny. However, it added, liberty of the press is limited by responsibility and there must be laws to protect individuals and groups against defamation, to control obscenity, and to prevent the publication of violence.

The press in Brazil is rigidly censored and the government deals severely with critics, thus severely restricting free discussion and a free flow of ideas. President Medici himself has made it clear, for instance, that any discussion of who will be his successor in 1974 would be considered against the national interest.

OTHER PROBLEMS

The publication of the study and the series of protests are not the only delicate problems the government has on its hands at present. There has recently been a surge of discussion about Brazil's political future even among people who by no stretch of the imagination could be described as subversives.

These have included the former secretary general of the Ministry of Justice, Manoel Doncaides Serreira Filho: a government party member of Congress, Etelvino Lins, and writer and sociologist Gilberto Freyre.

While there are no obvious signs of collusion between the different groups, the fact that they all have spoken out so strongly within a few days of each other, after long periods of silence, indicates an undercurrent of discussion of these subjects throughout the country.

Political observers say it may be an attempt by intellectuals to show the government that if it wants to break way from the right-wing military factions which pressure it, and move toward the democracy it professes to desire, it will have widespread support.

STATE OF LAW

The National Bar Assn., representing more than 80,000 lawyers, called on the government to return Brazil to a state of law, to respect human freedoms and to restore habeas corpus to people accused of political crimes.

Presidents of all the country's regional bar associations meeting in Curitiba, capital of the southern state of Parana, agreed unanimously to a declaration that amounted to a complete denunciation of repression.

The lawyers demanded respect for the physical and moral integrity of prisoners and observing of all rights of the defense, including notification of judicial authorities when arrests are made, enforcement of time limits in which prisoners may be held incommunicado and without trial, and freedom for defense lawyers to carry out their duties.

Many lawyers here say the frustration of these rights has become almost routine in the cases of political prisoners in recent years.

They rejected the government's claim that it has suspended freedoms to enable the country to grow economically in peace. . . .

[From the Los Angeles Times, June 22, 1972]

BRAZIL CLAMPS LID ON TALK OF LIBERALIZATION
(By Leonard Greenwood)

RIO DE JANEIRO.—Brazil's military government has cracked down on all public discussions of ideas advocating liberalization of federal controls of the press and open debate.

It has told newspaper editors not to pub-

lish any more stories on a report by its own Superior War College, championing press freedom and the right of people to criticize the government.

It has also banned further discussion in the press of suggestions by former Justice Ministry Secretary General Manoel Goncaldes Ferreira Filho and writer-sociologist Gilberto Freyre for a future political model for Brazil.

Informed sources say the orders went out in a formal request for cooperation of the press and ending stories which have provoked a lively discussion and become embarrassing for the government. But one source added:

ALMOST IGNORED

"When a request of this kind is made; anyone who ignores it will be asking for trouble."

Brazilian newspapers and news magazines have given widespread coverage to the Superior War College report and item by item they have distilled and analyzed the suggestions of Goncaldes Ferreira and Freyre.

But overnight there was so little mention of the subject in the main newspapers such as Rio's Journal do Brasil and Sao Paulo's O Estado, it was almost as if the whole . . .

The government's ban on further discussion did not come as a surprise. It was a surprise that the debate in the newspapers was allowed to go on for so long unchecked. It had been the most open press examination of Brazil's political future since the military government passed Institutional Act No. 5 in December, 1968, taking upon itself dictatorial powers.

VAGUE DEFINITIONS

Among other tough measures, the act gives the president power to suspend Congress indefinitely, to remove members from it and to cancel the political rights of any Brazilian. It also suspends the writ of habeas corpus for any person accused of crime against national security. This provision is so vague that national security can be interpreted to mean almost anything the government wants it to mean.

Under these conditions thousands of Brazilians have been arrested in the past four years, hundreds have been imprisoned and some are still held. Only a week ago the Roman Catholic Church accused the authorities of permitting conditions to exist under which political prisoners have been mutilated and even killed.

The Superior War College study, which inexplicitly was made available to the press, zeroed in on the subject of press freedom and said censorship violates the right of free expression and can lead to tyranny. It also said that while it is legitimate for a government to tell the people about its successes it must also admit its failures and permit responsible criticism.

FUTURE PATTERNS

Some sources say senior military men within the government are examining why the report was released.

Goncaldes Ferreira and Freyre's made the suggestions for future political patterns for Brazil in studies prepared at the request of Arena, the government party in Congress. Copies of the report were passed on to the press.

The main theme of the discussion that has arisen among the country's politicians and intellectuals as a result of these reports is that the time is right for Brazil to start moving toward political liberalization.

[From the Miami Herald, June 30, 1972]

IAPA PRESIDENT CHIDES BRAZIL

The president of the Freedom of the Press Committee of the Inter-American Press Association (IAPA) has criticized Brazil for squashing "an undercurrent of liberalism" in that nation.

German Ornes, in a statement released in

Miami, specifically criticized a Brazilian decision to prevent any public discussion of a report from Brazil's own War College in favor of freedom of expression and opinion.

"The report and the liberty with which newspapers were discussing it had filled us with satisfaction and optimism," Ornes said.

"We hope that the prohibition will be temporary and that the Brazilian government take into consideration the advice of its own Superior War College."

[From the Miami Herald, Apr. 11, 1972]

BRAZIL ARMY SHUNS ECONOMICS, CONCENTRATES ON MODERNIZATION

RIO DE JANEIRO.—The Brazilian Army has shifted its priorities from international-national economic development to military modernization, according to military sources.

Until this year, army reorganization got a low priority because it took second place to development goals, the sources said. This occurred although since the 1964 coup d'etat, the army has held the real political power in Brazil.

"The general feeling in the army now is that it is about time that they had a bigger slice of the pie," one military source said.

As it pursues military modernization and reorganization, the army is paying less attention to political events, especially police activities, the sources said.

"More and more the army prefers to act indirectly and let the civilian police have more control," the sources said. "Apparently they feel that terrorism is something they do not have to worry about as much."

According to the sources, the "new look" of the army was launched in December by Gen. Alfredo Souto Malan, chief of staff, who said: "We can permit ourselves perspectives of what we call gradual disengagement of the armed forces."

A month before the Malan speech, President Emilio Garrastazu Medici ousted the air force minister, Air Marshal Marico de Souza e Melo, who was identified as one of a group of officers who wanted to continue to involve the air force in political repression. With the replacement of Melo, the air force returned to its traditional military orientation, military sources said.

With less worry about politics, the army found that its structure was outmoded, they said. Its divisional organization was based on World War II patterns with cumbersome and separate artillery, infantry and armored divisions.

"The Brazilian Army is now substituting its divisions with brigades, which have a better mix of armored, infantry and artillery units. This gives it more mobility and flexibility," the sources said.

At the same time, the army is emphasizing the production of weapons at home rather than their purchase abroad, according to the sources.

The Engesa Company of Sao Paulo has built prototypes of an amphibious troop carrier and a scout vehicle with a 32mm gun that are currently undergoing tests and may be ready for production within five years, the sources said.

A military expert described the Brazilian arms production effort as "modest." The weapons would help give Brazil a defensive, but not an offensive, capability, and Brazil still ranks behind Argentina in the sophistication of its cavalry units, the expert said.

[From the Miami Herald, Aug. 29, 1971]

EUROPE RAPIDLY REPLACES UNITED STATES AS MAIN LATIN ARMS SOURCE

(By Frank Soler)

Western Europe is rapidly replacing the United States as the most important arms salesman in Latin America.

The trend has represented a loss for the U.S. military complex of more than \$1 billion in arms sales to Latin nations over the past decade.

Within the past two years alone, a large slice of the estimated \$750 million spent by the Latins in military hardware has been scooped up by the European traders.

More importantly, the intensifying trend evidences a serious loss of heretofore undisputed U.S. influence in Latin military circles.

At least seven countries on the South American continent—Argentina, Brazil, Peru, Colombia, Ecuador, Chile and Venezuela—have made major military purchases in Western Europe recently, shunning the U.S. market.

And at least one Central American nation, economically hard pressed Honduras, is also reported to have purchased some vintage U.S.-made jet fighters from Europe.

In an effort to reverse the trend, President Nixon recently waived the \$75-million annual ceiling on American arms sales to the Latins and requested that Congress double the figure to \$150 million.

The measure was quite drastic, inasmuch as the ceiling had been imposed by Congress in 1967 to throttle any possibility of an armaments race that would divert funds from badly needed social reform programs in Latin America.

The President's move, however, probably amounts to too little and comes too late.

Most Latin nations that needed—and could afford—to modernize their armed forces already have done so by buying or contracting to buy jet fighters, fighter-bombers, tanks, ships and even nonnuclear surface-to-air and air-to-sea missiles from Western Europe.

By the time another modernization is needed, say 10 or 15 years from now, these countries should possess the technology required to develop their own armaments without having to shop abroad for them.

Thus America's hand-me-down war material, such as the World War II vintage Sherman tank, for years one of the most distinctive trademarks of Latin America's military, now appears destined for the scrap heap there.

The trend can be laid to a variety of reasons, with the 1967 congressional decision to limit the sale of arms to the Latins serving as the catalyst.

Long before that, however, young nationalistic military officers in Latin America had expressed their displeasure with the antiquated carcasses they got from the United States and had demanded more modern equipment to replace them.

The governments themselves, spurred by simmering border disputes and the suspicion with which many neighbors eyed each other because of them, also had realized the need to improve their national defenses.

When the congressional ceiling on arms was imposed, it left the Latins with an alternative: continue to equip their armed forces with vintage materiel or look elsewhere. They chose to look elsewhere.

Almost immediately, they found a cluster of European arms salesmen knocking on Latin America's door—a door that for more than 20 years had opened practically only for the United States.

The Europeans offered modern equipment and rockbottom prices.

The Latins bought and have continued to do so in increasing proportions since, especially from France, Great Britain, West Germany and Italy.

The first substantial breakthrough for the European salesmen came in late 1967 when Peru bought a squadron of 18 French-made Mirage jet fighters at an estimated cost of more than \$40 million.

Brazil, Argentina and Colombia followed suit rapidly, buying more Mirage aircraft, a

plane described as a "thoroughbred . . . a pilot's aircraft and a very sound interceptor."

Colombia, which had been tangled in a lengthy border feud with Venezuela, ordered 18 Mirage jet interceptors to counter its neighbor's air superiority.

Subsequently, it was reported that Venezuela planned to spend \$72 million for 36 Mirage fighters and purchase an additional 36 Phantom fighters from the United States to checkmate Colombia's move.

Brazil, which since 1967 has spent nearly \$500 million in weapons, ordered 16 of the \$3-million, 1,500-mile-per-hour aircraft.

Peru, delighted with its acquisition, added five more.

But the biggest Mirage buying spree was pulled off by Argentina, which ordered the first of what will eventually be a total order of 90.

Argentina also bolstered its air force with 25 Skyhawk fighter-bombers from the United States and 12 Canberra bombers from Great Britain.

Neither Argentina nor any of the other weapon-buying nations have limited their purchases to aircraft, however.

In March 1968, Argentina bought 60 French-made AMX13 light tanks at a total cost of \$10 million. It also purchased a French tank production line, for which it paid \$80 million, which reportedly will allow that nation to manufacture and export armored vehicles in the near future.

Argentina's navy was strengthened with two guided-missile frigates from Great Britain at a cost of \$72 million. The frigates are not only equipped with the ultramodern Sea-Dart missile system but also with fully automatic deck guns.

Two submarines also were purchased from the United States and two others from West Germany; the latter are to be assembled in Argentina.

Even the Netherlands got into the act, selling Argentina a refurbished U.S.-made aircraft carrier for reportedly \$3 million.

Brazil has not lagged far behind.

That nation bought 112 Aero-Macchi Italian-made jet trainer planes for a total cost of \$70 million; six British Vespert-Thornycroft frigates at \$40 million each, two British Oberon-class submarines for \$30 million each; four West German minesweepers; a supply tanker; and trucks, jeeps, rifles and ammunition totaling \$35 million.

In addition, Brazil is negotiating an \$80-million purchase of eight French-made Breguet anti-submarine patrol aircraft, which carry homing torpedos and air-to-sea missiles, as well as 24 Albatross air-to-sea missiles.

The Brazilian government also is said to be negotiating the construction of a Mirage aircraft factory in Brazil and a contract to service all the Mirage aircraft that its maker, France's Dassault, sells in Latin America.

Both Argentina and Brazil are also seeking to buy the British-made Marconi radar air defense system.

Other countries buying weaponry from Western Europe include Chile, which purchased 21 Hawker Hunter British jets recently; Ecuador, which brought some tanks from France as well as some coastal patrol craft; and Honduras, which reportedly bought several U.S.-made F86 jets from West Germany.

[From the New York Times, Aug. 24, 1971]

THE CONCORDE WILL VISIT LATIN LANDS NEXT MONTH

(By Henry Giniger)

PARIS, August 23.—The Concorde, the French-British supersonic airliner, will make its longest test flight when it goes looking for business in South America next month.

Aerospatiale, the state-owned aircraft and space concern, announced that the French

prototype 001 would leave Toulouse in southern France on Sept. 1 for Rio de Janeiro, São Paulo and Buenos Aires. When it returns on Sept. 17, it will have flown 8,000 to 9,000 miles.

On board, in addition to officials of Aero-spaciale, will be two members of the French Government, Valéry Giscard d'Estaing, the Minister of Finance, and Jean Chamant, the Minister of Transport.

CAPE VERDE ISLES FIRST

The Concorde will go first to the Cape Verde Islands off Senegal, West Africa, and then to Cayenne in French Guiana. With some Brazilian journalists aboard, the plane will then fly to Rio and from there to São Paulo, where a big commercial fair, France 71, is scheduled to open on Sept. 9.

The Concorde will apparently be the main attraction. Its builders today noted that some of the major pioneering efforts in intercontinental air travel were flights between South America and Europe. South America, they said, "constitutes a particularly interesting territory for this new stage in the progress of commercial aviation."

LATIN INTERESTS SOUGHT

Sixteen companies have taken 74 options on the plane, but none is South American. Aero-spaciale, which will also show the plane in Buenos Aires, will seek to interest Varig of Brazil, Aerolíneas Argentinas, Viasa of Venezuela and Avianca of Colombia. A spokesman here emphasized that those four companies all maintain intercontinental routes that "tomorrow will be considerably shortened by supersonic flight."

It will be the second time the Concorde has bridged two continents. In May, just before the opening of the Paris air show, the Concorde made a relatively short flight to Dakar in West Africa.

The more ambitious technical and commercial effort involving South America emphasizes the French and British desire to capitalize on the lack of United States competition in the supersonic field in a market traditionally dominated by the United States.

[From the Washington Post, Sept. 12, 1971]

FRANCE COURTS BRAZILIANS WITH STYLE AND HARDWARE

(By Lewis H. Diuguid)

SAO PAULO, September 11.—France sent its finance minister, a huge trade fair and the supersonic Concorde this week to pledge its allegiance to Brazil as the market of importance in South America.

Finance Minister Valéry Giscard d'Estaing made clear his vote of confidence in Brazil's approach of growth through military-controlled capitalism. The other emergent option on this continent is the socialism exemplified by Chile, Peru to a lesser extent, and at least until the last coup, Bolivia.

"We are impressed with the rate of development of Brazil, and what is more important, with the evenness of that rate," said Giscard d'Estaing. "... I believe in the Brazilian miracle."

Brazil's growth rate has been measured at about nine per cent in each of the last three years, performance unparalleled in Latin America.

To the extent that the French capture markets here for the glossy products at the trade fair, it will be at the expense of U.S. business—which has thoroughly dominated sales of imports in Brazil.

The fair opened Thursday in an immense exhibition hall set against the smoggy, craggy skyline of this industrial center of over 8 million people.

A French team had worked two years to assure that goods displayed would not duplicate industrial goods produced here, which are considerable and which are the object

of an intense and government-orchestrated national pride.

Displays included sophisticated chemical, medical and electronic equipment, reflecting the expanded needs of this economy. With 93 million people and territory bigger than the pre-Alaska United States, Brazil is literally half of South America. International monetary fund figures indicate that of \$2.2 billion in Brazilian imports in 1969, \$682 million came from the United States and only about \$80 million from France.

Giscard d'Estaing said the buyers at the fair could expect prices and credit competitive with any other countries. And he suggested that with the international crisis of the dollar the French offerings should be even more appealing. France's share of exports to the rest of Latin America is even less than that here, compared to the United States. Likewise French investments are said to be under 7 per cent of the total foreign investment, compared to 50 per cent from the United States.

The arrival of the Concorde gained the trade fair whole editions of publicity. Wealthy Brazilians visit Europe often, and the prospect of a five-hour hop to Paris has great appeal. The British role in the plane's development went almost unnoticed.

A feature of the fair were models of French aircraft, including the Mirage fighter that has been purchased by Brazil as well as other Latin countries.

On opening night, the fair had a touch of Jacques Tati, a sort of Mr. Hulot's samba holiday. A machine for packaging liquids in plastic containers went berserk. It splashed viewers and flooded the floors. French lovelies in long hair and short skirts discovered that the Portuguese they had crammed in Paris wilted in Sao Paulo. There were only enough tour maps to serve a few visitors.

But Sao Paulinos said it was better organized than most such events here. An American machinery firm took an ad in the newspapers cautioning against the glitter and reminding that a (smaller) trade fair from the north would be along later. If the French government had any qualms about too close association with the military government, often alleged to be brutally repressive, they were not showing it. Giscard d'Estaing's host and guide was Finance Minister Delfim Netto, hero of the Brazilian economic miracle and an urbane former economics professor. Said one dismayed opposition leader: "nobody introduced to Brazil by Elfim could believe repression occurred here."

[From the Washington Post, Apr. 20, 1972]

GERMAN ROCKET AT BRAZIL BASE DRAWS SOVIETS

(By Dan Griffin)

NATAL, BRAZIL.—At precisely 07:32:53 on a recent Wednesday morning, a West German rocket shot up from a launching pad near here and soared 140 miles out to sea, landing within 20 miles of the spot where a Soviet tracking ship had been sighted two days earlier.

The launch had been delayed while Brazilian air force planes made sure that the Soviet ship, the Yuri Gagarin, had left the 200-mile territorial waters that Brazil claims.

Undoubtedly, the Yuri Gagarin had been in the area less to learn about the relatively unsophisticated rocket—a 25-foot-long, two-stage, solid-fuel weather rocket of German design and Canadian manufacture—than to remind the Germans that they are still forbidden, under rules imposed by the Allies following World War II, to build or launch rockets within their own territory.

If the Soviets were there to warn Bonn, the Germans' presence, in turn, was a clear demonstration of their interest in keeping German rocket and space technology alive and

developing, despite the restrictions imposed after the war.

Earlier the same week, in fact, two similar West German launches had been attempted from a base in India, with rockets identical to the one launched in Brazil, but both failed. One blew up on the pad, the other went astray.

BRAZIL GAINS TECHNOLOGY

For their part, Brazil's military leaders are making use of the rocket program to gain the technology necessary to overcome the country's overall underdevelopment and become a modern industrial nation.

The question that remains is why West Germany and a number of other countries as well have chosen to launch their rockets in Brazil. What does the vast, underdeveloped Brazilian Northeast—known mainly for its periodic droughts and chronic poverty, and often called the largest single concentration of misery in this hemisphere—have to offer rocket and space programs?

The answer: An ideal location, in more ways than one.

Ten miles from this state capital, on a good road—especially by local standards—is a place called Barreira do Inferno, "Barrier of Hell," a name far older than the rocket base that the Brazilian military government began building there in late 1964.

The base, only five degrees from the geographic equator and almost on the magnetic equator, allows an eastward shot (taking advantage of the earth's rotation) over hundreds of miles of open water—all factors useful for the new science of telemetry.

NUMEROUS ADVANTAGES

The area has other advantages, such as low population density, little sea and air traffic, minimal rainfall, favorable winds and—not least—the backing of a government that has more interest in space than money for a space program.

The location attracts foreign space specialists for joint programs which allow Brazilian scientists and technicians to piggyback on other countries' expenditures, thereby gaining far greater experience than their own country's space budget alone could provide.

For example, the German weather rocket's total cost—vehicle, payload, tests, launch and recovery—was estimated by Brazilian observers at nearly \$1 million, all of which West Germany paid.

And the German rocket is far from an isolated example. Since the base was inaugurated, in December of 1965 with a Nike Apache, 382 launches have taken place there, an average of more than one a week.

For foreign space programs, Barreira do Inferno is simply a handy place to set off rockets. But Brazil has a much longer-range interest: An ambitious program called Project SACI (for Advanced Satellite of Interdisciplinary Communications) is under way, aiming at an eventual Brazilian-owned and Brazilian-controlled synchronous radio and TV satellite which will one day "provide universal educational opportunity for Brazil."

The space technology involved is only one aspect of Project SACI. In a crisp little air-conditioned building near the base—halfway between the blockhouse of the launching pad and a mud-and-wattle hut occupied by a typical Northeastern family of peasants, scratching out a meager existence on the parched and barren soil—a team of Brazilians and Americans is at work planning the educational and community-development parts of the program.

PILOT PROJECTS

At the Federal University of Rio Grande do Norte, in Natal, others plan the classes and work on pilot school projects; while in offices in Natal, Brasília, Rio de Janeiro and Sao Paulo, still others are writing specifica-

tions and letting bids for the electronic systems needed for ground installations.

Project SACI's critics tend to point to the conspicuous failure of previous programs the country has launched to "integrate the Brazilian backlands" into national life. The mere addition of technology, these critics suggest, isn't enough to make this project turn out differently.

Nonetheless, the present Brazilian government, with an eye on the hidden costs of underdevelopment—the lack of skilled workers, managers and technicians; of consumers as well as of people who can finance and direct the country's industrialization program—counts Project SACI as an investment bound to pay off.

As the military regime need not justify its programs or expenditures to the voters, the government is moving firmly to make that investment, despite occasional criticisms.

But if education and development are Brazil's conscious goals in implementing the project, another one can be detected underneath: The Brazilian government—and increasingly the Brazilian public at large—sees Brazil as serving its apprenticeship to greatness, as South America's leading country.

[From the New York Times, May 21, 1972]

BRAZIL IS BUYING RADAR EQUIPMENT

(By Joseph Novitski)

RIO DE JANEIRO, May 20.—Brazil has announced the purchase, from French manufacturers, of a \$59-million air-traffic-control and air-defense radar system, bringing the cost of equipping the country with one squadron of French-built Mirage jet fighters to over \$100-million.

A French Government loan to cover the cost of equipping Rio de Janeiro, São Paulo and Brasilia, the country's capital with modern, interconnected air-control centers was announced yesterday in Paris by Prof. Antonio Delfim Neto, the Brazilian Minister of Finance.

According to reports published today, the Thomson C.S.F. company will supply the system. It is believed that the equipment will make Brazil the only Latin-American country to have an adequate ground-control system for the supersonic combat Mirages.

A squadron of 16 Mirages * * * planes is scheduled to begin arriving here in July. The announced cost of the squadron of 13-single-seat interceptors and three two-seat trainers, fully equipped and with all supporting equipment, was \$35-million. The cost of building a new air force base to house the squadron at Anápolis, 90 miles northwest of Brasilia, was about \$17-million.

RISE IN MILITARY APPROPRIATIONS

Peru was the first Latin-American country to purchase Mirage fighters. Brazil, Argentina, Colombia and Venezuela, in that order, have followed suit.

Such arms purchases, made despite heavy American pressure, have contributed to an increase of 348 per cent in military appropriations made each year between 1940 and 1970 by Argentina, Brazil, Chile, Colombia, Peru and Venezuela.

In 1970, Brazil, the largest nation in Latin America, had the largest military establishment and the largest budget, \$792-million, according to a statistical study made for the United States Government last year.

Perhaps as a result of United States prohibitions on sales of modern arms to Latin-American countries, which Congress has written into military aid legislation, almost all recent Latin-American arms deals have been made in Western Europe.

Brazil has signed up in the last year to buy two submarines and six frigates from British shipyards. According to a report published today in the newspaper O Estado de São Paulo, Brazil is negotiating with West Ger-

many and France for ground-to-air and ground-to-ground missiles for her army.

[From Information Brazil]

BRAZIL'S ECONOMIC FOREIGN POLICY

(By Erika Gordon)

It is no secret in Latin America that Brazil was flying planes on Bolivia's borders in case the military coup needed air assistance. The August 1971 coup occurred two days before a trade agreement between Bolivia and Chile was to go into effect, an agreement that would have added strength to the beleaguered attempt to establish an Andean sub-regional common market and that would have given Bolivia access to Chilean ports for shipping their goods. There is no disagreement among development economists that a common market in Latin America would be of tremendous aid in modernization of the member countries. Because of the restricted markets of individual countries, an integrated industrial production profile is impossible to achieve singly.

A common market is not necessarily restricted to regional economic development but can set up a pattern of cooperation that could lead to an inter-country development of an adequate research and development infrastructure enabling them to break their dependency on the developed nations for technological inputs and expertise and thus have a greater flexibility in making the shift to modern technology without needing to strain their foreign exchange reserves beyond their capacity. This cooperation could extend into areas of sectoral development (education, urbanization, health, transportation) making for more rapid advances in social development.

However, the development of inter-country research and development facilities would put the sub-regional Andean area well on their way to taking full responsibility for their own development—the stated goal of our aid program. The Banzer government in Bolivia has shown no interest in establishing trade relations with Chile. In this light Brazil's action can only be seen as counter to the development needs of the entire sub-regional area, as well as, perhaps, counter to the real needs of Bolivia.

This action has created an additional guaranteed market for Brazilian goods, as the Banzer government has aligned itself with Brazil accepting substantial amounts of both money and credit (Enclosure 1) largely for the purchase of Brazilian goods. During the Uruguayan elections Brazil brought troops close to the Uruguayan Border, it is not clear whether they intended to invade Uruguay if the Broad Front, a coalition of Marxist and other leftist forces, won the November 1971 elections or if they were there simply to back up the Uruguayan army in any action they might take.

A New York Times article on November 17, 1971 reported that the Brazilian Army cancelled division maneuvers that were to have taken place two weeks before the election and only 60 miles north of the border, and that earlier the minister of the Army, Gen. Orlando Guisel, had declared in a speech that Brazil had no imperialist goals. On July 23, 1971 the Magazine Marcha released a report of a Brazilian contingency plan to intercede in Uruguayan affairs if the Frente Ampla or one of the traditional parties were to win the election; this plan, however, dated from 1965.

The goal of our military aid program is to provide assistance for mutual defense and for the preservation of stability for development. Last years events raise the very serious question of how much military aid is necessary to maintain stability and whether our military aid is underwriting Brazilian shipments of military supplies to Bolivia.

[From the New York Times, Apr. 9, 1972]

BRAZIL: NOW IT'S GORILLA, GO HOME!"

(By Joseph Novitski)

RIO DE JANEIRO.—From a small river city in the middle of South America, Brazil last week announced to the world at large and to South America in particular that she was in the foreign aid business as a donor and Bolivia was her largest client.

That was the ostensible result of a meeting on Wednesday between Gen. Emilio G. Médici, the President of Brazil, and Col. Hugo Banzer Suárez, the President of Bolivia. The two Presidents signed agreements that gave formal shape to Brazil's seven-month-old program to aid her small neighbor, but here and there in South America there were people who saw the presidential meeting in Corumbá as another sign of slow shifts in the local balances of power on the continent that, until recently, were held in place by the overwhelming official presence of the United States.

The people who saw the meeting that way and wondered—diplomats, political scientists, military strategists and nationalists—are people who remember their history and sometimes worry. They are people who know that Peru's armed forces are organized and trained on the assumption that someday the country might try to win back the territory lost to Chile in the 19th century in the War of the Pacific; that Ecuador has never learned to live with the loss of a huge hunk of the Amazon basin in a Peruvian invasion in 1942; and that half of the Brazilian army has for years been stationed in the southern third of the immense country, waiting for an invasion from Argentina.

War is nowhere imminent and few people even take the possibility seriously. However, as the official United States mantle was drawn away from South America by President Nixon, the natural rivalries of the region have begun to reappear.

Brazil, by the sheer size of her sprawl over more than half the continent and the potential strength of her population of 96 million, has occupied center stage. Then, too, the last eight years under a conservative, repressive, military government that believes in economic development above all have driven Brazil into explosive growth. Run-away inflation has been bridled down to a rate of 20 per cent each year and the gross national product has grown at over nine per cent each year since 1969.

The country last year began an official hunt for industrial export markets in Latin America that eventually drew the government into the foreign aid to small, backward neighbors, like Bolivia, that were not yet ready markets. This has awakened fears of Brazilian domination.

The military Government of Argentina, the Marxist Government of Chile and the Christian Democratic Government of Venezuela have made it clear that they will not allow any such development. President Alejandro Lanusse of Argentina has been trying for almost a year to unite the Spanish-speaking republics to South America on the sometimes explicit assumption that the unity would be in defense against Portuguese-speaking Brazil.

Colombia, Peru and Ecuador have been polite but independent. That left Bolivia, Paraguay, Uruguay and Guyana—small bordering countries where Brazil's aid effort and political influence have been concentrated.

As one result, in Uruguay the same high school students who slop signs on walls reading "Yanki, go home," will shout at a passing car bearing Brazilian license plates: "Gorilla, go home."

Yet, in the light of international financial statistics, the whole uproar seemed slightly

unreal. Brazil, with an official foreign debt of \$5.3-billion, is herself one of the largest recipients of foreign aid in the world. She is the largest single borrower on the books of the World Bank and in debt to government agencies and private investors from the United States, Western Europe, Japan and Canada. "They're just endorsing our checks and passing them on," one Western diplomat said in acid comment on Brazil's foreign aid effort.

BOLIVIA TO PURCHASE 18 JETS FROM BRAZIL FOR \$10 MILLION

LA PAZ, BOLIVIA, December 7.—Bolivia will purchase 18 Brazilian-built jet aircraft valued at more than \$10 million in a move to modernize her air force, La Paz newspapers reported today.

El Diario quoted official sources as saying that the purchase will involve 18 Xavante jets built by the Brazilian state aircraft company.

The Xavante is a subsonic, two seat, twin-jet aircraft designed for training and close air support and is built in Brazil under license from Aermacchi of Italy. The planes have a maximum speed of 450 miles an hour and a range of 1,500 miles.

Bolivia now has World War II-vintage P-51 fighters.

[From the Miami Herald, May 22, 1972]

BRAZIL STARTING TO THROW WEIGHT

(By Georgie Anne Geyer)

RIO DE JANEIRO.—Booming Brazil, the emerging industrial giant of Latin America, is involving itself more and more in the internal affairs of its neighbors.

To Brazil, which long has had an apocalyptic view of itself as the "great power" of Latin America, this is simply a natural extension of her destined role on the continent and in the world.

But to her wary neighbors—in particular the "southern cone" of Uruguay, Argentina, Paraguay, Chile and Bolivia—it is a dangerous sign of a reawakened Brazilian imperialism.

In particular, the Brazilian military government of President Emílio G. Médici, which has taken a politically conservative but economically innovative road to its burgeoning power, is concerned about Marxism in Uruguay and Chile. And they have taken some concrete, little known steps to contain it.

To deal with Chile's Marxist President Salvador Allende, the Brazilian military originally supported with arms and recently has continued to strengthen the Bolivian military regime of President Hugo Banzer.

Banzer's moderate faction in the Bolivian army took over from the far leftist military government of President Juan Torres last August. In recent meetings between Presidents Médici and Banzer, ties between the two regimes have been strengthened.

Banzer has continued to wage an all-out verbal war against Chile, accusing the Allende Government of allowing Bolivian Marxist guerrillas to operate from that country. "There is no question that the Brazilians see a friendly, Bolivia as a buffer state between them and Chile," commended one well-connected diplomat here, "and that they see Bolivia as a means of eventually gaining a port on the Pacific."

"They know there is restlessness in the Chilean armed forces," the same diplomat continued, "and they keep telling the Chilean officers that they are 'behind them.'"

In Uruguay the Brazilian plans were the most deliberate. Had the Broad Front, a coalition of Marxist and other leftist parties, won the presidential elections last November and had Chile's President Allende visited Uruguay, as was planned, the Brazilians were prepared to move.

They had troops brought up close to the

CXVIII—1722—Part 21

Uruguayan border at the time, although it is unclear whether they intended actually to invade Uruguay or simply to back up the Uruguayan army on any action it might take. One invasion plan, which actually dated from 1965, was made public at the time.

The Brazilians also have helped in Uruguay to train what are referred to here as the "good Tupamaros."

The real Tupamaros are the Castroite urban terrorists who have wreaked havoc in Uruguay for the last nine years. The "good Tupamaros" are rightist paramilitary forces who fight the Tupamaros by taking the law into their own hands much as the extramilitary Brazilian death squads have done for the last eight years.

All of this indicates a new aggressive attitude on the part of the highly conservative Brazilian Military, who have run this mammoth country since 1964. This new attitude has grown over the last three years, as the economic power of the country has leaped forward.

[From the Miami Herald, May 11, 1972]

FIVE PRISONERS SAMBA WAY FREE

RIO DE JANEIRO, BRAZIL.—Five musically inclined prisoners in the city jail of the small Brazilian town of Franco da Rocha samba-ed their way to freedom, Rio newspapers reported.

While four of the inmates beat out samba rhythms using drinking glasses, combs and matchboxes, the fifth provided added percussion by scraping a saw against the bars of the cell, the newspapers said.

After the music stopped, the jailer, who had been enjoying the show from another room, went to investigate and found the cell empty.

[From the New York Times, Nov. 17, 1971]

BRAZIL ACTS TO ASSURE URUGUAY, NERVOUS IF LEFTISTS WIN ELECTION

(By Joseph Novitski)

SANTA ANA DO LIVRAMENTO, BRAZIL, November 12.—Little Uruguay has gone into the final two weeks of a strong leftist drive in her presidential election campaign, with occasional nervous glances north across the border at huge Brazil, whose military Government is uncompromisingly hostile to the Marxist left.

Many Uruguayans, particularly those who support the candidate and platform of a leftist coalition built around the Communist and Christian Democratic parties, feared earlier this year that their country would be invaded from the north if the left won the presidential election on Nov. 26.

"There is no doubt that a really leftist govern in Uruguay would be against Brazil's interests," a Brazilian Government source said six months ago. "The question is what to do about it?"

After several months of silence that sounded ominous in Uruguay, Brazil has recently made two public gestures aimed at reassuring the Uruguayans—while maintaining a military presence, as usual, near the frontier.

MANEUVERS WERE CANCELED

Late last month, the Brazilian Army canceled divisional maneuvers that were to have taken place two weeks before the election and only 60 miles north of the border here. Earlier the Minister of the Army, Gen. Orlando Guisel, had declared in an army day speech that Brazil had no imperialist goals.

Brazilian Army officials, passing the word to reporters in Brasilia without any official announcement, said the maneuvers along the border had been canceled because spokesmen for the Uruguayan left had charged that they would prey on voters' fears of an invasion.

The idea of an invasion was never taken

very seriously on the Brazilian side of the border. On the Uruguayan side the cancellation of the maneuvers does not seem to have erased it.

There are no signs of hostility along the virtually unguarded border, which here becomes an imaginary line through the middle of a public park. It separates Livramento, in Brazil, from the Uruguayan town of Rivera, but only on the map. The border park is the principal public square for both towns and Uruguayans and Brazilians are able to work on whichever side of the frontier they prefer.

INCREASING WITH DISTANCE

The farther south one goes from the border into Uruguay, however, the more readily Uruguayans, particularly those with leftist sympathies, express fear of Brazil.

"We really don't think the Brazilians will invade us if the left wins the election," said a Uruguayan rancher with land about 60 miles south of the border. He added that he planned to vote for the leftist coalition, called the Broad Front.

In Tacuarembó, 72 miles south of the border, Broad Front campaign posters identify Brazil and the United States as the two "imperialist enemies" of Uruguay and high-school students shout "imperialist" after a car with Brazilian license plates.

Brazil, the largest nation in Latin America, with 92 million inhabitants and the largest standing army on the continent, looms over Uruguay, with barely three million inhabitants and a standing army outnumbered by the Brazilian Third Army, which has 60,000 men.

Before the Third Army left the maneuver area last month, its commander, Gen. Breno Borges Fortes, said in a speech made available to Brazilian newspapers that a two-day exercise had demonstrated the great mobility and firepower of the new armored cavalry units stationed along the border.

BRAZIL'S MILITARY PURCHASES

(By Erika Gordon, Information Brazil)

The following tables and charts indicate the source of military arms and the breakdown of arms by item produced in Brazil and bought from foreign suppliers. The AID chart indicates that Brazilian expenditures for arms was at the level of 2.7% of GDP in excess of the 2% recommended maximum that should be expended by developing countries. The Conte-Long amendment and the Symington amendment of 1967 provided for curtailment of economic aid if the recipient country were buying arms above their real security needs from foreign suppliers.

Brazil had under consideration the purchase of Mirage jets from France from 1967, an action that we warned them could lead to the curtailment of aid, but when the purchase was made in 1970 no action was taken. Although the purchase cost of Mirage jets is not excessive there are no stipulation made for servicing or the supplying of replacement parts—this purchase has a built in cost escalator; the initial cost is only a percentage of the total cost of the jet during its period of operation.

Although the estimate of our military aid is only \$0.9 million for fiscal 1972 the sale of arms is scheduled at twenty million. Nonetheless our aid in previous years has been well above this level. None of the other arms suppliers provided military aid to Brazil, but our aid program could well have served as a cushion for such extravagant and unnecessary expenses as the Mirage.

The problem goes well beyond this—the Brazilian military is not united in their attitudes toward development or arms needs and there is much internal dissent that is not publicly visible. In a healthy political process heterogeneity of opinion is important to the decisionmaking process, but in a country where conflicting ideas are so little

tolerated our continued military aid can only serve to protect those interested in excessive military expenditures by making their errors of judgment less glaringly obvious.

The Fifth Institutional Act of December 1965 centralized decisionmaking powers by the enforced recess of Congress. Since the government makes all the decisions regarding expenditures and establishes the priorities, all decisions should be viewed as essentially political in nature. They have emasculated the trade unions, outlawed the National Students unions, suspended virtually all individual freedoms, intimidated the press into enforcing its own self-censorship and reorganized party politics in such a way that they have become a farce (Los Angeles Times, Oct. 10, 1971). What little possibility there is for dissent is within the ranks of the military, it is within this context that consideration of continued military assistance should be made.

There are still very serious problems confronting Brazil, the cycle of drought and starvation in the Northeast has not been alleviated, there are still substantial problems with inflation and illiteracy, with income distribution and inadequate medical care, unemployment is still large among unskilled workers. The 1968 AID study prepared for Congress reports that the educational system is grossly inadequate to the needs of an industrial nation. Although a program of comprehensive educational reform has been instituted the analysis of the results are mixed.

One educational advisor was assigned to develop educational technology in the preparation of program instructional material to be used in teaching the teachers. There were supposed to be a total of 500 television programs prepared in the first "package" for teaching the teachers but by the time that the advisor arrived "there were none when we got there" "I doubt there is anybody down there who knows what the plan means." The program was devised by Brazil's Institute for Space Research and was known as project SACI (Advanced Satellite Interdisciplinary Research Communications). One of the previous project coordinators estimated the cost in U.S. aid money as somewhere between \$5 and \$10 million dollars. (Miami Herald, June 12, 1972)

The Superior War College has been known as the arena where most of Brazil's policy decisions are made, but in a recent study in widespread circulation, the Superior War College advocated Press Freedom and the right to criticize. Brazil's government moved quickly to still all public discussions of ideas advocating liberalization of the federal controls on the press and open debate. The reports of both these developments occurred within a day of each other as reported in separate accounts by Los Angeles Times staff writer, Leonard Greenwood.

A report in the Miami Herald of April 11 stated that the Brazilian Army had shifted its priorities from economic development to military modernization. Although this was viewed as a move toward gradual disengage-

ment of the armed forces from direct involvement in political affairs, since coping with internal insurgency is largely the task of the police forces, the military role of the armed forces is limited in the absence of armed conflicts in the region. The demand for weapons can be closely correlated to the political role of the armed forces in any given Latin American country. The high level of arms purchases by Brazil can only be viewed as serving a bureaucratic need, according to the estimate of one Brazilian General the capability of Brazil is about five to one in relation to Argentina, her major competitor.

No observer in Latin America can foresee at this time armed conflicts at a very high level of intensity, and Brazil is economically incapable of competing in an international cost-escalating arms race, nor in fact should it. The U.S. is in the paradoxical position of supplying arms and training to countries throughout Latin America that view each other as historical enemies. Certainly if we can negotiate with the Soviets to reduce arms shipments to the Middle East to alleviate tensions we should be able to negotiate with our allies to curtail arms sales to Latin America that can only divert attention from the much more important goal of social and economic development.

An analysis of Latin American military needs and supplies in the Stockholm International Peace Research Institute's comprehensive report on "Arms to the Third World" is included as a valuable perspective on the Latin American arms race.

ECONOMIC AND SOCIAL DATA, LATIN AMERICA

[Dollar amounts in millions]

Country	Gold and foreign exchange ¹		Central government finances ²								
			Expenditures				Domestic revenues				
	Total		Defense expenditures		As percent of GNP ³						
	1969	1970	1971	Amount		Amount		1970	1971	1970	1971
Bolivia	\$42	\$46	\$54	\$180	\$229	\$19	\$20	2.1	2.1	\$112	\$128
Brazil	656	1,186	1,744	5,401	6,517	948	1,117	2.7	2.8	5,073	6,439
Chile	344	389	428	2,187	3,807	164	277	2.2	3.3	1,750	2,182
Colombia	221	206	203	775	954	91	115	1.4	1.6	711	847
Dominican Republic	40	32	54	294	351	30	31	2.2	2.0	276	317
Ecuador	65	83	65	(*)	(*)	31	36	2.0	2.0	(*)	(*)
Guyana	21	20	26	69	83	2	3	.9	(*)	57	68
Haiti ⁴	4	4	10	46	55	(*)	(*)	(*)	(*)	45	53
Jamaica ⁷	141	165	205	306	368	6	7	.5	(*)	266	304
Panama ⁸	182	304	* 419	209	217	2	2	.2	(*)	160	186
Paraguay	10	18	21	89	110	11	12	1.9	1.9	71	78
Peru	167	329	240	1,068	1,175	180	234	3.0	3.5	1,018	1,044
Uruguay	184	175	176	374	580	50	91	2.1	3.6	332	408
Venezuela	933	1,021	1,522	2,529	2,795	204	216	2.1	2.0	2,111	2,686
Central American common market:											
Costa Rica	29	16	28	172	264					153	164
El Salvador	64	63	65	139	186	11	13	1.1	1.2	134	142
Guatemala	72	78	94	192	208	29	18	1.6	.9	166	174
Honduras	31	20	22	115	126	7	9	1.0	1.2	87	90
Nicaragua	44	49	59	113	126	12	12	1.5	1.3	81	90

¹ Official reserves, gross basis, end of year, end 1971 gold is valued at \$38 an ounce and foreign exchange at realigned exchange rates.

² Converted at 1970 exchange rates; 1971 data are estimates.

³ Derived from current price data.

⁴ August.

⁵ Not available.

⁶ Government finances data for fiscal years ending Sept. 30.

⁷ Government finances data for fiscal years beginning Apr. 1.

⁸ Gold and foreign exchange data include commercial bank hold ings.

⁹ June.

U.S. MILITARY ASSISTANCE TO BRAZIL

U.S. involvement is not only financial. The US also trains personnel both in Brazil—formerly through the Office of Public Safety (OPS) program of AID—and in the US, through the Military Assistance Program of the Defense Department.

TABLE A.—POLICE ASSISTANCE TO BRAZIL 1961-69

Year:	Amount
1961	\$718,000
1962	596,000
1963	1,292,000
1964	1,098,000
1965	774,000
1966	754,000
1967	699,000
1968	623,000
1969	862,000
Total	7,416,000

Source: U.S. AID, Statistics and Reports Division, Operations Report, data as of June 1961, through June 30, 1969. The earlier editions of this publication were issued by the International Cooperation Administration, AID's predecessor.

TABLE C.—U.S. MILITARY ASSISTANCE EXPENDITURES IN BRAZIL 1950-68

[Dollars in millions]

Year or period	Brazil	Latin America (total)
1950-63	\$150.6	\$388.8
1964	9.1	52.1
1965	11.4	55.9
1966	9.5	58.4
1967	13.4	59.1
1968	12.6	72.8
Total, 1950-68	206.7	687.0

Source: U.S. Department of Defense, Military Assistance Facts (Washington, D.C., 1969), pp. 16-17.

TABLE D.—BRAZILIAN MILITARY PERSONNEL TRAINED UNDER MAP (MILITARY ASSISTANCE PROGRAM) IN THE UNITED STATES

Period	Brazil	Latin America
1950-63	3,416	24,421
1964-68	2,255	22,058
Total	5,671	46,479

Source: Department of Defense, Military Assistance Facts (Washington, D.C., 1969), p. 21.

TABLE 4A.18.—CENTRAL AMERICA: CONSTANT PRICE FIGURES
[U.S. \$mn, at 1960 prices and 1960 exchange rates (final column, X, at current prices and exchange rates)]

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Costa Rica	1.4	1.9	2.0	2.0	2.2	2.2	2.2	2.5	2.5	5.7	5.8)
Cuba ¹											(175.0)
Dominican Republic									33.5	41.7	33.4
El Salvador	5.2	5.4	6.6	6.9	6.6	6.6	7.0	8.0	7.5	6.2	6.1
Guatemala	5.5	5.4	6.3	6.2	5.8	7.2	8.2	8.6	9.2	9.6	9.6
Haiti		3.4	3.6	5.1	4.5	4.4	4.8	4.8	6.2	6.6	5.5
Honduras	3.2	3.3	3.7	3.4	3.3	3.1	4.6	4.5	5.0	4.6	4.1
Mexico	56.4	58.3	55.2	62.8	50.0	56.9	64.2	76.0	74.4	74.5	81.7
Nicaragua								7.4	5.9	6.2	6.7
Panama											(11.0)
Total Central America	(270.0)	(270.0)	(270.0)	(280.0)	(260.0)	(270.0)	(280.0)	(300.0)	(300.0)	(310.0)	(330.0)
	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1970X
Costa Rica	5.6	5.7	5.6	5.3	5.8	(5.8)	(5.8)	(5.8)	(5.8)	(5.8)	22.2
Cuba ¹	(175.0)	(200.0)	(200.0)	200.0	213.0	230.0	250.0	300.0	(300.0)	290.0	290.0
Dominican Republic	34.4	33.4	30.8	33.3	30.8	29.5	28.3	29.5	27.8	28.1	31.6
El Salvador	6.3	8.9	8.6	7.9	9.0	9.2	9.4	8.9	10.1	(10.0)	10.5
Guatemala	9.3	9.0	9.3	10.9	14.1	14.5	16.1	15.2	14.7	15.8	17.2
Haiti	5.1	6.0	5.7	6.2	6.1	5.3	5.6	5.5	5.5	5.5	7.2
Honduras	7.1	7.0	7.3	4.9	5.0	5.3	5.2	5.3	5.7	6.9	8.8
Mexico	18.1	97.9	108.0	121.0	121.3	126.0	146.9	152.9	165.6	168.4	218.0
Nicaragua	6.9	6.9	7.1	6.9	7.2	7.4	8.4	8.1	(8.0)	(8.0)	9.8
Panama	(1.0)	(1.0)	(1.0)	1.0	1.0	1.0	1.0	1.0	(1.0)	(1.0)	(1.0)
Total Central America	340.0	380.0	380.0	395.0	410.0	435.0	475.0	530.0	(545.0)	(540.0)	(595.0)

¹ 1965. ² Figures for Cuba are at current prices. ³ 1969. ⁴ 1968.

TABLE 4A.19. CENTRAL AMERICA: CURRENT PRICE FIGURES

[Local currency, current prices]

Currency	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	
Costa Rica	Mn. colones	6.8	9.6	9.8	9.9	11.2	11.6	12.0	13.6	13.2	13.3
Cuba	Mn. pesos										42.6
Dominican Republic	Mn. pesos									34.5	15.6
El Salvador	Mn. colones	9.9	11.9	12.7	15.4	14.5	16.4	17.4	19.2	19.0	9.8
Guatemala	Mn. quetzales	5.1	5.6	6.0	6.0	6.7	8.0	8.8	9.3	9.3	34.4
Haiti	Mn. gourdes	17.7	19.8	22.9	26.3	25.7	25.9	27.2	29.7	35.9	9.3
Honduras	Mn. lempiras	5.7	6.4	6.5	6.1	6.4	6.4	9.3	8.9	9.1	8.8
Mexico	Mn. pesos	346	398	435	479	405	533	632	792	862	883
Nicaragua	Mn. cordobas										
Panama	Mn. balboas										
Currency	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970
Costa Rica	Mn. colones	13.6	13.5	14.1	14.4	15.4	14.4				
Cuba	Mn. pesos					200	213	230	250	300	290
Dominican Republic	Mn. pesos	33.4	31.6	33.1	34.0	37.0	35.0	32.4	31.2	32.5	31.0
El Salvador	Mn. colones	15.3	15.5	21.7	21.3	20.0	22.6	23.0	23.7	23.1	26.2
Guatemala	Mn. quetzales	9.4	9.2	9.3	10.2	12.7	14.3	14.7	16.4	15.7	17.2
Haiti	Mn. gourdes	32.8	31.7	31.6	33.5	38.8	36.8	35.4	35.8	35.8	(35.8)
Honduras	Mn. lempiras	8.2	14.4	14.5	15.4	10.8	11.4	12.4	12.3	12.9	14.2
Mexico	Mn. pesos	1,021	1,111	1,258	1,388	1,589	1,651	1,789	2,148	2,285	2,548
Nicaragua	Mn. cordobas			51.0	55.0	53.2	57.2	60.4	70.5	69.3	
Panama	Mn. balboas					1	1	1	1	1	1

TABLE 4A.20.—SOUTH AMERICA: CONSTANT PRICE FIGURES

[U.S. \$ mn, at 1960 prices and 1960 exchange rates (final column, X, at current prices and exchange rates)]

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Argentina	268.3	281.5	247.8	270.1	291.7	231.4	292.6	247.0	279.1	253.7	284.9
Bolivia				4.2			2.4	2.5	2.1	2.8	4.0
Brazil	219.4	246.2	238.8	241.7	235.3	268.4	323.8	359.1	367.6	288.8	267.3
Chile	78.1	73.7		132.3	84.7	126.3	120.9	129.8	121.0	96.4	103.5
Colombia	23.2	29.3	40.8	54.4	64.1	63.4	61.7	54.9	50.8	42.2	47.3
Ecuador			7.5	12.1		18.2	20.1	19.3	18.4	16.5	22.2
Paraguay							4.8	4.8	(5.8)	(5.1)	(4.9)
Peru	31.3	36.2	35.0	34.2	32.2	34.3	56.5	50.9	57.7	50.8	50.1
Uruguay										(9.4)	(10.8)
Venezuela	63.5	63.5	70.5	71.1	69.6	111.4	139.2	117.6	186.2	195.1	174.6
Total South America	(710.0)	(760.0)	(760.0)	(830.0)	(810.0)	(870.0)	(1 030.0)	(990.0)	(1 100.0)	960.0	970.0
	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971
Argentina	260.4	269.8	262.6	288.6	276.0	310.7	246.7	260.5	306.5	320.0	450.0
Bolivia	4.6	4.7	6.0	12.1	14.3	13.1	12.1	13.0	14.2	(15.0)	19.1
Brazil	245.1	264.6	259.8	276.8	406.9	340.5	478.9	480.4	529.4	434.6	1,387.0
Chile	106.2	111.6	95.9	94.2	111.5	116.1	127.8	127.1	121.2	(157.1)	135.2
Colombia	56.2	88.8	97.1	94.6	101.6	101.6	104.7	137.9	128.3	136.3	(138.0)
Ecuador	21.1	20.1	17.4	19.8	22.2	24.0	21.9	24.2	24.5	(25.0)	22.6
Paraguay	4.2	4.8	5.3	5.5	5.9	7.2	9.2	9.2	10.2	(11.0)	23.6
Peru	(60.0)	(70.0)	80.7	78.7	78.8	78.4	99.6	99.7	94.9		155.6
Uruguay	14.9	14.9	20.3	19.8	22.4	21.6	24.3	17.9	(18.0)	(18.0)	21.2
Venezuela	151.9	157.8	188.3	197.6	219.1	231.8	259.4	257.2	243.4	247.8	(257.0)
Total, South America	948.0	1,010.0	1,030.0	1,085.0	1,260.0	1,245.0	1,385.0	1,425.0	1,490.0	(1,460.0)	2,590.0

¹ 1969. ² 1968.

1960-69 average annual military expenditure (B): By country (A) (millions of U.S. dollars)	Military aircraft and aeroengines								Combat ships			
	Aeroengines		Fighter, jet tr.		Bomber, trans, G5	Hel., VTOL G6	Light plane G7	Drone G8	Submarine			Other displ. over 1000 t. H4
	Jet G1	Other G2	Sup. G3	Sub. G4					Nucl.-pow. H1	Conv.-pow. H2	Air-car. H3	
\$200 to \$500:												
Switzerland							1	6				1
Norway										1		
Belgium									1			
Spain				2	2	1				2	1	1
Greece												1
Denmark												1
Turkey												1
Romania												
Egypt	1											
Brazil												
Yugoslavia				2	2							
Israel				(1)		(1)						
Argentina								3	2			
Iran												1
Hungary												
Portugal								1	1			
S. Africa												
Others												

TABLE HEADINGS AND NOTES

- A—Countries for which military R&D expenditure estimates are not available are listed second, with names in italics. For further detail on the order in which countries are listed, see text, page 183.
- B—Average annual level of total military expenditure in 1960-1969. Estimates converted to dollars at current prices and official exchange rates, except in case of Warsaw Pact countries and China. For further detail on the latter, see appendix 4A, page 74.
- C—Average annual level of military R&D expenditure in 1960-1969, at current prices and official exchange rates.
- D—Minimum number of nuclear test explosions conducted over the period from 1960 to 1968, as estimated in chapter 13, page 361.

- E1—Anti-ballistic missile systems.
- E2-E4—Missile systems designed to attack land-based targets other than tanks. Intended targets may include grounded missiles or aircraft, radar systems, cities, etc.
- E2—Long-range missiles: range over 4000 km. (2500 miles).
- E3—Intermediate-range missiles: range 900-4000 km. (550-2500 miles).
- E4—Short- and medium-range missiles: range under 900 km. (550 miles).
- E5—Antiaircraft missiles. Some missiles capable of intercepting other missiles are included.
- E6—Antitank and antishipping missiles.
- F1—Main battle tank.
- F2—All other tanks, armored cars, armored personnel carriers, tracked support vehicles, and self-propelled artillery.

TABLE 4A.21.—SOUTH AMERICA: CURRENT PRICE FIGURES

Currency	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Argentina (mn. pesos)	1,952	2,747	3,320	3,775	4,246	3,809	5,420	7,115	9,831	17,686	24,027
Bolivia (mn. pesos)				1.7		4.7	9.7	23.9	35.0	41.0	39.0
Brazil (bn. cruzeiros)	6.3	7.6	9.3	11.3	13.0	17.8	26.2	34.6	40.8	43.9	54.8
Chile (mn. escudos)	3.7	4.5	6.0	11.7	13.2	34.3	51.7	73.1	82.2	91.1	109.0
Colombia (mn. pesos)	81	110	150	214	275	272	283	289	306	272	317
Ecuador (mn. sucres)		88	113	181	250	295	298	289	282	247	336
Paraguay (mn. guaranis)											
Peru (mn. soles)	398	508	522	562	551	618	1,066	1,039	1,265	1,259	1,340
Uruguay (mn. pesos)											
Venezuela (mn. bolivares)	182	201	212	210	270	338	382	496	601	607	540

Currency	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971
Argentina (mn. pesos)	27,367	33,608	40,188	45,158	64,703	96,229	98,933	120,431	152,121	180,000	
Bolivia (mn. pesos)	57.9	61.0	66.0	147.0	178.0	175.0	179.0	203.0	226.0		
Brazil (bn. cruzeiros)	69.6	114.5	194.5	338.5	924.0	1,157.0	2,066.0	2,574.0	3,492.0	3,420.0	
Chile (mn. escudos)	119.3	144.1	178.5	256.0	369.0	472.0	614.0	774.0	964.0	1,654.0	
Colombia (mn. pesos)	410	664	965	1,072	1,218	1,467	1,627	2,263	2,321	2,639	(2,806)
Ecuador (mn. sucres)	336	329	307	370	428	483	456	527	566		
Paraguay (mn. guaranis)			1,348	1,436	1,613	2,016	2,592	2,605	2,968		
Peru (mn. soles)			2,614	2,824	3,286	3,575	4,994	5,957	6,022		
Uruguay (mn. pesos)	187	221	365	509	900	1,500	3,200	5,300			
Venezuela (mn. bolivares)	533	509	613	650	734	796	890	894	867	901	959

REGISTER 34. ARMS SUPPLIES TO BRAZIL

Date	Number	Item	Supplier	Comment	Date	Number	Item	Supplier	Comment
AIRCRAFT									
1953-54	62	Gloster Meteor F.8	UK		1961-62	13	Grumman Tracker S-2A G. 89.	USA	
1953-54	10	Gloster Meteor T.7	UK		(1962)	11	Douglas C-54	USA	
1955	25	Republic F-47 D Thunderbolt.	USA		(1962)	(12)	Cessna 0-1 Birddog	USA	
1956	12	Fairchild C-119 Packet	USA		1962	6	Fairchild C-119 Packet	USA	
1956-60	30	Lockheed T-33	USA		1962	2	BAC Viscount	UK	
1957	12	Sikorsky S-55	USA		(1963)	(6)	Fairchild C-119 Packet	USA	
(1957)	4	Lockheed VC-60 Lodestar	USA		1963	6	Pilatus Porter P-3	Switzerland	Cost: \$176,000.
1957	2	Bell 47	Japan		1963	6	NA T-28	USA	
1957	24	Douglas B-26 B/C Invader.	USA		1963	6	HS-748 Mk. 2	UK	
1957-59	95	Fokker Instructor S-11	Netherlands/Brazil.	Produced under license in Brazil.	1963	(5)	Beech H-18	USA	
1958	14	Lockheed P-2V-7 Neptune.	UK	Ex-RAF.	(1963)	(38)	Beech E-18	USA	
1958	2	Westland Widgeon	UK		1964	12	Beech Super H-18	USA	
1980	12	Bell 47G-2	USA		1964	2	Beech H-18	USA	
1960	14	Grumman HU-16A Albatross.	USA		1964	12	Sud T-28 Fennec	France	
1960	3	Westland Whirlwind	UK		(1964)	6	Hughes 269A	USA	
1960	20	Lockheed F-80C	USA		1964	1	Douglas EC-47	USA	
1960	30	Morane Saulnier M.S. 760 Paris.	France		1965	6	Lockheed T-33A	USA	
(1960-62)	70	Fokker Instructor S-12	Netherlands/Brazil.	Produced under license in Brazil.	1965	3	Westland Wasp AS.1	UK	
(1961)	(10)	LAS L-1049 Super Constellation.	USA		1965	3	Lockheed C-130E Hercules.	USA	
(1961)	(10)	Bell 47J1	USA		1966	3	Westland Gnome Whirlwind 3B.	UK	
1961	6	Sikorsky S-58	USA		1966	2	Lockheed C-130E Hercules.	USA	
1961	6	Sikorsky S-55	USA		1966	20	Hughes 200	USA	
					1967	5	Lockheed T-33A	USA	
					1967	5	Cessna T-37	USA	
					1967	6	Bell UH-1D Iroquois	USA	
					1967	5	Lockheed C-130 Hercules.	USA	

REGISTER 34. ARMS SUPPLIES TO BRAZIL—Continued

Date	Number	Item	Supplier	Comment	Date	Number	Item	Supplier	Comment
1967	4	YS-11	Japan		1956-57	2	Transport	Japan	Completed 1956-57.
1968	12	DHC-5 Buffalo	Canada	u.c. \$1.7 mn.					Displacement: 2,228 t.
1968	2	BAC-111	UK	Cost: \$2.4 mn.	1957	2	Submarine, "Gato" class	USA	Completed 1943.
(1968)	11	Hughes 500	USA						Displacement: 1,525 t.
1968	5	Lockheed T-33	USA						standard, 1,816 t.
1968	6	Fairchild Hiller FH-1100	USA						surface, 2,425 t.
1968-69	7	Potez Super Magister	France	In exchange for 23 M.S.760.					submerged.
				u.c. \$856,900.	1958	2	Survey ship, "Frigate" type.	Japan	Completed 1958.
1968-69	6	Hawker Siddeley HS.125	UK						Displacement: 1,463 t.
1968-69	7	Bell 206A Jet Ranger	USA						standard.
1969	6	Bell UH-1D Iroquois	USA		1959	2	Destroyer, "Fletcher" class.	USA	On extended 5-year loan; completed 1942-43.
1969	5	Lockheed C-130 Hercules	USA						Displacement: 2,100-3,050 t.
1969	2	Westland Whirlwind Series 3.	UK		1960	2	Coastal minesweeper	USA	Completed 1942-43.
1969-70	4	Sikorsky S-61B	USA						Displacement: 270-350 t.
1969-70	25	Cessna T-37	USA		1961	1	Aircraft carrier, "Minas Gerais."	UK	Completed 1945;
1970	12	DHC-5 Buffalo	Canada						reconstructed in Netherlands 1957-60.
	15	Douglas A-4F Skyhawk	USA	On order.					Delivered 1961. Cost \$9 mn; reconstruction: \$27 mn. Displacement: 15,890-19,890 t.
	112	EMBRAER/Macchi M.B.326 GB.	Italy/Brazil	To be produced under license in Brazil.	1961	2	Destroyer, "Fletcher" class.	USA	Completed 1943-44.
(1972)	12	Dassault Mirage III E.	France	On order.					Displacement: 2,000 t.
(1972)	4	Dassault Mirage III B.	France	On order.	1962	1	Repair ship	USA	Loaned under MAP. Completed 1945.
MISSILES									Displacement: 1,625-4,100 t.
1966	(50)	Seacat	UK		1963	2	Submarine, "Balao" class.	USA	Completed 1943-44.
NAVAL VESSELS									Displacement: 1,526 t.
(1950)	2	Oiler	USA	Ex-US tankers; completed. 1944-45. Displacement: 2,228 t.					standard, 1,816 t.
1951	1	Cruiser, "St Louis" class.	USA	Completed 1938. Displacement: 10,000-13,500 t.	1967	1	Destroyer, "Fletcher" class.	USA	Completed 1944.
1951	1	Cruiser, "Brooklyn" class.	USA	Completed 1938. Displacement: 9,700-13,000 t.					Displacement: 2,100-3,050 t.
1953	6	Tug	Netherlands	Completed 1953. Displacement: 130 t.	1968	1	Oiler	(Brazil/ Japan)	Built by Ishikawajima Do Brazil Estaleiros.
1954	2	Transport, "Pereira" class.	Japan	Completed 1954. Displacement: 4,800-7,300 t.					Displacement: 10,500 t.
1954	3	Tug	USA	Launched 1954. Displacement: 534-835 t.	1968	1	Destroyer, "Fletcher" class.	USA	Built 1943; Displacement: 2,100-3,050 t.
1955	10	Corvette	Netherlands	Launched 1954-55. Displacement: 911 t. standard.	(1973)	2	Submarine, "Oberon" class.	UK	Displacement: 1,610 t.
						4	Fast minesweeper	W. Germany	On order.
						2	Gunboat	USA	Being built for Brazil under MAP.
ARMoured FIGHTING VEHICLES									
1966	55	M-41	USA						

THE ARMS TRADE WITH THE THIRD WORLD, 1970-71

Supplier	Number and item	Description	Comment	Date: number of items		
				Ordered	Delivered	
France	2	Submarine "Oberon" class	Displacement: 1,610 tons.	New; \$26,400,000	1969	1972-73.
	12	Dassault Mirage IIIE	Fighter		May 1970	1972.
	4	Dassault Mirage IIIB	Trainer	\$70,000,000		
		Aerospatiale MM 38 Exocet	Naval S-A missile	To arm 3-4 new Vosper Mk 10 frigates.	Late 1971	1976-79.
France/FR Germany	7	Breguet Atlantic	Trainer	German content of the export: \$2,500,000.	June 1971	1971.
Canada	12	DHC-5 Buffalo	STOL transport	\$30,000,000, including spares and support.	1968	March to October 1970.
				In addition to 12 delivered in 1969.		
Italy/Brazil	112	Aermacchi/Embraer: EMB 326 GBTF-26 Xavante.	Trainer	Licensed production. Projected cost: \$70,000,000. Mainly Brazilian components from 1975. Planned production rate: 2 per month over 5 years.	May 1970	1971-4.
FR Germany	4	Fast minesweeper, "Schütze" class.	Displacement 230 tons	New; 6 more are projected	April 1969	

[From: "Arms to the Third World", by Stockholm International Peace Research Institutes]

CHAPTER 21. LATIN AMERICA
I. INTRODUCTION

Compared with those of Asia and the Middle East, military budgets in the twenty-three Latin American countries are relatively low and equipment supplied relatively unsophisticated. Total military budgets average \$1.5 billion yearly—1 per cent of world military expenditures and 10 per cent of military expenditures in developing countries. In addition, Latin American countries have received \$75 million a year in military aid from the United States since 1952—or 3 per cent of total US military aid to developing countries.¹

Only 10 per cent of the Latin American military budgets is devoted to arms purchases. Imports of major weapons have averaged \$95 million a year since 1950. Of this, six countries—Argentina, Brazil, Chile,

Cuba, Peru and Venezuela—account for 85 per cent. Brazil is the largest recipient in this region, accounting for 28 per cent of the total; Cuba is the second largest, accounting for a further 17 per cent. Cuban arms imports were concentrated in a four-year period, 1960-63, when Cuba received \$265 million worth of major weapons, mainly from the Soviet Union. Cuba has received the most sophisticated weapons, including MiG-21s, Guideline and Atoll missiles, and "Komar" class patrol boats armed with the Styx missile, although some of these were later returned to the Soviet Union.

Until Peru purchased the Mirage 5 in 1968, no Latin American country, apart from Cuba, possessed supersonic aircraft. Three countries, Chile, Argentina and Brazil, possess missiles—the British ship-to-air missile, Seacat. Two countries, Brazil and Argentina, possess aircraft carriers. All the five major recipients² possess rather old destroyers and submarines, although new ones are on order. All five possess a number of second-generation jet combat aircraft, including F-86 Sabres, Hunters and Canberras. The remain-

ing Latin American countries are mainly equipped with surplus World War II materiel. In a study prepared for the Senate Foreign Relations Committee in 1967, Professor Lieuwen concluded that "Latin America's armed forces are badly trained and ill equipped. Short term conscripts, who never develop much in the way of military skills, make up most of the troop strength in larger countries, while an assortment of obsolete hand-me-downs, white elephants, and heirlooms still make up the bulk of the heavy naval, army, and air force equipment."³

Two main factors account for the low level of arms imports until recently. The first is the dominant position of the United States which, up to the end of the 1960s, minimized supplier competition in the region. The second, which is probably related to this, is the absence of armed conflicts in the region. Since coping with internal insurgency is largely the task of the police forces, the military role of the armed forces is limited. The demand for weapons thus stems only from the political role of the armed forces, which is of considerable importance.

Footnotes at end of article.

TABLE 21.1.—PATTERN OF MAJOR WEAPON SUPPLIES TO CENTRAL AMERICA, 1950-69

[All figures at 1968 prices]

Country and supplier	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969
Cuba:																				
United States	1	1	1	1	1	1	1	1	1	1										
United Kingdom	1																			
U.S.S.R.											2	3	4	2	2	1	1	1		
Other									1											
Dominican Republic:																				
United States	1	1	1	1		1	1	1		1	1	1	1		1	1	1	1		
France										1				1	1					
Other				2		1	1													
El Salvador:																				
United States					1						1						1			1
United Kingdom										1										
Guatemala:																				
United States						1			1		1	1		1	1					
Other										1										
Haiti: United States	1		1	1	1	1	1	1			1	1								
Honduras: United States	1	1	1	1	1	1	1	1		1	1	1			1	1				
Jamaica:																				
United States														1	1		1	1		
United Kingdom																				1
Other																				
Nicaragua:																				
United States	1			1					1	1				1	1	1				
Other					1															
Trinidad and Tobago: United Kingdom															1	1				

1 = less than \$10 mn; 2 = \$10-50 mn; 3 = \$50-100 mn; 4 = more than \$100 mn.

Source: SIPRI worksheets.

TABLE 21.2.—PATTERN OF MAJOR WEAPON SUPPLIES TO SOUTH AMERICA, 1950-69

[All figures at 1968 prices]

Country and supplier	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969
Argentina:																				
United States	1	2	1	1	1	1	1	2	2	1	2	1	1	1	1	1	1	2	1	1
United Kingdom	1							1	2		1						1	1	2	
France							1				1	1	1	1						1
Other	2	2													1	1		1	1	2
Bolivia:																				
United States			1	1		1	1		1		1				1		1		1	
Other									1		1									
Brazil:																				
United States	1	1			1	1	2	2	1	1	2	3	2	2	1	2	2	2	1	2
United Kingdom				2	2				2		1	3	1	1		1	1		2	1
France											1				1				1	1
Other				1	2	3	1	1	2		1	1	1	1					1	2
Chile:																				
United States		1	1	1	2	1	1	1		1	2	2	1	1	1	1	1	1		
United Kingdom						1					2				1				1	2
France							1													
Other			1	1				1		1		1				1	1	1		
Colombia:																				
United States		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		1	1	1
Other	1	1			1		1		2	1				1	1		1			
Ecuador:																				
United States				1	1	1	1		1	1	1		1	1	1	1		1	1	
United Kingdom					1	1														
Other					1	1														
Guyana:																				
United States																				1
United Kingdom																				1
Paraguay:																				
United States	1										1	1	1	1	1	1		1	1	
Other											1	1	1	1	1			1	1	
Peru:																				
United States			2	1	1	2		2	1	1	1	2	1	1	1	1		1	1	
United Kingdom		1				1			1	1	1	1	1	1	1	2	1		1	
France											1	1	1							2
Other	1					1	1	1			1	1	1	1		1		1	1	
Uruguay:																				
United States	1	1		1	1	1	1	1	1		1	1		1	1	1	1			
Other			1	1									2							
Venezuela:																				
United States		1	1	1	1	1	1	1	2	1	1	1	1	1	1	1	1			
United Kingdom	1		1	2	2	2	2	1						1		1				1
France					1	1			1											
Other							2	2									2			

Note: 1 = less than \$10 mn; 2 = \$10-50 mn; 3 = \$50-100 mn; 4 = more than \$100 mn.

Source: SIPRI worksheets.

TABLE 21.3.—LATIN AMERICA: SUPPLIES OF MAJOR WEAPONS, BY SUPPLIER

[In millions of U.S. dollars, at constant (1968) prices]

Supplier	1950-54		1955-59		1960-64		1965-69		1950-1969	
	Annual average	Percent	Annual average	Percent	Annual average	Percent	Annual average	Percent	Total	Percent of total
U.S.A.	27	42.7	41	39.8	51	37.0	31	40.8	747	39.2
United Kingdom	21	33.2	21	20.4	22	15.9	16	21.1	401	21.1
France		0.5	3	2.9	3	2.2	6	7.9	61	3.2
U.S.S.R.					54	39.1	2	2.6	286	15.0
Other	15	23.7	38	36.9	8	5.8	21	27.6	409	21.5
Total ¹	63	100.0	103	100.0	138	100.0	76	100.0	1,904	100.0

¹ Figures may not add up to totals due to rounding.

Source: SIPRI worksheets.

The role of Latin American military establishments as "guardians" of the political institution is explicitly recognized by the constitutions of some Latin American countries. Generally, the armed forces intervene in politics when civilian governments are paralyzed or seem likely to take measures which might threaten the status quo. On occasion, the armed forces have intervened with the object of taking radical measures of reform. The military establishments are not unified. Indeed, most of the combat experience since 1942 has been gained in battles fought between different branches of the armed services, generally over the issue of granting civilian rule. For example, in 1962 the Ecuadorean Air Force, which supported civilian rule, defeated the army, which supported military rule. In May of the same year, the Venezuelan Marine Corps was defeated in battle by a combination of the army and air force, after attempting to overthrow the civilian government. Other examples of inter-service battles are Argentina in 1963, the Dominican Republic in 1965, and Bolivia in 1970.

In this context, weapons have been demanded to maintain the prestige of the military establishments, both vis-à-vis the military establishments of other countries and vis-à-vis the different factions within the military establishments. Few governments have been prepared to risk their position by impairing the independence of the armed forces to determine the size and nature of their arms procurement.

Yet because of the US hegemony over Latin America—the dependence of Latin American countries on US investment, the ability of the USA to intervene militarily, the various collective security arrangements and assistance programmes which bring Latin American countries more closely into the US orbit—the choice of weapons has in the past been heavily influenced by US decisions. Latin America is often described as the United States' "back door". The United States has always displayed special concern with the situation in the region and US policy towards the region has been different in kind from its policy towards the rest of the world. Latin America was never the object of US isolationism before the war. In the early part of the century, there were a number of US military interventions in Central American countries and, in the inter-war period, the USA undertook military training assistance and sent military advisory missions to Latin American countries. Latin America was exempted from the various restrictions imposed on arms exports in inter-war legislation. US military assistance must be seen within the framework of a general policy towards Latin America, which, ever since the enunciation of the Monroe Doctrine in 1823, has been based on the dual aim of stability and the prevention of extra-regional incursions. Since World War II, the prevention of extra-regional incursions has been aimed primarily at the socialist countries. Cuba is the only country which received Soviet military aid. The purchase of Czechoslovak small arms by Guatemala in 1954 provided the justification for indirect US military intervention there.

The main importance of US military assistance lies in the opportunities it creates for fostering close ties between the United States and the military establishments. For this reason, there has been an emphasis on the training of Latin American officers and large, permanent US military missions have been maintained in Latin America. For a short period under the Kennedy Administration, the USA attempted to dissociate itself from Latin American armed forces in order to demonstrate that there existed a non-communist alternative to military or military-supported regimes. The policy did not

succeed and while, for the most part, the armed forces remain the "strongest bulwark" against communism, radical tendencies displayed by certain military establishments, notably in Peru and Bolivia, have posed a dilemma for the policy-makers.

The USA has always opposed the extension of influence by other countries through the sale of weapons and the missions that accompany them. To minimize competition with European suppliers, the USA has employed two methods. During the fifties, the administration was able to justify to a critical Congress the gift of weapons, which would undercut European rivals, on the grounds that the USA was defending the Western hemisphere against external attack. During the sixties, when the shock of the Cuban revolution, among other factors, led to an emphasis on the internal threat, Congress was no longer willing to authorize large grants for the delivery of sophisticated weapons. Instead, the USA tried to persuade Latin American countries to refrain from purchases of sophisticated weapons altogether. Various legislation in 1967 and 1968 provided backing for this policy by enabling the United States to withhold economic assistance to countries which purchase sophisticated weapons.

In the face of this policy, Latin American purchases of weapons from European sources have represented an assertion of independence. As Deputy Assistant Secretary of State for American Affairs, Crimmuns, put it: "our refusal or inability to respond to these reasonable requests [for aircraft] touches upon very critical areas of sovereignty, that the state of the military establishment is a singular attribute of sovereignty."⁴

Latin American countries have recently embarked on a round of air force and naval equipment purchases from Europe, as well as expanding their domestic defense industries.⁵

II. THE DEMAND FOR WEAPONS

The justification for possessing a military establishment must always be strategic. Yet the strategic function of Latin American armed forces is extremely limited. Disputes between Latin American states have been few and shallow and, on the whole, the Organization of American States (OAS) has been remarkably successful in arbitration. Although there was an increase in internal insurgencies in the early sixties, Latin American armed forces regard their primary role as that of "national defence", relegating counterinsurgency to the large and well-equipped police forces.⁶ Contribution to collective security is a strategic role that has been stressed by the United States. One aspect has been regional cooperation against an external enemy—a possibility which is remote and which, in any case could be met by the United States alone. Another is the notion of a Latin American peace-keeping force to maintain stability in the area despite the forces sent by Costa Rica, Brazil, Honduras, Paraguay and Nicaragua to the Dominican Republic after the US intervention in 1965, few Latin American countries have evinced interest in an Inter-American Defence Force of a more permanent nature.

Yet although the strategic function of Latin American armed forces is minimal, the political function—the power to make and unmake governments—is of primary importance. Weapons are not so much instruments of war as symbols of the power of the military establishment.

Undoubtedly, there is a relationship between the political role of the armed forces and the level of military spending. In only two Latin American countries apart from Cuba—Mexico and Costa Rica⁷—are the

armed forces firmly under civilian control. These two countries devote the lowest proportion of GNP to defence in Latin America—0.7 per cent and 0.5 per cent, respectively, compared with 1.8 per cent for Latin America as a whole, during the years 1960–64.⁸ Beyond this, however, the relationship is difficult to ascertain and there are several reasons why attempts to relate the frequency of military coups and degrees of autocracy to levels of defence spending or arms procurement are bound to fail.⁹

First of all, long periods of civilian rule are not necessarily evidence of politically weak military establishments. Governments, whether civilian or military, remain in power on military sufferance. To retain their support, most governments will assure the armed forces of a steady proportion of the budget and independence in military policy-making. In an examination of the parliamentary debates in Argentina, Brazil and Chile in 1965, it was found that defence expenditures are rarely questioned.¹⁰ This is true even in periods of financial stringency. In an austerity drive of 1958, General Stroessner of Paraguay struck 1,500 government jobs held by his own party members but he did not reduce the armed forces personnel by one man. In 1967, despite Peru's considerable external debt and despite US pressures, President Belaúnde Terry went ahead with the purchase of the Mirage 5 from France and gave the armed forces authority to float a \$120 million loan to purchase military equipment. The loan was to be repaid by the government over a period of five years. Belaúnde was reported to have admitted privately that any attempt to impede the purchase of supersonic aircraft would have ruptured his relations with the military beyond repair.¹¹

Chile has experienced a very long period of civilian rule. Yet, the tank mutiny of 26 October 1969¹² led to an increase in officer's pay by in some cases 100 per cent, and in no case less than 70 per cent. Foreign Minister Valdez returned from London having concluded "Chile's biggest arms purchase in this century".¹³

Two exceptions to this rule are Perón in Argentina and Goulart in Brazil. Between 1948 and 1952, Perón attempted to reduce the power of the military by drastically reducing military expenditures and by "peronizing", that is to say, making political appointments in the armed forces. At the same time he tried to build up support among organized labour. Growing opposition led him to modify this policy somewhat after 1952. Nevertheless, he was overthrown in 1955 and military expenditures increased by 30 per cent. Although his powers were severely limited by the military establishment, Goulart,¹⁴ who was Vice President of Brazil from 1955–61 and President from 1961–64, tried to pursue a similar policy. After his overthrow in 1964, military expenditures rose by 50 per cent.

A second reason for the difficulty in finding a relationship between military coups and military expenditures is the fact that political issues are likely to take priority over military issues. The armed forces rarely overthrow governments merely to secure an increase in military expenditures, just as civilian governments rarely risk losing power merely in order to reduce military expenditures. More important issues are at stake. Indeed, periods in which the armed forces are preoccupied with political problems are often periods in which their demand for weapons are relatively low. 1962 and 1963 were peak years for military coups and inter-service battles. Military coups took place in Argentina, Guatemala, Peru, Ecuador, Honduras and the Dominican Republic. Inter-service battles took place in Argentina, Guatemala, Ecuador and Venezuela. The coups were all directed at the prevention of populist governments. The battles were over

Footnotes at end of article.

who should rule. Yet 1962 and 1963 were low years for major arms imports and were not noticeably high for military expenditures.

Thus, to sum up, any government, whether civilian or military, with the exception of the two examples given above, will meet the demands of the military establishment. This, in turn, will ensure the continuance of the political role of the military establishment. The function of weapons in reinforcing the position of the military establishment is reflected in two features of Latin American arms procurement.

The first is inter-service rivalry. Military establishments are rarely unified. To generalize very broadly, the divisions between various services tend to follow a similar pattern in different countries reflecting recruitment from different sections of society. The navies are generally recruited from wealthy urban and landowning families. They tend to play a conservative role in Latin American politics, supporting military intervention whenever a government shows radical tendencies. Thus, for example, it was the navy which provided the main opposition to Perón in Argentina. Similarly, it is the navy which is most opposed to the new leftist government in Chile. While the army and air force support proposals to expel the US military mission, the navy is anxious that US advisors should remain.¹⁵ In contrast, the armies generally have the lowest class composition of the three services and have, on occasion, been radical in their demands. The recent Peruvian and Bolivian coups are examples of this. Often, the armies have been divided in their political loyalties, with some factions supporting the navy and other factions supporting the air force. Air forces have tended to play a moderate role, supporting civilian rule, where this does not seriously threaten the status quo.

The divisions are often reflected in the acquisition of similar types of weapons by different branches of the armed services. Several navies have marine corps. In Argentina, Brazil and Peru there are naval and army air arms in addition to the air force. In the Dominican Republic, the National Guard acquired tanks in order to offset the tanks possessed by the air force.

The divisions are also reflected in the disputes over arms procurement and in the timing of arms supplies. Once again, it is useful to take Brazil and Argentina as examples. After Goulart became President of Brazil in 1961, the armed forces were divided between those who believed that his powers should be limited by constitutional means, comprising a faction of the army supported by the air force, and those who believed that he should be overthrown, comprising another faction of the army supported by the navy. The dispute was symbolized in the attempts by the air force to prevent the navy from acquiring aircraft to operate from the newly purchased aircraft carrier. The navy managed to acquire some aircraft in 1963, but the dispute over who should operate them continued until the armed forces closed ranks to overthrow Goulart in 1964. In April 1965, the new president issued a decree stipulating that the air force should operate fixed-wing aircraft and the navy should operate rotating-wing aircraft.¹⁶

It is possible to trace the inter-service rivalry in Argentina since 1950 through an examination of Argentinian arms procurement. As in several other countries, the Argentinian Navy has supported conservative army factions while the air force has supported moderate army factions.

Perón was elected President of Argentina in

1945, after the Group of United Officers, a group of colonels of which he was one, had seized power from the ruling conservative government in 1943. As stated above, he progressively tried to reduce the power of the armed forces and build up support among organized labour. In addition to cutting military expenditure, he reduced the size of the army by one-third and progressively civilianized the cabinet. He established a worker's militia and undertook a number of far-reaching economic and social reforms. The one service he did not neglect was the air force. He purchased large quantities of aircraft in the late 1940s including 100 Meteors, making Argentina the first Latin American country to acquire jet fighters. He also expanded the aircraft industry; between 1945 and 1950 four different fighters reached prototype stage.

By the early fifties, his support was becoming eroded. He lost the support of the peasants, the Church, and above all the armed forces. Difficulties in the aircraft industry led to the cutback of the aircraft programme. The navy had always been strongly opposed to the regime; there had been two attempted naval coups in 1944 and 1945. Despite the purchase of two cruisers in 1951, it was the navy which enabled a divided army to overthrow Perón in September 1955.

The military junta which succeeded Perón was dominated by the army and the navy. The President was General Aramburu from the army; the Vice President was Admiral Isaac Rojas of the navy. Only one member of the five-man junta came from the air force. During this period, the naval air arm was greatly expanded. Sixty F-4U Corsair naval fighter-bombers, six Lockheed Neptune reconnaissance aircraft, 12 F-9F Panthers and an aircraft carrier were purchased. A number of aircraft were also purchased for the army. An order for Canadian Sabre fighters for the air force was cancelled; the aircraft production programme was further reduced; and all plans for indigenous fighter aircraft were abandoned.

By 1958 the process of "de-peronizing" the armed forces was sufficiently complete for elections to be held. They were won by a wing of the radical party, led by Frondizi, with the support of the Peronists, who were barred from participating in the elections. The new government ordered 28 Sabre fighters from the United States and various other air force equipment. In 1960, a U.S. Air Force mission was established. Work on combat design projects was reinitiated. Argentina also received two submarine and destroyers on loan from the United States during this period, but this was a consequence of the U.S. naval aid programme rather than any particular Argentinian demand.

Frondizi was re-elected in March 1962. In this election, the Peronists were allowed to participate and gained a third of the votes. Two weeks after the election, the new government was overthrown in a military coup. After the coup, there emerged two factions in the armed forces: The Gorillas, centered in the navy, infantry and engineering units, believed that Argentina was not ready for democracy and demanded indefinite military rule. The Legalists, centered in the cavalry, which included the mechanized brigades, and the air force, believed that the military should stay out of politics unless the alternative is chaos or dictatorship. The acknowledged leader of the Legalists was the cavalry officer General Onganía. In April 1963 the issue was resolved in a pitched battle in which the air force destroyed the naval air arm.

As a result of the air force victory, elections

were held the same month. They were won by Illia, leader of the other wing of the radicals. In 1965, the Argentine government persuaded the United States to supply 50 A-4 Skyhawks for the air force and M-41 tanks for the cavalry. The regime was dependent upon the support of the Legalists.

This support was not to last long. On 28 June 1966, Lieutenant-General Onganía led a coup to overthrow Illia. Disagreement had arisen over Illia's refusal to send troops to the Dominican Republic, his lack of enthusiasm for an Inter-American Force, and his refusal to intervene in the universities to "clean out the Communists". More important, it appears that the military were afraid of a Peronist victory in the elections due in 1967.¹⁷

A week before the coup, the United States had decided to suspend delivery of 25 of the 50 Skyhawks, following a protest in the Senate Preparedness Investigating Subcommittee that the U.S. Naval Air Reserve Wing had been receiving "substantially inferior" types.¹⁸ After the coup, the USA also reversed its decision to deliver M-41 tanks.

The Argentinian response was to launch the Europa Plan in 1967. The plan was intended to expand the domestic defence industry with European help. It is evidence of the new military unity that the first two major projects will be the assembly of French AMX-13 tanks and the assembly of two West German submarines.

A second feature of the demand for weapons in Latin America is interstate rivalry. From an examination of the correspondence between arms procurement in the five major Latin American recipient countries—Argentina, Brazil, Chile, Peru, and Venezuela—it might be inferred that the level of armaments considered commensurate with the status of the military establishment in any one country is judged with reference to the level of armaments possessed by the military establishment of another country.

There were peaks in major arms imports to Peru, Chile, Brazil, and Venezuela in the period 1954-56, and to Argentina, Brazil, Chile and Peru in 1960-61. In the period 1965-69, major arms imports to Peru, Brazil and Argentina have been rising. In 1969, Chile also ordered substantial quantities of new equipment.

Argentina and Brazil, as the largest recipients, tend to compete with one another. Chile generally follows the Argentinian lead. Peru, which has always displayed special concern with Chile's military posture—a concern which dates back to the war in the 1870's which Chile annexed a large part of Peruvian territory—justifies rather large purchases in terms of Chile's acquisitions. In the past, Venezuela has maintained a superiority in air force equipment to all other Latin American countries, but has made no attempt to match naval procurement—this may well reflect different political roles for the services in Venezuela. In 1953, for example, Brazil purchased 70 Meteors from Britain. Argentina ordered F-86 Sabres from Canada in 1955, although the order was cancelled after the 1955 coup. Chile acquired B-26 bombers from the United States and five Vampires from Britain. Peru over-reacted by acquiring not only B-26 bombers and F-86 Sabres, but also Hawker Hunters and Canberras. Between 1955 and 1957, Venezuela acquired 15 British Venoms, 25 F-86 Sabres from the United States and 10 Canberras from Britain. In 1958, Argentina and Brazil ordered aircraft carriers within weeks of each other, although the Brazilian aircraft carrier was not delivered until 1961.

Footnotes at end of article.

TABLE 21.4.—5 MAIN LATIN AMERICAN RECIPIENTS: SUPPLIES OF SOPHISTICATED WEAPONS¹

	Argentina	Brazil	Chile	Peru	Venezuela
1950					24 Vampires. ²
1951	2 cruisers, Brooklyn class	1 cruiser, St. Louis class; 1 cruiser, Brooklyn class	2 cruisers, Brooklyn class		
1952			17 F-47 D Thunderbolts	3 destroyer escorts, Bostwick class	6 Canberras. ²
1953		72 Meteors. ²			2 destroyers. ²
1954			32 B-26 Invaders	2 submarines, Abateo class	
1955		25 F-47 D Thunderbolts; 10 Corvettes. ²	5 Vampires. ²	14 F-86 F Sabres ² ; 8 B-26 Invaders	15 Venom and Sea Venoms ² ; 22 F-86 Sabres; 3 Vampires. ²
1956	10 F-4U Corsairs			16 Hawker Hunters; 8 Canberras. ²	1 destroyer; 3 frigates, Almirante class. ²
1957	12 F-9F Panthers; 52 F-4U Corsairs	24 B-26 Invaders; 2 submarines, Gato class		2 submarines, Abateo class; 60 Sherman M-4's	10 Canberras; 3 frigates, Almirante class. ²
1958	1 aircraft carrier. ²				15 AMX-13. ²
1959		2 destroyers, Fletcher class	20 F-80C Shooting Stars	1 Hawker Hunter ² ; 10 F-80C Shooting Stars; 1 cruiser, Almirante class. ²	
1960	28 F-86 Sabres; 2 submarines, Balao class	20 F-80C Shooting Stars	2 destroyers, Almirante class. ²	1 cruiser, Almirante class. ² ; 1 destroyer, Fletcher class; 2 corvettes	1 submarine, Balao class
1961	3 destroyers, Fletcher class	1 aircraft carrier; ² 2 destroyers, Fletcher class	2 submarines, Balao class	1 destroyer, Fletcher class; 40 M-24 Chaffees	
1962					
1963		2 submarines, Balao class	2 destroyers, Fletcher class		
1964			Seacat. ²		
1965	Seacat. ²				1 submarine, Balao class
1966	12 A-4 Skyhawks	Seacat; ² 55 M-41s		2 Canberras. ²	3 Canberras; 74 Fiat F-86 Sabres. ²
1967	13 A-4 Skyhawks; 2 destroyers, Fletcher class	1 destroyer, Fletcher class	4 escort destroyers		
1968	1 aircraft carrier. ²	1 destroyer, Fletcher class			
1969	60 AMX-13; 2 Cobra ² missile, Nord ² AS 11, AS 12 missile		21 Hawker Hunters. ²	14 Mirage 5's; 78 AMX-13. ²	

¹ Sophisticated weapons include: jet combat aircraft, aircraft carriers, destroyers, frigates, corvettes, cruisers, submarines, tanks and missiles. Source: SIPRI country registers.

² Purchased from Europe; all other items were supplied by the United States.

More recently there has been a round of combat aircraft purchases and naval re-equipment. In part this reflects the strengthening and unification of the armed forces in Argentina and Brazil. In part it represents a reaction to US policy and will be discussed in greater detail in that context. Nevertheless, the infectiousness of the recent orders is of considerable interest. In 1965, the United States agreed to sell the A-4 Skyhawk to Argentina. Chile requested the same plane but finally acquired refurbished Hawker Hunters from Britain. Peru again overreacted by buying the Mirage 5. Venezuela purchased 74 surplus F-86 Sabres from Canada. After long deliberation, Brazil decided to acquire the Skyhawk and in 1970

ordered the Mirage, after which Argentina and Colombia also ordered the Mirage. Chile acquired additional Hunters and, at present, the possible purchase of the US F-5 or Mirage is under consideration.

The same pattern is discernible in recent naval orders. In 1964 and 1966, Chile, Brazil and Argentina all purchased the British Seacat ship-to-air missile. In 1968, Argentina ordered two submarines from West Germany, to be assembled in Argentina. Chile and Brazil followed suit by ordering two "Oberon" class submarines each from Britain. In 1969 and 1970 all three countries ordered fast frigates from the UK.

In the past, this rivalry has been supported

by the United States and, in particular, the United States has been careful to maintain a balance between Peru and Chile. Over the entire period, US military aid to Peru has only been \$15 million higher than military aid to Chile, or roughly 1 per cent of the total US military aid extended to Peru. In 1951, the United States sold two cruisers each to Argentina, Brazil and Chile and in 1959 embarked on a naval aid programme under which it supplied four refurbished "Fletcher" class destroyers to Brazil, three to Argentina, and two each to Peru and Chile. The USA also supplied two "Balao" class submarines each to Argentina, Brazil and Chile and one to Venezuela.

TABLE 21.5.—LATIN AMERICA: U.S. MILITARY ASSISTANCE, SALES AND SUPPLIES OF MAJOR WEAPONS [U.S. \$mn]

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	
MAP grants ¹			0.2	11.2	34.5	31.8	23.3	26.6	45.1	30.9	
Vessel loans ²				(2.0)	(2.0)	(2.0)	(2.0)	(2.0)		8.5	
Military assistance sales ³ (excludes commercial sales)		0.8	15.9	9.7	8.7	12.3	8.4	13.2	18.1	(30.7)	
U.S. major weapons exports ⁴	15.0	22.9	29.2	18.1	48.0	47.7	32.9	57.1	43.3	24.7	
	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	Total
MAP grants ¹	31.4	44.0	53.2	49.9	57.4	55.9	58.4	59.1	72.8	37.9	724.9
Vessel loans ²	10.3	54.2	71.5	24.5	19.1	2.4					200.5
Military Assistance Sales ³ (excludes commercial sales)	(30.7)	(30.7)	23.4	16.7	47.7	21.5	47.3	38.0	47.0	28.5	449.3
U.S. major weapons exports ⁴	72.5	98.4	32.3	33.9	15.6	29.3	29.5	43.4	20.0	32.6	746.5

¹ 1952-55 from, H. A. Hovey, United States Military Assistance, New York 1965, 1956-69 from, Military Assistance Facts (annual publication of the Office of the Assistant Secretary of Defense for International Security Affairs), Washington 1966-1970.

² U.S. Overseas Loans and Grants, Agency for International Development, Washington, March 1967, March 1968, and May 1969.

³ 1950-58 from, Composite Report of the President's Committee to Study the United States

Military Assistance Program (Draper Report), Washington 1959, and 1959-70, from U.S. Military Assistance and Sales Facts (annual), Washington 1967 and 1970.

⁴ SIPRI worksheets.

Total foreign military sales to Latin America including commercial sales, 1950-69, were \$1089.7 million.

III. THE ROLE OF THE UNITED STATES

As the sole donor of military assistance to Latin America, the United States has in the past had considerable influence over the size and nature of Latin American arms procurement. Charts 21.6 and 21.7 also show the correspondence between US military aid and Latin American major weapon imports. Brazil, as the biggest recipient of major arms, is also the biggest recipient of US military assistance, accounting for 30 per cent of the

total.¹⁰ The closest correspondence between the trends in military assistance and major arms imports can be found for Peru and Chile.

The United States has a monopoly of all military missions in Latin America. Excluding Cuba, the United States accounts for over 45 per cent of all major weapon imports to Latin America, as a whole, and 60 per cent of all major weapon imports to Central America. The proportion of total arms supplied by the United States is likely to be much higher. There is a tendency for Latin American countries to buy a higher

proportion of their sophisticated naval and air force equipment than other types of equipment from European sources. Except for a few French tanks, the Latin American armies, which possess most of the smaller types of weapons, are almost exclusively equipped by the United States.

US military assistance to Latin America has a longer history than that to any other third world region. US training assistance began before World War I and continued during the 1920s. In particular, the USA played an important role in training the armed forces in those Central American coun-

tries which were temporarily occupied by the US Marines. In the inter-war period, various legislation broadened the power of the US president to offer training assistance. Although the permanent foreign military missions were, at that time, predominantly European, the USA sent 32 military training and advisory missions to Latin America between 1921 and 1938. Latin American countries were exempted from the restrictions on arms exports imposed in the Neutrality Acts of 1923 and 1936.

With the rise of Fascism and the imminence of war in Europe, the United States began in 1938 to undercut its European rivals. Military missions and military equipment were offered at less than cost. In some cases, coercion and economic discrimination were used. When Argentina proved intransigent, Roosevelt instructed Brazil to place two or three divisions on the border "to impress the present military gang in control of Argentina".²⁰ By 1940, the United States had a virtual monopoly over the permanent military missions in Latin America.

In June of the same year, the Pittman Act empowered the president to authorize the manufacture, procurement and repair of army and navy equipment and munitions on behalf of the government of any American republic. A programme for the cash purchase of \$400 million of equipment over a period of years was elaborated. The Pittman Act was superseded by lend-lease in 1941. Eighteen Latin American countries signed lend-lease agreements—that is, all except Argentina, Chile, Bolivia, Honduras and Paraguay. These agreements committed their signatories to provide such defense articles, services or information as they could to the United States. By the end of World War II, Latin American countries had received \$300 million under lend-lease, exclusive of ships. The total including ships, has been quoted at \$500 million.²¹

After World War II, US military assistance to Latin America increasingly met with congressional opposition. The Inter-American Cooperation Act, designed to provide arms at reduced cost to Latin American countries, was not passed by Congress. Reimbursable aid was provided for under the Mutual Defense Assistance Act of 1949, but it was not until the Mutual Security Act of 1951 that Congress authorized military grant aid to Latin America.

Military assistance to Latin America has continued to be the subject of the closest congressional scrutiny and criticism of nearly all aid programmes. From 1959, Congress imposed a number of ceilings on military grant aid deliveries to Latin America—\$67 million in 1959, \$57.5 million in 1961 and \$55 million in 1963. In 1966, Congress imposed a ceiling of \$85 million on grant aid plus sales to Latin America, excluding training assistance; this was reduced to \$75 million in 1967. This ceiling was maintained in the Foreign Assistance Act of 1968, but the ceiling on grant aid deliveries was reduced from \$55 million to \$35 million. Of this, \$10 million was to be used for "coastal patrol activities directed against landings by Communists or other subversive elements originating in Cuba."²²

A general restriction imposed by Congress is section 507 (c) of the Foreign Assistance Act, which provides that no further military assistance shall be furnished to a Latin American country except: 1. to fulfill prior commitments, 2. for civic action, or 3. unless the President finds that such assistance "is necessary to safeguard the security of the United States or to safeguard the security of a country associated with the United States in the Alliance for Progress against overthrow of a duly constituted government."²³

A major part of the congressional criticism has been directed towards the use of military

assistance to shore up military regimes. An amendment to the Military Sales Act of 1970 would limit arms deliveries to military regimes which "deny social progress". For this reason, the justifications for the military assistance programmes have generally been couched in strategic terms.

THE STRATEGIC JUSTIFICATIONS

Until 1960, the main strategic justification for military assistance was collective defence of the Western hemisphere against external attack. This concept dates back to the Panama Declaration of 1939, when the American Foreign Ministers pledged themselves to resist the spread of Nazi ideology and proclaimed the neutrality of all American republics. They established a zone of security embracing all the normal maritime routes between the countries of the Americas, except Canada. The principles of collective security and reciprocal assistance were reaffirmed in the Havana Declaration of 1940.

The measures taken in World War II²⁴ contributed to the establishment of a collective security system. In the Act of Chapultepec in 1945, the American states proclaimed their adherence to the concept of a regional security system. On 2 September 1947, the Treaty of Reciprocal Assistance was signed at Rio de Janeiro by all American states.

The outbreak of the Korean War enabled the US Administration to justify military grant aid to Latin America to support the external defence of the Western hemisphere. This assistance was to be reciprocal. No equipment was to be granted except on the basis of bilateral agreements, providing *quid pro quo* from the recipient countries. For example, Lt. General C. L. Bolte, then chairman of the Inter-American Defense Board, when giving testimony before the Senate Foreign Relations Committee on the Mutual Security Act of 1951, explained that the United States would only allocate assistance to Venezuela if Venezuela could guarantee an uninterrupted supply of oil. The first Mutual Defense Assistance Pact was signed with Ecuador in 1952. It stated that "assistance shall be so designed as to promote the defense and maintain the peace of the Western Hemisphere and be in accordance with defence plans under which both governments will participate in missions important to the defense and maintenance of peace in the Western Hemisphere". Ecuador undertook "to facilitate the production and transfer . . . of raw and semi-processed strategic materials required by the United States as a result of deficiencies or potential deficiencies in its own resources and which may be available in Ecuador" and "to cooperate with the government of the United States of America in measures designed to control trade with nations which threaten the security of the Western Hemisphere", and generally to build up its own defence capabilities.²⁵ Similar agreements were signed with Cuba, Colombia, Peru and Chile in 1952; with Brazil, the Dominican Republic and Uruguay in 1953; with Nicaragua and Honduras in 1954; with

Guatemala and Haiti in 1955; and with Bolivia in 1958. Missile-tracking site agreements were signed with Brazil and the Dominican Republic.

Defence of the Western hemisphere against external attack continued to be stressed until 1960. As late as 1959, the United States launched a naval aid programme to improve the anti-submarine capabilities of Latin American nations. The Senate Foreign Relations Committee was told: "The most positive threat to hemispheric security is submarine action in the Caribbean Sea and along the coast of Latin America."²⁶ Ship loans under the "Vessel Loan" legislation reached their peak of \$71.5 million in 1962.

It is clear that the US military aid programme during the fifties was not intended to develop military forces capable of resisting an external enemy. Little was achieved by the Inter-American Defence Board established for cooperative planning. Since details of Latin American forces were known only to the United States, it was in any case incapable of preparing any comprehensive military plans.²⁷ Military assistance was provided, in part, as payment for the assurances given in the bilateral treaties. Provisions such as the "control of trade with nations which threaten the security of the Western Hemisphere" ensured the United States a continuing support in foreign policy. Even under the naval aid programme, it is unlikely that the United States really supposed that the refurbished World War II destroyers and submarines could provide adequate defence against a sophisticated enemy.

Aid was provided in a haphazard manner. Each of the services had its own military mission in the different Latin American countries. There was no coordination between them and there was a tendency for US services to transfer their own rivalries and prejudices towards each other to their Latin American counterparts, thus exacerbating inter-service factionalism.²⁸ There were also several programmes outside the scope of the military assistance programme. The "Vessel Loan" legislation was one; the army and air force training programmes were others. At their training schools in the Canal Zone the US Army and the US Air Force trained 4619 students between 1950 and 1958 compared with 5560 trained under MAP at the same schools.²⁹

The policy changed in 1960. The summary presentation of the proposed Mutual Defense and Assistance Program for FY 1964, stated:

"Military assistance programs for Latin America were orientated to hemispheric conditions prior to 1960. As it became clear that there was no threat of significant external aggression, emphasis shifted to strengthening internal security capabilities for use against Castro-Communist activities or other internal disruption or banditry and to actions designed to contribute to economic and social development. Limited assistance is also given for such activities as harbor defense, coastal patrol, and surveillance."

TABLE 21.6.—LATIN AMERICA (EXCLUDING CUBA): SUPPLIES OF ITEMS SUITABLE FOR COUNTERINSURGENCY

	U.S. supplies			Non-U.S. supplies		
	Helicopters	Trainers	Patrol boats ¹	Helicopters	Trainers	Patrol boats ¹
1950-59	78	369	12	24	58	21
1960-69	352	426	43	48	134	19
1950-69	430	795	55	72	192	40

¹ Including gunboats, motor torpedo boats.

Source: SIPRI country registers.

The swiftness of the change is striking. The 1959 Mutual Security Act stipulated that "Internal security shall not, unless the President determines otherwise and promptly reports such determination to the Senate Committee on Foreign Relations and to the Speaker of the House of Representatives, be

the basis for military assistance programs for American Republics."³⁰ In 1960, 97 per cent of the grant aid request was for hemispheric security.³¹ In 1961, 28 per cent was requested for "anti-subversive" equipment.³² By FY 1963, 52 per cent of the programme was for internal security and 15 per cent for civic

action, and by FY 1967, 76 per cent was devoted to internal security.³³ Table 21.6 shows the increase in COIN helicopters, patrol boats and trainers supplied by the United States to Latin America during the sixties. There has not been a similar increase in supplies of helicopters and patrol boats from non-US sources.

While the US Administration is undoubtedly seriously concerned with the possibility of another Cuban-type revolution and is committed to counter such a possibility, in Latin America, with considerable efficiency, the importance of counterinsurgency in the military aid programme can be exaggerated. To policy-makers finding it increasingly difficult to justify a programme based on the external threat to the Western hemisphere, the Cuban revolution and Khrushchev's oft-quoted speech of January 1961 calling for wars of liberation, presented the opportunity to give the military aid programme a "new look". It must have been with relief that the State Department was able, in 1964, to describe hemispheric defense as an "outmoded concept."³⁴ In fact, the United States was still able to supply conventional sophisticated equipment under the credit sales programme and under the vessel loan legislation. In 1965, the USA agreed to supply Skyhawks and M-41 tanks to Argentina, M-41 tanks and destroyers to Brazil, and F-86 aircraft to Peru. Countries such as Chile, Argentina and Brazil continued to receive a major share of the military assistance programme although they faced no internal "threat".

The change from emphasis on hemispheric defence to emphasis on internal security was part of a general reform and re-definition of the aid following the recommendations of the *Draper Report* in 1959.³⁵ First of all, there was much greater coordination in the administration of military aid programmes. The US Commander of Land, Sea and Air Forces in the Caribbean was given control of the military assistance programmes to Latin America. Both the Eisenhower and Kennedy Administrations issued directives that the ambassador should be in ultimate control of the military assistance programmes to each country. President Kennedy requested each ambassador to prepare internal defence plans.

Secondly, the military aid programme was recognized as part of a general policy aimed at countering revolutions. The Alliance for Progress was an important expression of this. On the premise that revolutions arise out of poverty, accepted in the last days of the Eisenhower Administration and made one of the slogans of the Kennedy Administration, economic assistance to Latin America, which previously had been minimal, became essential.

There were two other aspects of the new policy. The first was the attempt to prevent Latin American nations from acquiring sophisticated weapons, which might divert resources from economic development and create instability. The second was the increased emphasis on training and civic action programmes—both of which were at least partly designed to influence the military and alter or exploit their political role. They were part of the political elements of the programme which had been dominant throughout the period.

THE POLITICAL FEATURES

The political features of the military aid programme are basically twofold and are connected. First, the military aid programme is useful in influencing the military establishments. Secondly, the United States opposes the extension of influence by other countries either through arms sales or, more importantly, through establishing military missions.

ATTITUDE TO THE MILITARY

It has been shown how the call for collective security—the bilateral assistance agreements with Latin American nations—served to ensure their political cooperation. The presence of U.S. military missions, the training programmes and, more recently, the civic action programmes are also means to that end. In his book, *Arms and Politics*, Professor Lieuwen states:

"The great importance attached to military assistance in securing Latin America's political cooperation flows in large measure from the political role of Latin America's armed forces and their continuing desire for more arms. . . . Because of the roles military personalities play in government and politics, the United States, through its military programmes makes a pointed effort to influence them. The mission programme, for example, which . . . serves no important military purpose, is nevertheless most useful in providing opportunities for cementing political as well as professional relationships between the sending and the recipient governments. Also the practice of training Latin American officers in the United States helps to secure their political sympathies."³⁶

During the fifties, the United States made little attempt to discourage the political role of the military. With the exceptions of Rojas Pinilla in Colombia and Trujillo in the Dominican Republic, there was no reluctance to provide assistance to military regimes. The Eisenhower Administration granted Legion of Merit citations to General Perez Jimenez of Venezuela and Odría of Peru, and was involved in the overthrow of the Arbenz regime by the Guatemalan armed forces in 1954.

Yet the support given to such governments has not been without criticism. A continuing congressional and Latin American criticism of the programme has been directed towards this aspect. The amendment to the Mutual Security Act of 1959, proposed by Senator Wayne Morse, that "internal security shall not . . . be the basis of the military aid program", was expressly intended to prevent the use of military aid to support the position of military regimes.

The Alliance for Progress was intended to demonstrate that there was a middle way between socialism and military dictatorship. President Kennedy declared at Punta del Este in August 1961: "There is no place in democratic life for institutions which benefit the few while denying the needs of the many."³⁷

The Kennedy Administration encouraged the non-communist left—the liberals—and indicated disapproval of military regimes. When Trujillo of the Dominican Republic was assassinated in 1961, the CIA apparently had foreknowledge and "let the conspirators know that the United States would have no objection if the Benefactor were removed from the scene."³⁸ In the following two years, the US Ambassador to the Dominican Republic attempted to promote a moderate civilian government. When Juan Bosch, the elected president, was overthrown in a military coup in 1963, the US Administration withheld aid and diplomatic recognition. In 1962, the United States attempted to cut off aid and withhold recognition after the coups in Argentina and Peru. However, persuasive arguments from the military, pressure from US business groups, and the lack of diplomatic support from other countries made these actions shortlived. Already by 1963, the attitude was weakening. No disapproval was indicated for the coups in Guatemala and Ecuador where the overthrown governments had not been in favour in Washington. And although aid and recognition were withheld from the Dominican Republic and Honduras after the coups of September and October 1963, within a few weeks of the new Johnson Administration both were restored. By

the time of the 1964 Brazilian coup which overthrew Goulart, the USA was ready to send "warm wishes" in a telegram to the government.³⁹ By 1965 the United States was ready to intervene in the Dominican Republic to protect the very same regime against the very same man, Bosch, whose overthrow it had condemned only two years previously.

The change in attitude must be seen in the context of the new military assistance programme. The new policy-makers faced a dilemma. The emphasis on internal security was necessary not only to put down insurgencies but also to ensure the stability necessary for the Alliance for Progress. At the same time, as critics have often pointed out, such aid would help to perpetuate "undemocratic" regimes. In 1961, it was possible to argue that militarism was on its way out. In 1954 there had been 12 military regimes. In 1961 there was only one—Paraguay. But the civilian leadership did not prove altogether satisfactory to the United States. In several countries, radical forces remained strong: Peronism continued to be important in Argentina. In Brazil, there was Goulart, who had been labour minister under the radical Vargas regime of 1950-54. In Venezuela, there were suspicions about the radical tendencies of Betancourt who was president from 1954-64. The fact that these doubts were often shared by the military establishments and other internal pressure groups prevented many governments from taking the actions necessary for economic and social development.

The armed forces, on the other hand, could not be abandoned overnight. As Senators McClellan, Mansfield, Smith, Bible and Hruska concluded after a visit to seven Latin American countries in 1961: "Military officers who have been trained in the United States are among our staunchest supporters. They are a strong anti-Communist core."⁴⁰

It was hoped that if the military could be influenced by US ideals and their image could be improved, they might be able to make a positive contribution to the Alliance for Progress. The summary presentation for FY 1964 stated: "The use of military assistance for internal security purposes is predicated upon the fact that military forces have an essential role as a stabilizing force in these countries." And, in a similar vein, McNamara told the House Committee on Appropriations in 1963: "The essential role of Latin American military as a stabilizing force outweighs any risks involved in providing military assistance for internal security purposes."⁴¹

Two means were used to ensure their stabilizing role: training and civic action.

Training. Training has always been an important part of the military assistance programme to Latin America. The proportion of military assistance devoted to training purposes has been roughly double the worldwide proportion. During the sixties, the emphasis has increased. The share of military assistance devoted to training averaged 8 per cent in the period 1950-64. By 1967, this proportion had risen to 16 per cent.⁴²

This increased emphasis was accompanied by an increased emphasis on the non-military aspects of training programmes. During the fifties it was argued that training was necessary to ensure the proper use of weapons.

During the sixties, this aspect has been rarely mentioned. Training has been justified on the following grounds. First, contact with US officers will develop the notion of a professional, that is, non-political army. According to J. J. Johnson:

"If Latin American must continue to content itself with militarism, which seems likely, it might benefit from having at least a hard core of officers who, trained in the United States, might at times serve military colleagues of either the right or the left, who would selfishly usurp power and impose totalitarian dictatorships."⁴³

Footnotes at end of article.

Secondly, Latin American officers trained in the United States "are exposed to democratic principles and The American Way of Life. The United States of America—our democratic government, our mode of life—makes a deep impression on those who see us at work and as we really are. Returnees tell the story to their relatives and friends and it is believed."⁴⁴ Thirdly, training programmes can encourage the modernizing, educative role of the Latin American forces.

In recent years, priority has been given to training in counterinsurgency. The bulk of Latin Americans are trained at the Army School in the Caribbean, renamed the School of the Americas, and at the USAF School in the Caribbean, both in the Canal Zone. Also stationed in the Canal Zone is the "Special Action Force for Latin America 8th Special Force", which has 17 mobile training teams for teaching counterinsurgency skills ready for dispatch all over Latin America.⁴⁵ Latin Americans are also trained at the Special Warfare School in Fort Bragg. Between 1960 and 1962, 112 Latin Americans were trained there.

Training in counterinsurgency is not only confined to military skills. At the School of the Americas, the Department of Internal Security "provides instruction in every aspect of counterinsurgency: military, paramilitary, political, sociological, and psychological".⁴⁶ The same is also true of the course at Fort Bragg.

In 1962, despite the objection of Mexico and Brazil, the United States sponsored the establishment of the Inter-American Defense College at Fort MacNair in Washington. The College provides a six-month advanced programme for 25 to 35 senior general staff officers:

"The purpose of this training goes beyond teaching technical or tactical skills. It is intended to be a means by which Latin American officers become acquainted with their U.S. counter-parts, to improve relations between them, and to instill in them professional skills and attitudes in developing effective and sound relations."⁴⁷

These programmes have been least successful in separating professional and political interests. Many of the officers trained in the United States—among them, General Onganía of Argentina—have participated in military coups. The fact that political subjects are taught in the training programmes suggests that this aspect has never been very important. More important are the ties developed between the U.S. and Latin American military establishments and the commitment to defeat communism that such contacts may bring about.

Civic action. While the U.S. government may recognize the progressive character of the military establishments, their view is not always shared by other sections of the local population. To ensure wider acceptance of this view is one of the main purposes of military civic action, that is, the use of military forces for projects which contribute to economic and social development. In his book *The Essence of Security*, R. S. McNamara pointed out that in Latin America, these programmes have a powerful effect in altering "the negative image of the military man as the oppressive preserver of the stagnant status quo".

President Kennedy was an enthusiast for the programme, quoting, as many others have since, the role of the U.S. Army Engineers in opening up the West. Funds have been drawn from both AID and MAP. In 1965, 14 per cent of the military assistance programme was spent in civic action. The proportion has fallen since then. In 1967 it was 7.5 per cent.⁴⁸

The Latin Americans did not demonstrate the same enthusiasm. Civic action is not very new in Latin America. In many countries, the

armed forces have always been responsible for transportation to remote areas, for providing schools and other facilities. In some countries, the new emphasis has met opposition from local civilians. There was opposition, for instance, from road building and building contractors in Paraguay and Venezuela, who felt that the armed forces were harming their business interests. It was also felt that the use of the armed forces for this purpose might detract from their essentially military tasks. Resolution XLVII of the Inter-American Defense Board approving civic action specified that:

"The use of military personnel for this purpose, to the extent and degree that the specific condition in each country may determine, should not compete with private civilian activity nor decrease the capability of their Armed Forces for the accomplishment of their specifically military tasks required by the General Military Plan."⁴⁹

Civil action under MAP reached its peak of \$14 million in 1963. Only \$3.9 million was proposed for FY 1968. Mention of civic action in discussion of the aid programme has become less frequent.⁵⁰ This is not surprising. The programmes are not particularly popular with either the military or the civilians. There is no real evidence to show that they improve the military image. The fact that such programmes have not done so in the past suggests that they will not do so in the future. With no less than 10 military regimes and many more countries threatened with such regimes it is better to ensure that the military are friendly than that they are reformist. The main role of the military remains to prevent communism. As General Porter, CINC South, told the House of Foreign Affairs Committee in 1967:

"The military has frequently proven to be the most cohesive force to assure public order and support of resolute governments attempting to maintain internal security . . . The Communist and Communist supported elements will exploit the paths of least resistance. It follows, therefore, that in most countries any weakening of the armed forces to the extent that they could not cope successfully with insurgency, riots or other threats to law and order would encourage militant communists to undertake campaigns of violence as the most expedient means of attaining their goals."⁵¹

To ensure that the "cohesive force" was directed in the right directions, the United States tried to ensure that its monopoly over military assistance was maintained. Outside influence in the form of arms sales or the missions that might accompany them was firmly discouraged.

OPPOSITION TO NON-U.S. SUPPLIERS

Since 1940, the USA has maintained a monopoly over military missions. But it has been less successful in maintaining a monopoly over equipment supplies. This is particularly true of deliveries of sophisticated weapons, that is, combat aircraft, destroyers, cruisers, frigates, submarines, aircraft carriers, missiles and tanks. During the whole period, 60 per cent of Latin American imports of sophisticated weapons came from Europe. (Sophisticated weapons include combat aircraft, naval vessels heavier than . . .

The proportion of combat aircraft purchased outside the United States rose strikingly during the sixties. Britain, as an important supplier of naval vessels, is the largest outside supplier, although France, supplying Mirages and AMX-13 tanks, has recently gained in importance.

The Inter-American Cooperation Act, proposed and rejected immediately after the war, was primarily designed to undercut European rivals. The advent of the Korean War and the acceptance of the concept of hemispheric security provided a new justification for keeping out competitors. From 1955 onwards, it was repeatedly argued that unless the USA responded to reasonable re-

quests for military equipment and training, Latin American countries would turn to Europe and this would adversely affect collective defence and standardization.⁵² In fact, the equipment of Latin American nations was never standardized either collectively or individually. Argentina, for example, had five different types of rifles.⁵³

There were probably two reasons why Latin American countries bought sophisticated equipment from Europe during the fifties. First, it represented, as it still does, a sign of independence from the United States. For example, in Brazil, during 1952, there was some resistance to compliance with the eligibility requirements for military aid. During the same period, Brazil ordered 70 Meteor fighters from Britain.⁵⁴ Secondly, it is probable that with constant congressional supervision, there were simply insufficient funds to meet all Latin American demands. It is difficult to see how, for instance, the gift or reduced-cost sale to Peru of a US equivalent of Hawker Hunters and Canberras could have been justified the year after a gift of F-86 Sabres and B-26 bombers.

During the sixties, when the "outmoded" concept of hemispheric defence had been abandoned it was impossible to defend sales of sophisticated weapons either on the grounds that they were needed or through the appeal to standardization. The United States appealed to Latin American nations not to buy sophisticated weapons at all. At Punta del Este in April 1967, the presidents of the Western hemisphere were persuaded to express their intention "to limit military expenditures in proportion to the actual demands of national security, in accordance with each country's constitutional provisions, avoiding those expenditures, that are not indispensable for performance of the specific duties of the armed forces and, those pertinent, of international commitments that obligate their respective governments."⁵⁵ The wording was intentionally vague. The Latin American presidents rejected a US suggestion that they should pledge themselves not to buy or manufacture supersonic aircraft, naval vessels heavier than destroyers, missiles, or tanks over 30 tons. In October 1967 at Rio de Janeiro, the Inter-American Committee on the Alliance for Progress (ICAP) voted to consider military expenditure and birth-control measures as factors in granting aid to alliance members. The same year, two amendments to the Foreign Assistance Act—the Symington and Conte-Long amendments—required that economic assistance be curtailed to any country buying sophisticated weapons it does not need and cannot afford. These amendments were incorporated into the Military Sales Bill of 1968, and expanded to cover military credit sales. In explaining this provision, Paul Warnke, Assistant Secretary of Defense for International Security Affairs, told the Senate Foreign Relations Committee:

"What we are concerned about is the fact that these are sovereign nations, we can't control their ability to buy from other sources. What we are concerned about is the possibility that these countries may buy from foreign countries an amount of military hardware which we shall regard as excessive."⁵⁶

That the main concern was with "their ability to buy from other sources" is demonstrated by the recent history of Latin American arms purchases. When Argentina began negotiations for French Mystères, the United States Air Force recommended that Argentina be supplied with F-5s. It was argued that if the United States supplied key weapons to Latin American nations, it could maintain greater control over their use and over proliferation. The suggestion was overruled and the administration agreed to supply 50 A-4 Skyhawks. In congressional testimony in 1966, Secretary McNamara acknowledged that the A-4s were supplied

Footnotes at end of article.

to prevent the sale of British planes to Argentina. When asked what use A-4s had for internal security, he replied: "Nothing, absolutely nothing."⁶⁷ The cost of the Skyhawks was only \$7 million.⁶⁸ Argentina was given a \$21 million Export-Import Bank Loan guaranteed by the U.S. Defense Department to pay for them and other U.S. purchases. Only 25 A-4s were delivered because of the shortages in Viet-Nam.

Following the Argentine lead, Peru, overreacting, began to make inquiries about supersonic fighters. Peru requested the F-5 from the United States and the Lightning from Britain. At the time, some sources suggested that Peru was negotiating for Lightning in order to persuade the United States to release the F-5 before 1969.⁶⁹ Later it was revealed that Washington had put pressure on Britain not to supply Lightning.⁷⁰ The United States refused to supply F-5 before 1969 but offered Peru 12 F-86 Sabres. The offer was refused. In 1967, the United States blocked the sale of six Canberras to Peru; these had been built in Britain with U.S. aid. The United States argued that the sale would cause too much financial strain and would be inconsistent with the Alliance for Progress. The same arguments were used to dissuade Peru from buying the Mirage. There was also the added argument that the purchase of the supersonic Mirage would mean the introduction of a new type of weapon into Latin America and would lead to a new arms race. Negotiations for the Mirage were underway in 1967. Brazil was also negotiating for the Mirage.

In October 1967, French sources reported that a deal to supply 12 Mirage 5s to Peru had been signed in August.⁷¹ Two weeks later the United States offered the F-5 to five Latin American nations—Argentina, Brazil, Chile, Peru and Venezuela. The State Department spokesman, McCloskey, said: "We expect the purchases of F-5s to be spread over several years and will not sufficiently affect the economic development expectations of the interested countries."⁷² The following year, after Peru had announced its intention to buy the Mirage, Secretary Clifford defended the offer of F-5s to the Senate Foreign Relations Committee on the grounds that it was a less sophisticated plane than the Mirage.

"They obviously were going into a more modern plane. The F-5 is a rather unsophisticated plane, and it would serve their purpose well."

Senator GORE. Perhaps better for internal security than the sophisticated one.

Secretary CLIFFORD. Much better, we felt. . . . They wanted something much more sophisticated, so they apparently started to purchase the French plane. Now, this very likely will bring into focus the Conte-Long amendment and the Symington amendment, so that this Government will have to face up to that question.⁷³

Yet the Mirage 5 Peru purchased is a simplified version of the Mirage III, developed in the same way as the F-5, especially for the developing countries' market. Although probably more expensive, there is no reason to suppose that it is significantly more sophisticated or inferior for internal security purposes.

The purchase of Mirages and 78 AMX-13 tanks was announced by Peru in April 1968. In early May, it was reported that Britain was selling Peru six Canberras which had been built entirely with British finance. On 16 May, a day before Secretary Clifford gave his testimony, foreign aid officials warned Peru that they would "be unable to come to any decisions" on "new loans" for projects and programme work if Peru's budget for 1968 included "unnecessary military expenditure", if Peru persisted in buying the Mirage.⁷⁴

A report in the *International Herald Tribune* on 2 November 1967 stated that US diplomats had quietly warned Brazil that the purchase of the Mirage might jeopardize the US aid programme to Brazil. The following day the State Department denied that any sort of threat had been issued but pointed out that Congress was responsible for decisions on aid and that Congress was opposed to excessive military purchases.

On 23 November 1967, the Brazilian Air Minister announced that Brazil had decided to purchase equal numbers of F-5s and Mirages. He said that it was a technical and not a political solution.⁷⁵ In January 1969 the Air Minister presented a report to President Costa e Silva, favouring the purchase of Mirages. Among other reasons, it was stated that the French had offered the most favourable terms—partial payment in coffee and raw materials over a period of ten years.⁷⁶ No decision was taken.

In February, Brazil ordered six HS 125 transports from Britain. It was reported that State Department officials were considering whether this was subject to the Symington Amendment.⁷⁷ The same month, the U.S. Ambassador to Brazil informed the Brazilian President that the United States was reducing the volume of military aid to Latin American countries, in particular to Brazil. He said that this had nothing to do with the purchase of HS 125s from Britain.

It is clear from the fact that while the United States is prepared to offer the F-5, roughly the equivalent of the Mirage 5, and the A-4, only marginally inferior to the Mirage III, and yet apply pressure to prevent the purchase of Mirages that the main concern is with maintaining the US monopoly.

Even the economic argument is not convincing. To judge by the report of the Brazilian Air Minister, the French terms are probably as favourable as those offered by the United States. The AMX-13s which Argentina ordered in 1967 are to be paid for on five-year credit at 3 per cent interest.⁷⁸ These terms do not differ substantially from those offered on a typical country X loan.⁷⁹ It is difficult also to find a convincing justification for the veto on the Canberras to Peru. Since the planes had been in service with the RAF for several years, they cannot have been very expensive. Nor did they represent the introduction of a new type of weapon into the area. Peru had already purchased eight Canberras in 1956; Venezuela had purchased ten in 1957. Perhaps the most ironic feature of the US attempts at arms control was the sale by the United States of seven F-51 Mustang fighters to El Salvador in 1968. These were all destroyed in the brief conflict with Honduras in July 1969.

Subsequently there has been a more determined effort to increase military independence from the United States. Both Argentina and Brazil have launched programmes to develop their domestic defence industries. The Brazilian Admiral, Hector Lopez de Sousa, stated that "a nation is only truly independent when it manufactures its own equipment".⁸⁰ While Argentina is developing its vehicle and ordnance production, with a view to export, Brazil is to produce the Macchi jet trainer under licence.⁸¹

The search for European combat aircraft has also intensified. The day after the USA announced the sale of 16 Skyhawks to Argentina and its willingness to supply 50 Skyhawks or F-5s to Brazil, Chile and Colombia, Brazil announced on 18 May 1970 the purchase of 16 Mirage IIIs. Argentina ordered 14 Mirage IIIs, later on in the year.⁸² And in December, Colombia announced the purchase of 18 Mirage 5s, and an arrangement for 43 pilots to train in France. In the meantime, Argentina had ordered 12 refurbished Canberras from Britain and Chile had ordered a further nine Hawker Hunters.

Naval programmes were also launched. On Navy Day Admiral Benigno Varela, Com-

mander-in-Chief of the Argentine Navy, issued a declaration demanding that Argentina stop depending on loaned US vessels. Argentina has declared a 200-mile coastal limit, which is not recognized by the United States. He pointed out that if Argentina seized US fishing vessels, within the 200-mile limit, the USA would cancel the loan agreement. He also pointed out that loaned vessels can only be used in what the lenders determine as "legitimate defence". This does not include clashes with Chile or US fishing vessels.⁸³ Argentina refused to a US offer to loan two submarines; instead two submarines were ordered from West Germany to be assembled in Argentina. Argentina also purchased an aircraft carrier from the Netherlands and ordered two missile-firing frigates from Britain. Brazil and Chile followed Argentina's lead and each ordered "Oberon" class submarines from Britain. Chile also ordered two "Leander" class frigates, while Peru purchased two second-hand "Daring" class destroyers from the British Ministry of Defense. In September 1970, Brazil ordered six Vosper Thornycraft frigates, at a cost of \$280 million, armed with missiles, of which two are to be built in Brazil. Other purchases from Europe include six West German coastal minesweepers for Brazil, Exocet missiles for Peru, and AMX-13 tanks and Panhard armoured cars for Ecuador.

Already by March 1970, General Warren, responsible for the aid and sales programmes, was admitting that "the USA is losing the military equipment market of Latin America".⁸⁴ Congressional restrictions have hampered the ability to offer favourable credit terms. According to official US information, repayment periods are 5-7 years, with down payments of 10-15 per cent. Private commercial credit charges interest rates of 11 to 12 per cent, while US government credit, which cannot exceed 50 per cent of the total contract, is made available at the same rate incurred by the US government in borrowing the money—7½ per cent, as of April, 1970. Private credit, guaranteed by the US government is generally not less than 10 per cent. In contrast, British and French aircraft are offered at rates ranging from 5 to 8 per cent, for periods of 8 to 10 years, with down payments of 6-15 per cent.⁸⁵ Terms are likely to be similar for other weapon deals. For example, \$235 million of the \$280 million deal for frigates, signed between Brazil and Britain, is to be financed by a consortium of British banks, backed by the Export Credit Guarantee Department. The remaining \$48 million concerns local expenditure, incurred in building two of the frigates in Brazil. Payment is over 8 years at 5½ per cent interest.⁸⁶

At the same time, there has been a drastic reduction in grant aid programmes. In FY 1969, programmes to Argentina, Brazil and Peru were all curtailed. The number of US military personnel posted to military missions in Latin America fell from 791 in July 1969 to 498 in November 1970. This was due partly to restrictions on funds, and partly to the recommendations of Senators and politicians, such as Governor Rockefeller, who after his visit to Latin America in the autumn of 1969, presented a report in which he recommended increased arms sales but stated that the permanent military missions "too often have constituted too large and too visible a United States presence".⁸⁷ It was also due to the action of Peru, which in response to the public announcement in May 1969 of the suspension of military sales in February 1969, after the seizure of a US fishing vessel within its declared 200-mile limit,⁸⁸ expelled the 70 man US military mission. Later, Peru admitted seven officers and enlisted men to oversee US equipment, as required by US law.

It seems that US policy to Latin America is approaching a crisis, similar to or more serious than that which occurred at the end

Footnotes at end of article.

of the fifties. The radical nature of the regimes in Peru, Bolivia and Chile is causing considerable concern. As one US official stated: "We may no longer have anyone to assist if the military in Latin America become part of the official leftist establishment and the guerrillas turn respectable."¹⁰ At the same time, the ability to influence the conservative regimes is reduced by the restrictions on military aid and by their increasing arms purchases from Europe. Congress is no longer so willing to authorize military equipment for counterinsurgency. After the war between El Salvador and Honduras, Senator W. Fulbright called for a complete halt in military aid to Latin America. When Assistant Secretary of State Charles A. Meyer told the Senate Foreign Relations Committee that military aid played a "fundamental role in strengthening counterinsurgency forces where inadequate and inequitable economic and social structures" made governments vulnerable to subversion, Senator Church asked: "Why shouldn't they be subverted?"¹¹

FOOTNOTES

¹ This chapter does not deal with Latin American police forces, which are relatively large and well-equipped. In contrast to military expenditures and US military aid, police expenditures and US police aid, under the AID Public Safety Program, have been rising rapidly. A more complete picture of the pattern of arms supplies to Latin America should take into account the role of Latin American police forces, which is not dealt with this study.

² Argentina, Brazil, Chile, Peru and Venezuela.

³ Survey of the Alliance for Progress, *The Latin American Military*, (a study prepared by E. Liewen) at the request of the Subcommittee on American Republics Affairs of the Committee on Foreign Relations, US Senate, 90th Congress, 1st session, Washington 1967, p. 17.

⁴ *Aircraft Sales to Latin America*, Hearings before the Subcommittee on Inter-American Affairs, Committee on Foreign Affairs, US House of Representatives, 29 and 30 April 1970, p. 2.

⁵ The most important Latin American defence production takes place in Argentina and Brazil; see chapter 22.

⁶ The exceptions are Colombia, Costa Rica, Mexico and Panama. In Costa Rica and Panama there are no armed forces as such, only a national guard. In Colombia, where rural banditry has always been rife, the "Lancero units are developing into crack counterinsurgency forces". MIT, Center for International Studies, *Regional Arms Control Arrangements for Developing Areas, C/64-26*, Cambridge, Mass. 1964 (CIS, MIT C/64-25).

⁷ In Costa Rica, the armed forces were disbanded after the revolution of 1948 and replaced by a national guard. The barracks were turned into a national art museum.

⁸ Joseph Loftus, *Latin American Defence Expenditures, 1935-1965*, Rand RM-5310.

⁹ See, for instance, Charles Wolf, Jr., *The Political Effects of Military Programs: Some Indications from Latin America*, Rand RM-3676, for an attempt to compare military aid, defence expenditures, etc. with the Fitz Gibbon indices for political development. See also J. Loftus, *op. cit.*, for an attempt to relate the level of defence expenditures with political developments in Venezuela.

¹⁰ CIS, MIT C/64-25, *op. cit.*

¹¹ *Washington Post*, June 1967.

¹² The mutiny was related to pay and procurement, and probably had some connection with the forthcoming elections.

¹³ *Financial Times*, 16 December 1969.

¹⁴ Goulart had been Labour Minister during Vargas' return to power, at the head of the Brazilian Labour Party, in 1950-54. Vargas, who had already been President up to 1945, displayed radical tendencies although his powers were restricted by the military.

When asked by the armed forces to resign in 1954, he committed suicide.

¹⁵ *New York Times*, 1 November 1970.

¹⁶ *Flight International*, 15 April 1965.

¹⁷ B. G. Burnett and K. F. Johnson, *Political Forces in Latin America*, Belmont 1968.

¹⁸ *Aviation Week & Space Technology*, 30 June 1966.

¹⁹ Brazil has always received preferential treatment. A joint US-Brazilian military commission was established in 1947 and, since then, most Brazilian naval and air purchases have been made through the Brazilian military mission in Washington, D. C.

²⁰ Cordell Hull's memoirs, quoted in Edwin Liewen, *Arms and Politics in Latin America*, New York 1961.

²¹ CIS, MIT C/64-25. For details of the programmes before and during World War II, see W. A. Brown and R. Ople, *American Foreign Assistance*, Brookings Institution, Washington 1953.

²² *Foreign Assistance Act of 1968*, Report of the Committee on Foreign Relations, US Senate on H. R. 15263 to amend further the Foreign Assistance Act of 1961, Washington 1968, p. 33.

²³ For this and other details of congressional restrictions, see *Aircraft Sales to Latin America*, *op. cit.*, pp. 26-27.

²⁴ The main contribution of the Latin American nations on World War II was to allow the United States to construct bases and facilities on their soil and to provide the USA with strategic raw materials. Only Brazil and Mexico contributed troops. Brazil, Cuba, Haiti, Mexico, Panama, Peru and Venezuela all permitted the construction of bases and other facilities.

²⁵ *Documents on American Foreign Relations, 1952*, Council on Foreign Relations, New York 1953.

²⁶ Quoted in *The Latin American Military*, *op. cit.*

²⁷ See CIS, MIT C/64-25, *op. cit.*

²⁸ See H. A. Hovey, *United States Military Assistance. A Study of Policies and Practices*, New York 1965, chapter 4.

²⁹ See the *Draper Report*, *op. cit.*

³⁰ *Foreign Assistance Act of 1961*.

³¹ Hovey, *op. cit.*

³² *New York Times*, 4 July 1961.

³³ Hovey, *op. cit.*; and *The Latin American Military*, *op. cit.*

³⁴ "Points in Explanation of U.S. Military Assistance Program for Latin America", quoted in W. F. Barber and C. N. Ronning, *Internal Security and Military Power, Counterinsurgency and Civil Action in Latin America*, Mershon Center for Education in National Security, Ohio State University 1966, p. 33.

³⁵ See chapter 3.

³⁶ Liewen, *op. cit.*

³⁷ Quoted in Burnett and Johnson, *op. cit.*

³⁸ Quoted in Richard J. Barnett, *Intervention and Revolution, The United States in the Third World* New York 1968.

³⁹ Quoted in J. Gerassi, *The Great Fear: The Reconquest of Latin America by Latin Americans*, London 1967.

⁴⁰ US Congress, Senate, Committee on Appropriations, *Special Report on Latin America: United States Activities in Mexico, Panama, Peru, Chile, Argentina, Brazil and Venezuela*, 87th Congress, 2nd session, 1962, quoted in Hovey, *op. cit.*, p. 68.

⁴¹ Quoted in Barber and Ronning, *op. cit.*

⁴² See *Military Assistance Facts*, May 1966 and March 1968; and *Military Assistance and Foreign Military Sales Facts*, May 1967.

⁴³ *Survey of the Alliance for Progress*, Hearings before the Subcommittee on American Republics Affairs, Senate Foreign Relations Committee, 90th Congress, 2nd session, 1968, on the role of the military in underdeveloped countries.

⁴⁴ Senate "Study Mission to South America", February 1962, quoted in Hovey, *op. cit.*

⁴⁵ These teams, known as MTTs, were responsible for training the Bolivian Rangers,

which captured Che Guevara and also for the successful counterinsurgency effort in Colombia. See *New Republic*, 16 December 1967.

⁴⁶ Quoted in Barber and Ronning, *op. cit.*, p. 147.

⁴⁷ CIS, MIT C/64-65, *op. cit.*

⁴⁸ Barber and Ronning, *op. cit.*; *The Latin American Military*, *op. cit.*

⁴⁹ Quoted in Barber and Ronning, *op. cit.*, pp. 82-83.

⁵⁰ See Barber and Ronning, *op. cit.*

⁵¹ Quoted in *The Latin American Military*, *op. cit.*

⁵² *Ibid.*

⁵³ Geoffrey Kemp, in *World Today*, September 1967.

⁵⁴ This was the period of Vargas' short-lived return to power.

⁵⁵ Quoted in the *St. Louis Post Dispatch*, 30 April 1967.

⁵⁶ *Foreign Military Sales*, Hearing before the Committee on Foreign Relations, US Senate, 1967.

⁵⁷ *New York Times*, 21 July 1967.

⁵⁸ *Flying Review International*, January 1966.

⁵⁹ *Washington Post*, 17 December 1966.

⁶⁰ *Washington Post*, 18 June 1967.

⁶¹ *New York Times*, 5 October 1967.

⁶² *Baltimore Sun*, 11 November 1967.

⁶³ *Foreign Assistance Act of 1968, Part 2*, Hearings before the Committee on Foreign Relations, US Senate, 90th Congress, 2nd session, on S. 3091, 17 May 1968, p. 436.

⁶⁴ *Washington Post*, 17 May 1968.

⁶⁵ *International Herald Tribune*, 24 November 1964.

⁶⁶ *Le Monde*, 7-8 January 1969.

⁶⁷ *Flight International*, 29 February 1968.

⁶⁸ *New York Times*, 4 October 1967.

⁶⁹ These are Export-Import Bank loans, guaranteed by the Defense Department; see chapter 3.

⁷⁰ *Financial Times*, 20 May 1970.

⁷¹ For more details, see chapter 22.

⁷² The Mirages for Argentina may be those returned to France by Lebanon in exchange for equipment which is easier to handle.

⁷³ *Christian Science Monitor*, 7 June 1968.

⁷⁴ *Financial Times*, 20 May 1970.

⁷⁵ *Aircraft Sales to Latin America*, *op. cit.*, p. 24.

⁷⁶ *Financial Times*, 29 September 1970.

⁷⁷ *International Herald Tribune*, 12 May 1970.

⁷⁸ Military sales to Ecuador were also suspended in December 1968, after the seizure of a US fishing vessel.

⁷⁹ *New York Times*, 1 November 1970.

⁸⁰ Quoted in *New York Times*, 9 July 1969.

My final amendment concerns the ceiling on military arms sales to Latin America, which we are asked to raise by a huge 50 percent.

Mr. Chairman, I believe congressional policy behind ceiling provisions is a very good one. We should not chip away at that policy making the imposed limits meaningless by continually raising them. The ceilings were instituted for a very good reason: to end U.S. participation in the wasteful diversion of absolutely needed scarce resources, and to avoid strengthening internal elites whose control of the means of violence makes them in the best of circumstances a dangerously unbalancing element in any emerging country's politics.

We must ask ourselves a very basic question: Can we rely on the military to solve the real problems of these countries, or will we only be solving pseudo-problems that merely consolidate the hold of unresponsive elites?

Sometimes it seems as if the main reason for raising these ceilings is the con-

sideration that if we do not make these sales, other countries will. If Biblical concepts are not out of place in these deliberations, I would remind you that we are told there that although evil will be done in the world, woe unto him who is the agent of evil. And I really think that our time and effort would be better spent trying to negotiate a general limit to arms sales to developing countries, than to make a fast buck on other people's misery.

These three amendments are only a start, only a step in the right direction. But until we take the decision to turn around, until we decide we cannot wait for the world to do it for us, we will never start down that long road away from a foreign policy based on military power to a foreign policy based on the possibility of genuine contribution to the world's human problems.

Mr. MORGAN. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania (Mr. DENT).

Mr. DENT. Mr. Chairman and members of the Committee, we have a very, very aggressive and stubborn group of Members in this House, and they have proven it on many occasions. They do not know what it is to be defeated.

Mr. GAYDOS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Forty Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 307]

Abernethy	Ford,	O'Hara
Abourezk	William D.	O'Neill
Alexander	Fountain	Passman
Annunzio	Fraser	Patman
Ashbrook	Gallifanakis	Pelly
Badillo	Gallagher	Pepper
Biaggi	Gibbons	Pike
Blackburn	Gray	Pirnie
Blanton	Hagan	Pryor, Ark.
Boggs	Hansen, Wash.	Rallsback
Bolling	Harrington	Randall
Broomfield	Hébert	Rarick
Brown, Mich.	Henderson	Reid
Burlison, Mo.	Hillis	Rooney, N.Y.
Carter	Horton	Rosenthal
Chamberlain	Howard	Ruppe
Chisholm	Hungate	Ryan
Clancy	Hutchinson	Scheuer
Clay	Ichord	Slack
Conable	Jonas	Smith, Calif.
Conyers	Jones, Tenn.	Springer
Coughlin	Kuykendall	Stanton
Davis, Ga.	Landgrebe	James V.
Derwinski	Landrum	Stephens
Devine	Lennon	Stokes
Dingell	Long, La.	Stuckey
Dowdy	McClure	Talcott
du Pont	McCormack	Teague, Tex.
Dwyer	McDonald,	Thompson, Ga.
Edmondson	Mich.	Tierman
Edwards, Calif.	McKinney	Udall
Esch	McMillan	Ullman
Eshleman	Meeds	Wilson,
Evins, Tenn.	Miller, Calif.	Charles H.
Findley	Moorhead	Wylder
Flynt	Nedzi	Yatron

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PRICE of Illinois, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 16029, and finding itself without a quorum, he had directed the roll to be called, when 328 Members

responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting. Mr. PRICE of Texas. Mr. Chairman, last year the U.S. Congress adopted legislation which prohibited the President from banning the importation of a strategic commodity from a free world country as long as it was being imported from a Communist country. This is reasonable. Why should we make overtures to the Communist dictators and depend upon them for our strategic materials, when a friendly nation such as Rhodesia would gladly provide us with a better grade chrome at cheaper prices?

Today, once more, we find legislation before us; namely, section 14 of the Foreign Aid Authorization bill, which could easily again place us in a position of dependence upon the Communists for vital defense materials such as chrome ore—a commodity which is critical to the manufacture of such basic U.S. defense items as jet aircraft, missiles, and nuclear submarines. Since the unfair imposition of sanctions on Rhodesia, 60 percent of our chrome imports have come from the U.S.S.R. It does not require much imagination to realize how much strategic leverage this situation gives Russia in its relations with us. Should the Communists decide to cut off our until-recently one major source of chromium supply we would be rendered helpless and vulnerable before them. Is it logical to seek our defense-related materials from our enemies instead of our friends?

Rhodesia is the principal chrome producing nation in the world. It has two-thirds of the world's reserves. Yet we have singled out that friendly nation as a pariah, while we continue to trade with Russia, Poland, Hungary, Algeria, Chile, notwithstanding their alien ideologies and hated dictatorial practices.

We must be able to distinguish our enemies from our friends and not compromise our freedom by siding with those who would readily destroy us. Does it appear reasonable to bend our knee before those who would wish to bury us and ask them for the weapons to forestall that destruction?

Let us keep in mind this Nation's overriding goal—to protect the cherished principles of freedom and democracy which we stand for and which we must be ready to defend with the steel sword if necessary. For, unfortunately, the steel sword and iron strength are the only language which our enemies respect and understand; and our sword must have chrome to give it strength.

I therefore urge that we in the Congress defeat section 14 of the Foreign Aid Authorization Act which would foolishly compromise our national security and render us vulnerable before our enemies.

Last year Congress adopted as part of the Military Procurement bill, the Byrd amendment which would allow us to import our strategic materials from friendly nations—nations like Rhodesia. For our Nation's sake, that law must be allowed to stand.

The CHAIRMAN. The gentleman from Pennsylvania (Mr. DENT) is recognized.

Mr. DENT. Mr. Chairman, before I was interrupted by the rollcall, I started to talk about section 14 of the bill before us dealing with a subject matter that has been thoroughly discussed in this House.

This House has acted upon it. But, as I said many times, there are certain groups amongst us who never say die—who never quit—who insist that all things must be as they designed them—and must, in every instance, be exactly what the minority wants, which in some way or another has now become the right of the minority to rule the majority.

I am speaking of a very serious matter, one that goes far beyond the so-called underlying principle that was the factor which decided the action of the U.N. And I am talking about the so-called U.N. embargo of ore from Rhodesia.

This Nation can little afford to join in a luxury position taken by those who never intended to obey the dictum of the U.N., and never have.

Metallurgical grade chromite ore is found principally in Rhodesia. Sixty-eight percent of all the world's reserves are in Rhodesia.

Another 26 percent—the greatest supply of known ore, after the Rhodesian ore—at least the exploited ore, is in the Soviet Union.

The United States in 1961, against the advice of its own governmental agencies, decided to stop producing chrome ore in the United States. We are entirely dependent upon the importation of chrome ore, the one ingredient that allows the production of specialty steels—the one steel that is essential to the life and production of goods for life in peace and in war in this or any other nation.

Without the importation of ore, because of our foolish positions that we took in 1961, we are without doubt at the mercy of any aggressor within a short period of time after the start of hostilities.

In 1965, Rhodesia unilaterally declared itself free and independent of British colonial control—somewhat reminiscent of the action of the 13 States, and for somewhat similar reasons.

Great Britain up until that time had the same type of government that they had in 1965 and have now. Great Britain never asked anybody to embargo Rhodesian ore. The only time that Great Britain awakened to the situation was when Rhodesia declared itself independent of British rule. At that point, all of a sudden, it became imperative that the internal disorders in Rhodesia due to racial situations beyond our control became the reason for embargoing Rhodesian ore.

What has happened during those years of embargo? I am told by a very close friend of mine, a member of the Committee on Foreign Affairs that certain statements were made in that committee relative to this embargo and its effect upon American production. I am told that there will be an argument that some steelworkers official told him that there were no jobs lost. Well, I happen to have five plants in my district and, if they do not think any jobs have been lost,

I will send them the unemployed steel workers from our steel plants and see if they have room for them in their agricultural territories or in the city of New York where some of the scientists come from.

This sanction resolution was unanimously adopted by the U.N. As of the date of the repeal of the sanction by this Congress, only two nations on the face of the earth producing steel were abiding by the sanction.

Only Great Britain and the United States, and we were only abiding by the sanction in the position of buying ore direct from Rhodesia. We cannot survive without Rhodesian ore. All of the ore that we have is imported. The Soviets have sent us in 1969 68 percent of all the ore that we consume. That is all they could give us.

The Japanese have today the largest reserve of ore above ground of any nation in the world. When the sanctions were put into effect we were in 100 percent production of defense steels in this country. One plant in my district is the only plant in the United States making a certain alloy without which you cannot produce the last 3 airplanes developed by the United States, without this alloy that we make.

Mr. DOW. Mr. Chairman, will the gentleman yield?

Mr. DENT. I yield for a very short question, yes. I only have limited time.

Mr. DOW. Is it not true that a great deal of the chrome that we import is wasted in a luxurious fashion on door knobs and automobile bumpers and all that sort of flashy metal that we use in our automobiles?

Mr. DENT. Well, I do not know. A lot of people in this country like flashy metal. I do not see that they should be denied it. There are a lot of people in this country who like automobiles, and I am not in a position to say that what you have said is true, since I own a car made in America by the American Motors Corp., which, incidentally, does not have any flashy metal on it. I do not know what kind you own, but I will take a look at it.

Fellow Members, if that is the only argument you have to support a sanction, God help this country! Imagine such an important issue as the very lifeblood of this nation depending upon whether you like an automobile with flashy metal. The truth of the matter is that the year before the sanction was the largest productivity of ore in Rhodesia in its history, and yet after the sanctions went into effect in 1967 the production dropped from 625,000 to 350,000 tons, but in 1971 after all these years of sanctions, the production in Rhodesia in the American-owned production facility was up to 650,000 tons.

Is that a sanction? I will tell you what the sanction has done. It has increased the cost of American ore that we have to buy from third-party nations from 15 cents per pound to 25 cents per pound. Since we introduced the amendment that lifted the embargo, we have been able to get our ore price reduced 18 cents per pound, or \$1.40 per ton.

Now, the argument made by the proponents of this amendment is that we are buying less ore now than we bought in 1968 and 1969. Well, why would we not? If that is the purpose, to buy less ore, then, of course, all you have to do is keep this policy up and we will not have to buy any because we will not have any production.

We lost 30 percent of our production in those 3 years, and no one can tell me—steelworker or nonsteel worker—that you can lose 30 percent of your production in any item and not lose employment.

An amendment was offered to the Foreign Relations Act to reimpose that sanction. Why? Where do you get the basic argument? Oh, they say the blacks have to have it because of the fact that it is a question dealing with something other than the production of goods. If that is the case, I could name you a lot of countries to be embargoed. I defy any of you—

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. MORGAN. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. DENT. How many of you would decide to embargo Russia because of the treatment they have given to the Jews?

Some people might say we ought to be embargoed for the treatment we gave the Indians in this country. These are internal problems of nations. They are not settled now, they have not been settled for centuries, and they may not be settled for centuries.

If the embargo is to work, why do we allow ores to come into this country from Rhodesia through third party nations? Why do we allow steel to come into this country which was made with ore from Rhodesia, which not only deprives our country of exports, but also deprives our people of jobs.

I am sick and tired of people who put on their sleeves their love of this country and minorities, and then the minute the minorities are no good to them politically, they divorce the minorities as quickly as they would a bad wife.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. DENT. I yield to the gentleman from Iowa.

Mr. GROSS. Rhodesia was one of the few countries before that embargo was slapped on with which we had a favorable balance of trade.

Mr. DENT. Let me tell the Members something else. There is not 1 ton of ore above ground in Rhodesia. Why? Because it is all being shipped out. I was told it is being shipped to Portugal and to South Africa. All the ore they use could be put in a thimble and if one would rattle it, it would wake one up. These people are not using 650,000 tons of ore from their own facilities.

Before the embargo we were the largest producer of specialty steel and the largest consumer of chrome ore. We have gone from \$38 a ton of raw ore to \$80. Since the embargo was lifted it has been reduced to \$50 a ton. Why? Because we broke the back of the Soviet Russian monopoly on ore to the United States of

America. The only other source of any consequence is what we are getting from Soviet Russia, beyond the ore from Rhodesia, and much of the Soviet ore comes from Rhodesia also.

The statement was made in the committee that not one pound comes from Russia. Where would we get it? Where do Members think we get it? It is not something that can be sneaked into the country in a pocket like pot. It comes in, it is visible, and it comes in in ships and can be measured.

If the Congress again puts our own interest secondary to that of the Russians, we deserve everything we will get from those who are going to give it to us some day. Even the bill itself is impossible—impossible—of fulfillment if we do not have chrome ore. The argument is made that there is not a shutoff of ore, that we can get it, that Rhodesia is still producing it.

The very persons who come here and ask us to reinstate the embargo admitted openly before a committee that the embargo is not working, that we are buying chrome ore from Rhodesia, but they want us to pay more for it. Why? Do they want to weaken this Nation's ability to defend itself in war and prosper in peace? Is that what the purpose is? I can find no other purpose.

I searched my mind last night as deeply as I could, I searched in the back pages of our history on metal production, and I can find no worthy reason to weaken this Nation in its ability to defend itself in wartime and to defend itself in peacetime prosperity. We were the most prosperous nation on the face of this earth until we started telling other nations how to behave. We do not know ourselves how to behave. Some of very people who are the promoters of this embargo are the same ones who are condemning the Democratic Party because we have listened to the voices of the young people. They are listening to the voices of people who do not even live on this continent. They are listening to people who have absolutely defied every pressure that can be put on them to employ these sanctions although they signed the U.N. resolution.

I want any Member of this Congress to show me what nation on the face of the earth that produces steel and is obeying the sanction, other than Great Britain and the United States. I say to this House if anyone shows me one nation that produces steel that is not buying Rhodesian ore and also signed the manifesto and embargo, I will resign from the House of Representatives and go back where I belong with my honest people.

It may be crazy, but I will do it, because it is not worth it for me to sit here and see my great country go down the drain on a false premise. I am 64. I have never supported a false premise, and I never will.

Mr. PUCINSKI. Mr. Chairman, will the gentleman yield?

Mr. DENT. I yield to the gentleman from Illinois.

Mr. PUCINSKI. The gentleman is telling us that other countries are buying chrome from Rhodesia and selling it to

us at a profit, but this resolution would bar us from buying it directly from Rhodesia.

Mr. DENT. That is exactly what has happened since 1965. They never shut down the Rhodesian production, but we had enough for our reduced production, but we had to pay exactly 100 percent more than the French, the Italians, the Japanese, the Germans, and the Australians.

There is one more thing before I close. I want this clearly understood. We have been trying to buy Turkish chrome. Why? When it comes down to basics, they have not had the productivity to give enough of it, but some of the best ore in the world, equal to and some of it better than the Rhodesian ore. We have not put enough money into the Turkish ore to get the production, but when we do they will find something against Turkey. They will probably ask us to put some kind of an embargo on, because Russia has made a deal. I charge this for the record: Russia has made a deal to barter to the United States for the production of machinery, to barter ore, float glass, liquefied gas, and other products natural to Russia, and they are getting \$3.2 billion worth of goods for the products we are to buy.

The Russian interest is the compelling interest on the part of some, in the amendment before us.

Mr. MAILLIARD. Mr. Chairman, I have no further requests for time.

Mr. MORGAN. Mr. Chairman, I yield 4 minutes to the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Chairman and members of the Committee, I come here to beseech you to support that part of the bill which would cut off military and economic aid to Thailand.

It is sometimes difficult for those of us who come from different communities to recognize some of the problems that we have in our international agreements with other nations. Yet, as we see in the drug epidemic's explosion, many of us recognize today more than ever before that this is not a medical problem or a social problem restricted to the inner cities. Indeed, it probably shocked the consciences of many Members of Congress to find that those of us who were anxious to see our boys return home as heroes found that they returned home as junkies.

It is difficult to understand how when the State Department, the CIA, the Bureau of Narcotics and Dangerous Drugs and all those agencies which have the power to go out and attempt to control the international traffic in drugs pinpoint the nations which are the biggest violators, we find when we return to the Chambers of Congress that we are asked time and time again to support these nations.

There are reports, classified and unclassified, that substantiate—without being refuted by the administration—the fact that the Thai Government is not only actively engaged in the trafficking of drugs but also is using the very same military vehicles we appropriate funds for to do this.

I am saying as I read the legislation that the only sanction against providing funds for that Government which has been termed corrupt by our own State Department, the only restrictions are that the legislation gives the President of the United States an opportunity to see what inroads we have made. This is an opportunity to test the cooperation of that Government. If in fact in the view of our Commander in Chief, our Chief Executive, that Government is cooperating in stopping the international flow of drugs which has a direct affect on the quality of life of hundreds of thousands of people in this country, then that money which is authorized to be appropriated in prior sections will become available to be distributed to the Government of Thailand.

It will be difficult indeed for me and many Members of Congress to justify to the returning GIs who are seeking drug addiction rehabilitation care and to speak to the thousands of youngsters hooked by this tragic disease to explain why we as Members of the United States Congress continue to give economic support to those nations which do not recognize that their action is indeed a threat to our national security.

Mr. MORGAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. MONTGOMERY. Mr. Chairman, I rise in opposition to H.R. 16029 because of several provisions contained in the bill which would be detrimental to our Nation's foreign policy and would severely impede President Nixon's effort to bring America into closer accord with nations throughout the globe. My main objection is to section 13 of the bill known as the Hamilton amendment. However, I am also opposed to the sections which deal with our relations with Thailand, Portugal and Southern Rhodesia. These provisions are direct slaps in the face to three strong and long-standing allies of ours who are taking steps to change policies of their countries with which some Members of Congress evidently disagree because of philosophical reasons.

I am not sure we have the right to dictate internal policy of another nation through legislative edict. We can accomplish the same objective in a much more harmonious fashion by allowing the various departments of our Government to continue their negotiations on the matters involved. Such high-handed and uncalled for tactics on the part of the U.S. Congress as contained in sections 7 and 14 serve absolutely no useful purpose.

As I stated earlier, my main objection to this legislation is because of section 13, and I have several reasons to oppose this so-called end-the-war amendment.

First, the amendment would seriously undermine President Nixon's bargaining leverage in Paris, as well as secret and public negotiations with the enemy.

Second, the cease-fire proposal would not bring an end to the fighting. It would only delay the fighting while we with-

draw our troops. We should make every effort to end the fighting, period.

Third, the amendment addresses itself only to the release of American prisoners of war and information on those U.S. servicemen listed as missing in action. Are we going to be so inhumane as to forget about the fate of our allies who are held as prisoner?

Fourth, I feel that this piece of legislation is not the proper place to attach this amendment. An issue of this importance should be debated and voted on as a separate measure. I would suggest that the Foreign Affairs Committee bring to the House floor House Joint Resolution 1225 so that the Members may work their will on that bill which deals with the same subject.

Mr. Chairman, there is not a single Member of the House or Senate who likes the thought of war. It is abhorred by all. There is not a single Member who would not be extremely gratified to see an end to the fighting in Indochina. Unfortunately, this amendment will not accomplish that goal. In fact, I feel the amendment would only serve to prolong the fighting and killing of troops and captivity for the prisoners of war. I urge my colleagues to vote for a lasting and honorable peace by striking section 13 from the bill.

Mr. MORGAN. Mr. Chairman, I yield 4 minutes to the gentleman from New York (Mr. Dow).

Mr. DOW. Mr. Chairman, let me express the strongest kind of support for the Morgan-Hamilton-Whalen provision to end U.S. participation in the Indochina war by October 1972. The terms of the provision are well known to every Member of Congress, so I am not going to dwell on that. Instead, Mr. Chairman, by way of supporting the Morgan-Hamilton-Whalen provision, I want to condemn in the strongest terms continued U.S. military activities in Southeast Asia.

Since the United States has placed itself in the friendliest posture with the great centers of Communist power at Moscow and Peking, our campaign against "communistic aggression" in a small corner of Asia is clearly a vestigial remainder of an abandoned policy.

In pursuing this warfare with such demonic fury, our Nation is appearing before the world as a monster practitioner of cruelty. Our former Attorney General, Ramsey Clark, has just reported that the United States has recently bombed a hospital and killed innocent civilians in North Vietnam, to say nothing of bombing the dikes. I myself have seen moving pictures of the hideous suffering visited by our air warfare on the civilian population. The limbs of living people have been burned off by phosphates of American bombs, their flesh has been torn by small metal arrows called fletchettes, although this kind of weapon was ruled out under the principles of the Hague Convention more than half a century ago.

Instead, President Nixon continues, in spite of his pious expressions of hope for peace, to attach to his peace proposals various qualifications which would protect the continued role of the Saigon

regime in South Vietnam. We went to war to protect that regime. The peace proposals of the President contain provisions for protecting that regime, and are not solely focused on peace. As long as our peace terms contain the protection of the Saigon regime, the President is not asking for peace but for the victory that has escaped us for 7 years.

Instead, the President should be held to his goal of peace. On October 9, 1968, he said:

Those who have had a chance for 4 years and could not produce peace should not be given another chance.

I would give him another chance. He can accept the Morgan-Hamilton-Whalen provision, and so can we.

Mr. MORGAN. Mr. Chairman, I yield 3 minutes to the gentleman from Maryland (Mr. LONG).

Mr. LONG of Maryland. Mr. Chairman, I strongly support the provision in this bill to end U.S. involvement in the Indochina war by October 1, 1972, subject to a cease-fire to achieve safe withdrawal and release of all American prisoners of war.

I have never ceased to wonder why we sent 600,000 American troops, of which my son was one, to protect 1 to 2 million South Vietnamese fighting men against a quarter of a million Communists. Whatever the original justification, it is no longer clear what our current objectives in Vietnam are.

If our objective is to contain the Communist Chinese, the only real threat, we may be weakening our position by destroying North Vietnam. We may find ourselves supporting North Vietnam against Communist Chinese aggression within the lifetime of many of you listening to this speech. If this is a possibility, it is not in our interest to destroy the North Vietnamese, who—as the only real fighters in Southeast Asia—offer the only long-run buffer against Chinese thrust to conquer that area.

If our objective is to destroy communism, we would hardly be exchanging amenities with the Communists in New York, Peking, Moscow, and elsewhere. If our objective is to win, we would not have pulled out all but about 10 percent of our troops.

We have surely done all we can be expected to do for the South Vietnamese. The South Vietnamese have all the equipment and troops they need to defend themselves. They have everything except possibly the will to do so. If our 10 years of being there has not instilled some will in them, who can believe that our being there longer will do so?

The United States cannot continue indefinitely to give the lives of our young men in a war which should be fought by the South Vietnamese.

Our only objective apparently left is to obtain the release of our American prisoners. But the longer we fight, the more prisoners the Communists will capture. Through this bill, we are telling the Communists that we will get out completely if they release all our prisoners. This is our best hope for getting our men back.

What Congressman here in this room

can honestly tell the mothers and fathers in his district that with our present no-win policy there is any real objective left that is worth the loss of a single American boy?

Mr. MORGAN. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America assembled, That this Act may be cited as the "Foreign Assistance Act of 1972".

Mr. MORGAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PRICE of Illinois, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 16029) to amend the Foreign Assistance Act of 1961, and for other purposes, had come to no resolution thereon.

THE AMERICAN REVOLUTION BICENTENNIAL COMMISSION

Mr. DONOHUE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 13694) to amend the joint resolution establishing the American Revolution Bicentennial Commission, as amended.

The SPEAKER. The question is on the motion offered by the gentleman from Massachusetts (Mr. DONOHUE).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 13694, with Mr. GONZALEZ in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Massachusetts (Mr. DONOHUE) will be recognized for 30 minutes, and the gentleman from New York (Mr. SMITH) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Massachusetts (Mr. DONOHUE).

Mr. DONOHUE. Mr. Chairman, the bill, H.R. 13694, was introduced in accordance with the recommendations of an Executive communication from the American Revolution Bicentennial Commission. As outlined in the executive communication, the enactment of the amendments contained in this bill are now required to enable the Commission to carry forward its work. At the present time, an important aspect of its work includes giving assistance and advice in connection with developing programs and activities planned by the States and local communities, civic, and service organizations, Federal agencies and foreign governments.

Previously, the Bicentennial Commis-

sion has been engaged in preparing a basic blueprint for a national commemoration. Now, during the year 1973, the Commission will be emphasizing the actual initiation of programs and activities in connection with the observance of the bicentennial. Thus the authorization for appropriations for fiscal year 1973 contained in this bill is the first authorization which would have the purpose of beginning to fund implementation of the Commission's national plan.

This bill would authorize the amount of \$6,712,000 to be appropriated for fiscal year 1973, and this figure would include provision for \$2,400,000 for the second and final year of equal grants to the States, a program initiated in fiscal year 1972. Under Public Law 92-236, approved March 1, 1972, the 2-year program of grants to each State, the District of Columbia, the Commonwealth of Puerto Rico and the territories was authorized to assist in the establishment and implementation of bicentennial commissions.

Section 2 of the bill, H.R. 13694, adds two new subsections to section 9 of the joint resolution establishing the American Revolution Bicentennial Commission. Section 9 concerns grants in aid and includes in subsection 1 the provision for grants in aid to the States which I have just referred to. The new subsection 2 which would be added by this bill, as amended by the committee, would make grants to nonprofit entities, including States, Territories, the District of Columbia, and the Commonwealth of Puerto Rico, or their subdivisions for the purpose of assisting them in developing or supporting bicentennial programs or projects. It is further provided that these grants may be up to 50 percent of the total cost of the program or project to be assisted. At the hearing it was explained that projects would be reviewed by the Commission and approved for grant support under the authority provided in the new subsection 2 on the basis of general criteria now being developed by the Commission.

At the hearing on April 13, 1972, the witness representing the Commission stated that the grant programs contemplated under section 9 are viewed as an essential inducement and stimulus for a truly national bicentennial commemoration. The Commission takes the position that these actions on a State and local basis both deserve and require encouragement and support by the Federal Government. It is contemplated that the limited financial support provided by the programs for Federal grants will have a catalytic effect in other areas of the public and private sector.

New subsection 3 added to section 9 of the bill authorizes the Commission to accept donations, bequests, or devises earmarked for specific nonprofit entities for bicentennial programs or projects. The Commission would be authorized to grant that money or property to the specified nonprofit entity, plus an amount not to exceed the value of the donation, bequest, or device on the condition that the recipient will agree to match the combined value of the grant for the pro-

gram or project. It is hoped that these programs can be financed without the need of any appropriated funds. It was explained at the hearings that no appropriated funds were authorized or requested for these grants in fiscal year 1973. It is contemplated that the Commission will use revenues generated from the sale of bicentennial commemorative medallions and possibly from other licensing programs and donations for such grants during fiscal year 1973. It was stated that it is the Commission's hope that revenues and donations of this character will be adequate in subsequent years to preclude the need for appropriations.

Section 3 of the bill adds a new section 11 to the existing law which would authorize the President when he determines it to be in furtherance of the purposes of the act creating the American Revolution Bicentennial Commission to authorize the Commission to carry out its functions without regard to specified provisions of law or limitations of authority regulating or relating to the making, performance, amendment, or modification of contracts, the acquisition and disposition of property and the expenditure of grant funds. The committee amendment is to provide that this authority would be granted for a period of 1 year from the effective date of the section. The new section added by section 3 has the purpose of permitting a determination by the President that a waiver authorized by the section would further the purposes of the act. In the executive communication transmitted to the Congress on March 7, 1972, it is pointed out that the pressing time schedule under which the Commission is presently operating, together with the absolute deadline of the years 1975-76, as a practical culmination of its efforts for commemoration of the bicentennial dictates a requirement of flexibility in its operations.

At the hearing it was pointed out that the language of proposed section 11 is patterned after section 108a of the Mutual Educational and Cultural Exchange Act of 1961, as amended. (22 U.S.C. 2458a). It was explained at the hearing that the Commission had concluded that the considerations which led to the enactment by the Congress of the waiver provisions contained in the Mutual Educational and Cultural Exchange Act are also valid consideration for granting similar authority to the American Revolution Bicentennial Commission. It is also relevant to note that the legislation providing for the George Rogers Clark Sesquicentennial Commission (45 Stat. 723) and the Civil War Centennial Commission Act (36 USC 745(b); 71 Stat. 626) contain similar language.

The fourth and final section of the bill would amend section 6 of the law by the addition of a new subsection 4 which would authorize 10 super grade positions to carry out the functions of the Commission.

At the hearing it was explained that these positions are necessary in view of the expansion of the scope of the Commission's work as the observance gains its full momentum. It was explained that the positions will be subject to applicable

Civil Service Commission procedures under section 5108 of title 5 of the United States Code. These procedures permit a position to be placed in GS-16, 17, or 18 only by action or approval by a majority of the Civil Service Commissioners. In addition, the qualifications of the individuals to be placed in such positions must be approved by the Civil Service Commission. The committee further notes that new subsection 4 expressly provides that the provisions authorized under that section will be limited to the life of the Commission.

The committee has concluded that these amendments are necessary to the effective functioning of the Commission and it is recommended that the bill be considered favorably.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. DONOHUE. I yield to the gentleman from Iowa.

Mr. KYL. Mr. Chairman, on section 3, new section 11, which would authorize the President to set aside any provision of the law if it furthered the purpose of the Commission, I would like to ask the gentleman for the record for some rather specific responses to these questions. Does this authority granted to the President by section 3, new section 11 give the Commission the right or does the Commission have the right to expend funds above the authorized level?

Mr. DONOHUE. My understanding is that it does not.

Mr. KYL. Is the answer then that it does not give the President that right?

Mr. DONOHUE. Yes.

Mr. KYL. Does this language, the unusual language giving the President the right to set aside the law, does that language then permit the President or the Commission the right to set aside the new fourth amendment regarding the civil service law? Could the President set aside the Civil Service regulations?

Mr. DONOHUE. My response to the gentleman from Iowa is that the President would not have that authority. He would be governed by the provisions contained in this bill and in existing law.

Mr. KYL. This language occurs in the amendment: "The acquisition and disposition of property." As the gentleman knows, we have had a considerable number of problems in regard to this big bicentennial celebration because of some rather overt moves to trade properties, to exchange some property downtown on Pennsylvania Avenue for some excess Federal property in Boston, for instance, or Philadelphia and elsewhere. Does this section 3, new section 11 give the President or the Commission the right to make exchanges of property regardless of other provisions of law?

Mr. DONOHUE. In my opinion I would say it does not authorize them to do so. In other words the amount we are seeking here in this authorization bill is a sum of money needed to permit the committee to function, in other words its operating costs.

Mr. KYL. If the gentleman will yield further, if what the gentleman says is correct, then why do we need an amendment which says specifically that it:

Would authorize the President, when he determines it to be in furtherance of the purposes of the Act creating the American Revolution Bicentennial Commission, to authorize the Commission to carry out its functions without regard to specified provisions of law or limitations of authority regulating or relating to the making, performance, amendment, or modification of contracts, the acquisition and disposition of property and the expenditure of grant funds.

Why do we need that language if the President or the Commission is not going to do any of these things we have been speaking about?

Mr. DONOHUE. In response to the gentleman may I say, as it was explained to us, because of the pressing time schedule under which the Commission is presently operating, together with the deadline of 1975 or 1976, such a requirement of flexibility was necessary in order for the Commission to operate.

Mr. KYL. If the gentleman will yield further, what laws are we going to authorize the President or the Commission to set aside?

Mr. DONOHUE. My understanding is, on the basis of an example, presented at the hearing that is would cover; Any provision of law or limitation of authority to the extent that such provisions or limitation would limit or prohibit construction of buildings by the United States on property not owned by it.

Any provision of law or limitation of authority to the extent that such provision or limitation would limit or prohibit, first, receipt of admission fees or payments under contracts through advances or otherwise, for concessions, services, space, or other consideration, and the credit of such receipts to the applicable appropriation, and second, rental or lease for periods not exceeding ten years of buildings and grounds.

It is directed, first, that all waivers of statutes and limitations of authority effected by the foregoing provisions of this section shall be utilized in a prudent manner and as sparingly as may be practical, and second, that suitable steps should be taken by the administrative agencies concerned to insure that result, including as may be appropriate, the imposition of administrative limitations in lieu of waived statutory requirements and limitations of authority.

Mr. KYL. If that is the only purpose, would it suit the gentleman's pleasure to take out the language which talks about the disposition of property and the acquisition of property? If we are not going to use that language we should not have it in there to clutter it up, should we?

Mr. DONOHUE. I assume, in answer to the gentleman's query, that it is entirely up to the President; and I assume that the President will not transgress any existing law.

Mr. KYL. Mr. Chairman, will the gentleman yield one more time?

Mr. DONOHUE. I yield.

Mr. KYL. Does this amendment give the President of the United States the authority, if he deems it to be in the interest of the Bicentennial Commission, to trade a piece of surplus public property in the city of Boston for a hotel downtown on Pennsylvania Avenue, if he

deems that to be essential to the operation?

Mr. DONOHUE. I would say that at the hearings that particular proposition was not developed or was not inquired into and, therefore, was not answered. I would say that with the language in this bill the President would have authority to carry out a situation such as the gentleman from Iowa points out.

Mr. KYL. I thank the gentleman for his honesty.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. DONOHUE. I am pleased to yield to the gentleman from Iowa.

Mr. GROSS. I have listened intently to the colloquy between the gentleman from Iowa (Mr. KYL) and the gentleman from Massachusetts who is handling the bill on the floor. I would say to the gentleman that his response was that the provision is necessary in the law to provide flexibility. This goes far beyond flexibility. I have never seen a provision in law delegating a wider grant of power to the President—by that I mean any President. I do not know how anyone could write a wider grant of power.

I say, with all due respect for my good friend from Massachusetts, I do not believe the gentleman has adequately answered the questions of the gentleman from Iowa (Mr. KYL) with respect to why this delegation of power was requested in this bill. There can be no question about the fact that under the terms of this delegation of power the President would have the authority to acquire and dispose of property, and make expenditures of Government funds as he sees fit, with absolutely no limitation except as to the amount of money appropriated, in this case several million.

Mr. DONOHUE. Well, the language necessarily is general in its scope. I cannot say I disagree with the gentleman from Iowa as to the precise nature of the implementation of that language.

Mr. GROSS. If the gentleman will yield further, for what reason is this kind of power given to the President? Any President. It has got to go beyond flexibility.

Mr. DONOHUE. I am quoting from the testimony that was offered before the committee that reported this bill out.

Mr. SMITH of New York. Will the gentleman yield?

Mr. DONOHUE. I will be pleased to yield to the gentleman.

Mr. SMITH of New York. I thank my colleague from Massachusetts.

I would like to say that in this regard the purpose of the proposed section 3 is merely to facilitate the functions of this commission. Due to the fact that the Commission has a relatively short life and because of the short time period before 1976, which is the bicentennial year and the actual termination of the Commission, sometimes a long leadtime is required in contracts and so forth and it requires some flexibility.

Mr. SMITH of New York. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I am pleased to join my good friend and colleague on the Com-

mittee on the Judiciary, the distinguished gentleman from Massachusetts (Mr. DONOHUE), in urging the House today to pass the bill, H.R. 13694, as reported by the committee.

This bill, as amended by the committee, is intended to serve five purposes:

First, to authorize appropriations of \$6,712,000 for the work of the American Revolution Bicentennial Commission for fiscal year 1973.

Second, to authorize the Commission to make grants to nonprofit entities of up to 50 percent of the cost of developing or operating bicentennial programs or projects. These grants are to be made from nonappropriated funds.

Third, to authorize the Commission to match the value of specific gifts or bequests made to it for the purpose of assisting designated nonprofit entities in carrying out bicentennial programs or projects, provided that the recipient of such an award also agrees to match the value of the total award. These grants also would be made from nonappropriated funds.

Fourth, to authorize the President, during the first year following enactment of the act, to waive such provisions of law relating to the making or performance of contracts, the acquisition of property or the expenditure of funds by the Commission as he may specify.

And fifth, to authorize the Civil Service Commission to place no more than 10 positions on the Bicentennial Commission staff in the GS-16, GS-17, and GS-18 levels.

Of the full appropriations for fiscal year 1973 authorized by the bill, \$2,400,000 is attributable to implementation of the existing statutory authorization for the Commission to make equal grants in 2 successive years of not to exceed \$45,000 annually to each State, territory, the District of Columbia, and the Commonwealth of Puerto Rico to assist in the establishment or implementation of State bicentennial commissions. Since such grants were first made to the States during fiscal year 1972, the current fiscal year is the second and last year in which expenditures for this particular purpose will be made.

The remaining \$4,312,000 portion of the authorization is to allow funding of programs and activities which will constitute actual implementation of the Commission's national plan for celebration of the bicentennial, as well as to conduct the day-to-day operation of the Commission itself.

The Commission and its staff presently have 277 projects in various stages of development, including the conduct of a feasibility study on a plan for creation of Bicentennial Parks in each of the 50 States. These projects are approved and overseen by three committees composed of Commission members, aided by advisory panels consisting of distinguished Americans from all walks of life and representative of all groups composing the American people. The three committees are denominated, respectively: "Heritage '76," which emphasizes the historical aspects of this celebration; "Horizon '76," which emphasizes the con-

cept of "where do we go from here" in this country; and "Festival USA," which is the program of the actual celebration in 1976. The latter committee includes the distinguished gentleman from Massachusetts (Mr. DONOHUE), among its members.

Mr. Chairman, it is only natural that a Commission delegated the responsibility of organizing and overseeing the official celebration of the 200th birthday of a nation of more than 200 million people would have the benefit of at least 200 times as much thoroughly well-meaning advice on how to do its job as any one group of men and women could possibly assimilate or act upon.

I doubt that there is a single Member in this Chamber who is not at one time or another convinced that he or she could plan a better, more impressive, more meaningful bicentennial celebration than has the Commission. But would that not be so, no matter what blueprint or specific projects the Commission might initiate or approve?

Let us face it—this is the kind of thing about which all of us have opinions. We enjoy participating in the fun of devising components of the celebration, and that is as it should be.

But let us also face another cardinal fact: Ours is a complicated, pluralistic society. Our people are heterogeneous—racially, ethnically, religiously, even linguistically to some extent. We live in more than 50 political subdivisions, united in a complex federal system of law and government.

And to boot, we are a fiercely individualistic and—a mixed blessing—extraordinarily antiauthoritarian people. Let us in Congress who may be quick to criticize the American Revolution Bicentennial Commission for its seeming slowness in "gearing up" or its hesitance in charting directions remember what kind of nation it is whose birthday we prepare to celebrate. The enormity of the task which we have delegated to them should never be underestimated.

This bill should not bear the burden of every Member's complaint or second-guessing of the Commission's decisions. Fifty Solomons could not satisfy this House unanimously.

The central question before us today is, are the amounts requested to be authorized for the Commission's funding during the current fiscal year reasonable, adequate, and necessary amounts to be expended for such an important and worthwhile purpose?

I think the answer to that is clearly "yes."

Are the other authorities granted to the Commission by the bill reasonable ones for such a relatively short-lived body with such special functions to possess?

Again, I think the answer is clearly "yes."

General oversight hearings on the Commission's operations have only recently been held in the other body, and I would be the first to assert the legitimacy of Congressional inquiry into the way in which a body of our own creation

spends public funds and otherwise carries out the mandate which we have given it.

But, Mr. Chairman, the bill now before the House is an imminently sound and reasonable measure, and disagreements which we as individual Members of Congress, or even as dissenting members of the Commission itself, may have with the Commission as a whole, or its staff, should not be allowed to obscure that overriding consideration.

Mr. Chairman, I urge the House today to pass this bill, H.R. 13694, in the form reported by the committee.

Mr. Chairman, I yield 3 minutes to the gentleman from Virginia (Mr. WHITEHURST).

Mr. WHITEHURST. Mr. Chairman, I rise in support of H.R. 13694. I have been a member of the American Revolution Bicentennial Commission since 1969 and have followed with interest its development. It will be recalled that Congress established the Commission in 1966, recognizing that the 200th birthday of the Republic is a major historic event, one which is unique in world history. We have enjoyed two centuries of freedom, a privilege which has been an inspiration to much of the world. President Nixon, on September 11, 1970, declared that the goal of the Commission should be—

To forge a new national commitment, a new spirit of 1976, a spirit which vitalizes the ideals for which the Revolution was fought; a spirit which will unite the nation in purpose and dedication to the advancement of human welfare as it moves into its third century.

The Commission has not been without its growing pains. There has been uncertainty as to where emphasis should be placed on the bicentennial celebration. Various proposals have been brought forward and discarded. Other proposals, such as the nationwide bicentennial parks concept, have drawn skepticism from many of my colleagues. I have considerable doubts of my own about the proposal. But I think that the principal reason the Commission is under fire is the poor communication that has developed between the Commission leadership and the Congress. Although there are four Members of the House and four Members of the Senate on the Commission, only one of each is on the Executive Committee. I believe that Congresswoman HANSEN has performed an excellent service on the Executive Committee, but I feel that there should be larger congressional representation on the committee. My colleague, Mrs. HANSEN, agrees and we are recommending that the congressional representatives on the Commission be added to the Executive Committee. I believe that if this is done, the Congress will have a surer hand on the decisionmaking process and much of the misunderstanding that has occurred will be resolved.

I think, however, it is in our best interest to approve this bill. Not to do so at this point would be to arrest the development of the bicentennial plans, which are just now beginning to take shape. The hour is late, and no barrier

should be thrown in the way of what Congress originally intended and what I believe the Nation expects—and that is a meaningful celebration reminding us of the sacrifices of the past, and a renewed dedication to preserve our liberty.

Mr. SMITH of New York. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa (Mr. SCHWENGEL).

Mr. SCHWENGEL. Mr. Chairman, this is the second time that this proposal for authorization is before this body. It failed the last time of passage because it did not get the two-thirds majority needed. I was one of those who was opposed to the bill for the extension of the authorization at that time. I opposed it not because I am against a commemoration of the bicentennial, indeed, I am very much in favor of a Congressionally Funded Bicentennial Commission.

I said on the floor that day, and I will repeat it—"The Commission at the present time has not measured up to its opportunity."

This is not because of the membership of the committee—there are some wonderfully fine people on it. I would have some suggestion on its make-up, but I will not go into that. I have confidence, generally speaking, in the members of the Commission.

But, as has already been pointed out, the members of the Commission have not had very much to say. It has been run by an executive committee, more or less. The great criticism that I level is about the leadership that has been hired, and I say to the Members of this House that until and unless we do something about improving the leadership within the Commission, it cannot and will not ever measure up.

I speak to you more than just as a citizen or a Member of the House—I also speak as an historian.

Many people call me an amateur and I guess I am very amateur. I wish at times I could be more than an amateur, but I just do not have the time to be more than an amateur and take of the jobs and responsibilities that I have as a Congressman.

But I can say to you that none of the historical community is excited or really approves what the Commission has done so far.

The members of the prestigious American Historical Association have some objection, as do leaders of the prestigious American Association for State and Local Histories.

Mrs. HANSEN of Washington. Mr. Chairman, will the gentleman yield?

Mr. SCHWENGEL. I yield to the gentlewoman from Washington.

Mrs. HANSEN of Washington. Does the gentleman mean to tell me that the American Historical Association has told you people that they are opposed to the Archives program?

Mr. SCHWENGEL. No; there are aspects of this program which are very good, but there are aspects of the program that are very weak. We have the opportunity to do a very great job with this very momentous opportunity that

the 200th anniversary of our birth presents.

I reiterate, the American Association of State and Local History is a really important group; I know something about them because we enlisted their interest and their talent in a Civil War Centennial Commission that I was a member of, and they were wonderfully cooperative. What we got from them was at no cost to the taxpayer largely, and it was a mighty significant contribution that they made to the meaning of the centennial of the Civil War. We should seek their help and give them encouragement. This they have not done yet, and I speak for its president, Mr. William Alderson, who testified before the Senate committee the other day. He had many more critical observations than I had when I appeared before that same committee.

One of the reasons I have taken a position is that they have made some wrong decisions. The people have come here and talked about the Bicentennial Park System. I look at that and wonder what the leadership was thinking about when they conceived that idea. Generally speaking, historians laugh about it, and it is laughable. They propose to spend from \$15 million to \$20 million in each State for panoramic parks and pavilions of some kind. It looks as though they intend them all to be the same thing. How boring that would be.

This is the responsibility of the leadership of the Commission. They are spending now \$150,000 to study the feasibility of it. They would not have to do that because they have at their beck and call the talent of the finest park system in the world, which is our national park system. It is the envy of the world. What a shame that they were not consulted.

Now, if we are going to use our parks, and I am not against using parks, if we do want in some way to use parks and structures for the commemoration then we ought to enlist, and use the talents, experience, and dedication of the National Park Service.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. SMITH of New York. Mr. Chairman, I yield 2 additional minutes to the gentleman from Iowa.

Mr. SCHWENGEL. Now, to get at the problem and make it possible for the present Commission to function, I would like to suggest to this body that tomorrow I will present an amendment to the bill which will provide that the Commission itself will elect the chairman and vice chairman of the Commission. Then you will have an arrangement where the chairman or vice chairman will be responsible first of all to the members of the Commission, most of whom have been appointed by the President, or serve by virtue of their office, or appointed by the leadership of the House and Senate.

This is not the case now, very obviously, and there is a great deal of evidence which tends to show that. I want to point out to the House another thing: This is consistent with the precedent when the Civil War Commission was formed in the Eisenhower administra-

tion. We provided that the Commission itself name its chairman and vice chairman. What happened was that the committee came up with a name and they went to the White House and said, "This is the person whom we have in mind. We hope there is nothing offensive about him," and so it proceeded. We had some difficulties on that Commission, but because of the way it was organized we took care of our own difficulties.

In the Kennedy administration the suggestion was made that President Kennedy appoint the chairman. He said no. I talked to President Kennedy about this. He said, "This is a fine format; let it alone; this is fine. Let the Commission solve the problem," and they did solve its problem to the satisfaction of all.

We ended up with Allen Neville as chairman, one of the finest and most capable historians in the United States heading that commission, and as a result we had a wonderfully successful program.

Let me tell you something about the cost of that program. Here, we are asking for \$6 or \$7 million. The Civil War Centennial Commission cost the taxpayers \$100,000 per year, but they took advantage of all kinds of opportunities to commemorate without cost.

The CHAIRMAN. The time of the gentleman from Iowa has again expired.

Mr. SMITH of New York. Mr. Chairman, I yield the to gentleman from Iowa 1 additional minute.

The CHAIRMAN. The gentleman from Iowa is recognized for 1 additional minute.

Mr. SMITH of New York. Mr. Chairman, will the gentleman yield?

Mr. SCHWENGEL. Yes, I shall be glad to yield to the gentleman from New York.

Mr. SMITH of New York. Mr. Chairman, is it not a fact that the Civil War Centennial Commission in its celebration was engaged almost entirely in celebrating a past event, the great Civil War which tore this country apart and eventually brought it together?

Is it not a fact that the concept of this American Bicentennial Commission is working on and trying to get a handle on not only our heritage and our part of that revolution and what came out of it but also a celebration for the year 1976, looking back and looking forward to a concept of where this country goes from here in this continuing revolution?

Mr. SCHWENGEL. The gentleman is absolutely correct. In the Civil War Centennial Commission there was a commemoration and study to show how we could bring unity to the country. In this commemoration it is a demonstration to the world of how freedom works. It is a wonderful opportunity for us to reflect on the most successful story in the history of freedom and liberty.

Mr. Chairman, the following is a statement I made before the Senate Committee on the Judiciary that bears on this subject:

STATEMENT OF CONGRESSMAN FRED SCHWENGEL

Mr. Chairman, thank you for this opportunity to appear before you on behalf of the bicentennial commemoration plans. First, let me commend the Committee for deciding to have some additional hearings on the important question of the bicentennial. Availing

yourself of an opportunity to make critical appraisal and to hear of the activities of the Bicentennial Commission so far is very much in the public interest. Many of us believe that this is a critical time in the life of the Bicentennial Commission. It will either move forward with intelligent dedication and adequacy, or completely fail. You and we can benefit from the experience and counsel of others, especially from the community of historians, who also have a great concern and growing interest in a successful commemoration of our 200th birthday. Indeed, a great majority of acknowledged historians in the country are anxious because of the lack of leadership and are fearful we will miss the greatest opportunity in our history for a worthwhile commemoration.

From the record and from personal knowledge, you will know of my interest in American history and I can assure you that since I have become a Member of Congress and have become active in the United States Capitol Historical Society, my interest has grown. Before taking the route of opposition on the House floor and availing myself of the opportunity to come here, I would like the record to show I have tried sincerely to work with the Commission and responsible leaders at the White House on the solution of the many shortcomings that are so evident, but to no avail. Those of us who have tried to influence the Commission and especially its leaders have failed to impress them with the urgency and with the inadequacies that are so in evidence today.

From the public and Congressional records, you also know that I have been skeptical of the actions, the inadequacies, the grave mistakes, and the apparent lack of understanding of what should be the role of the bicentennial.

So, Mr. Chairman, I appear before this Subcommittee not as an opponent of the bicentennial celebration, but as a firm believer in the wisdom of a Congressionally funded and supervised agency to direct the celebration and/or commemoration of the American Revolution. That momentous period and the high moments of that period reveal so much of what is good in the American heritage. From these early hard beginnings, we can learn anew and find the guidelines that can lead us as we are reminded again that the Revolution was about something and that it won something that is alive today. It gives meaning to our existence as a great people, something, indeed, that may be our greatest reliance as we move into the final decades of this bewildering 20th century. It was fought for the basic freedoms—freedoms not only for this country, but for the world.

Every citizen of this country and leaders of all the foreign countries that had a direct and indirect part and interest in our Revolution will want an invitation and an opportunity to cooperate and participate in this commemoration.

Most of all, Mr. Chairman, the commemoration of the Revolution deserves dedicated, imaginative, well informed, and dynamic leadership. I regret to say that in recent years that kind of leadership is found wanting. What I have said and will say in my testimony here is confirmed by Dr. James I. Robertson, Jr., Chairman of the Department of History of the Virginia Polytechnic Institute in Blacksburg, Virginia, and former Executive Director of the Civil War Centennial Commission. Dr. Robertson is an acknowledged and highly respected historian, author of many books, and considered one of the best young historians in America today. Dr. Robertson states,

"Its (Bicentennial Commission) seeming indifference to the public desires, its apparent disregard for pertinent historical commemoration, and its woeful lack of progress after an expenditure of millions of dollars, have triggered an adverse reaction that is both nationwide and deep."

"Allow me to offer a few explanations for the open contempt with which the ARBC is held on various levels of our society."

"The Civil War Centennial Commission was concerned with highlighting how a war produced the unity that is our national blessing. The ARBC is concerned with highlighting how another war produced the freedom that is also a national heritage. Hence, the scope and work of the two agencies should be somewhat comparable. Nothing could be further from the truth."

"On the one hand, the CWCC had a maximum staff of seven persons and an appropriation of \$100,000 annually. It relied heavily on state and local centennial commissions, historical societies and similar groups to carry out major programs, for the CWCC always felt that commemorations were most successful when conducted by the people on community levels. The best indication of what the CWCC ultimately achieved—both for the good of the nation and for increased brotherhood among its citizens—can be seen in that commission's final publication: *The Civil War Centennial: A Report to the Congress* (Washington, 1968)."

"The ARBC is a marked and almost pitiful contrast. With a staff twelve times larger, and an annual appropriation of at least thirty times greater than that which the CWCC possessed, the ARBC has spent the better part of six years in producing nothing more concrete than a statement of a three-pronged program it plans someday to implement. A general absence of coordination, innovation and initiative has marked its life to date. For too long, the ARBC has relied for policy-making either on the whims of the Chairman and Executive Director or on advisory groups that rarely meet."

"Even more tragically, the one consistent achievement made by the ARBC to date seems to have been to alienate every historical body or group that could have been of inestimable assistance to it. Many ARBC members themselves have openly voiced astrangement with much that the Commission has and has not done. Numerous historians, historical society leaders, newspapermen, librarians, archivists and other Americans with reverential pride in our nation's birth have expressed concern to me about the ARBC. Their opinions range from resentment and hostility to cynicism and disgust. It is my understanding that a number of state Bicentennial commissions have already banded together into a confederation of their own because of a failure to receive needed and expected cooperation from the ARBC. If this be true, it is a shameful indictment of the federal agency."

"In addition to discounting state Bicentennial commissions and similar organizations whose work is indispensable to the success of the Bicentennial observance, the ARBC leaders have demonstrated a blissful, fatal ignorance of the general role of history in the Bicentennial effort. Neither the Chairman nor the Executive Director has contacts in the historical profession. More inexcusable, neither has demonstrated any desire to cultivate historians, historical societies, state archivists, prominent persons with an active interest in history, and others who could have assisted actively, uniquely and valuably. The rude treatment given by the ARBC leadership to Carl Haverlin, founder of Broadcast Music, Inc., and an internationally recognized student of history, is but a single case in point."

"The failure of the ARBC to honor requests from all who would like to be on the mailing list for the Commission's newsletter is an insult to citizens whose taxes give existence to the Commission. I am one whose request was ignored."

"Newspapers, magazines and various columnists are justifiably increasing their attacks on the ARBC, and these molders of public opinion are accelerating the almost

universal dissatisfaction that exists with the Commission. It seems apparent that the nation has little remaining intention of supporting the present leadership and direction of the ARBC."

"Meanwhile, that agency has but three years left to carry out a program it was commissioned in 1966 to begin. The prognosis is unfavorable, for nothing associated with the present ARBC gives any promise of changing the non-progress that has so far marked the Commission's existence."

"Of all groups that should be involved in a single, concerted effort, the worst repercussion to the nation will come on the diplomatic level. Some foreign countries will delight in emphasizing the inability of the United States to mark its 200th birthday with foresightedness, solidarity and dignity. Moreover, such a failure by America will surely cast an international shadow on the values we hold on the freedom of man."

Mr. Chairman, when the present leadership saw that all was not well in its office and in its program, they engaged the company of Arthur D. Little, Incorporated, to make a study and report of the activities of the Commission. That report is now available and with the exception of their small praise of the bicentennial parks system, there is little that the present Commission can be proud of in that report. Indeed, it is a very gloomy report suggesting inadequacies and failure if things do not change.

Mr. Chairman, I hope you will grant unanimous consent to have this report placed in the record for the benefit of the Committee. This is very impressive evidence that there must be change or there will be no commemoration worthy of the name.

Now, let me speak on the proposed network of bicentennial parks advanced by the Commission. This they advanced in February, 1972, as a major bicentennial project. The announcement of the proposed ARBC nationwide park program is described in the Bicentennial Newsletter, Volume 3, No. 1, entitled Special Bicentennial Park Issue. I have a copy here with pictures and I declare before this Committee that this is one of the most ill-conceived, costly and most poorly planned projects I have ever seen proposed for a commemoration. They say it will cost \$15 to \$20 million for each pavilion in each State or a possible total cost of \$1 billion. This is a boondoggle of proportions never before seen in any commemoration in our history and it has little or no prospects of adding to the spirit of the bicentennial. They say in this publication that the utility system would be identical in each park. They have the grandiose idea to use this as headquarters for circuses, marching bands, and folk festivals. They propose an amphitheater for the performing arts. They propose recreational facilities, botanical gardens, ecological centers, and international exhibitions and foods. They propose to put these on government land and turn them over to the States and not knowing where the logical places are in each State for the pavilion. So far as I know, no responsible committee or people within a State has been contacted to see (1) if the State is interested, (2) determine if there is a good central place of government land, and (3) if the State would be willing to maintain and operate this bicentennial park. I reiterate the bicentennial parks program as described in the Special Bicentennial Parks Issue is a boondoggle and almost a total waste of taxpayers money. It is in the wrong hands, poorly planned, and ill-conceived.

Mr. Chairman, I am not against using our park system, state or national, to recall, reveal and display American history or for using the park system for anything that would be desirable and needed for a particular area. But if we are going to do this, we ought to enlist the talent and capabilities of the greatest park service in the world,

the National Park Service. Mr. Chairman, if the National Park Service, a part of the Department of the Interior, is called upon and they should be, we could enlist the competent historians and experienced talent of the Park Service. The competence of this organization in cooperation with state and city systems for planning, experience and know-how is unmatched anywhere in the world. They would be able to find ways and means to coordinate with state park systems and state leaders and would be the logical people to enlist in using, developing, and extending the park system to commemorate the bicentennial.

SUGGESTIONS

Mr. Chairman, some constructive suggestions that I would like to see noted and considered are as follows:

A. The involvement of education—all schools at all levels.

B. Program for books for publication.

C. Enlist and cultivate the interest of foreigners.

D. Religious leaders.

E. Libraries and weekly school publications.

F. Arrange for and encourage the development of speakers for all kinds of organizations.

G. Call on and use the talents of the American artists.

H. Suggest a challenge to the dramatists and musicians of America to produce drama and music for the occasion.

I. Suggest the creation of a committee to draft a proposal for reenactment of the birth of the Declaration in Philadelphia, July 4th, 1776 and consider using present day Congressmen and Senators.

A. THE INVOLVEMENT OF EDUCATION—ALL SCHOOLS AT ALL LEVELS

In my opinion, the proper function of the Bicentennial Commission lies in educating the public about the American Revolution's meaning and legacy, the dimension of which, at the present time, with the exception of its heritage program, the Commission's leadership has been indifferent to, as well as inadequate, if not hostile toward the educational community and especially the historians.

B. PROGRAM FOR BOOKS FOR PUBLICATION

The American Revolution in 1776 produced a nobility of spirit and intention which could be a tonic to the nation today, but the people of our nation must first understand the Revolution. To do that, the Bicentennial Commission can foster that understanding by sponsoring, with competent leaders available all over the United States, regional and national symposia on the Revolution. At these gatherings, historians, writers of drama, professional people and lay people, could be given a forum to analyze the Revolution for the benefit of local and national audiences. Out of this series of symposia could come the information to produce a series of books to show the impact of the Revolution on our development and growth to greatness. This would not necessarily be just a self-glorification program for there would be many to show us the mistakes we made, mistakes from which we could learn and mistakes from which we have learned.

C. ENLIST AND CULTIVATE THE INTEREST OF FOREIGNERS

The potential of enlisting the help of foreigners is immense. We need only refer to the bicentennial of the birth of George Washington in 1932 reports to note how the foreign nations, even in their own countries with their own talent, celebrated that commemoration and shared their observations which I am sure could be developed with the proper leadership in this bicentennial.

D. RELIGIOUS LEADERS

No student of history could deny that religion has been important in our own develop-

ment. The early pioneers who came for religious freedom and while some wanted to inflict their own version on others which is worthy of note, there were also people like Roger Williams and his magnificent leadership. Some have dubbed him a minority of one. The observation and evaluation that could come from competent studies of religious history could help us understand the importance of religion in its proper place in our society. Active liaison with religious leaders, councils, and denominations could be very enlightening.

E. LIBRARIES AND WEEKLY SCHOOL PUBLICATIONS

A great service could be rendered to all the libraries if responsible members of the Commission sat down with the Library of Congress and check over their publications on the Revolution as a recommended list to pick from for a library. Also, an urgent need is a weekly or monthly publication to all schools in America which would be an outline or summary of something about the bicentennial that would be stimulating and pertinent to the educational needs.

F. ARRANGE FOR AND ENCOURAGE THE DEVELOPMENT OF SPEAKERS FOR ALL KINDS OF ORGANIZATIONS

The Commission should arrange for and encourage and develop a corps of speakers for all kinds of organizations and occasions throughout the period.

G. CALL ON AND USE THE TALENTS OF THE AMERICAN ARTISTS

There are artists all over America who must be yearning for the opportunity to use their talents. What would be more challenging than asking them to use their brushes and their oils that would put in picture form the great events, and the great developments that led to the Declaration. Originals of these could become a prize collection of special American bicentennial art and some would be worthy for copying for the public.

H. SUGGEST A CHALLENGE TO THE DRAMATISTS AND MUSICIANS OF AMERICA TO PRODUCE DRAMA AND MUSIC FOR THE OCCASION

Reading history as I do and sensing the drama from time to time and after seeing the play "1776", I am convinced that dramatists could be challenged, as well as musicians, to work to bring about important stories with their talent and medium. The Commission could encourage this.

I. SUGGEST THE CREATION OF A COMMITTEE TO DRAFT A PROPOSAL FOR REENACTMENT OF THE BIRTH OF THE DECLARATION

Based upon experience of the reenactments of the Lincoln first and second inaugurals, I think it would be worthwhile for the Commission to create a committee to draft a proposal for reenactment of the signing of the Declaration of Independence, possibly using present day Congressmen and Senators.

Mr. Chairman, these are just a few of the suggestions I have that ought to be dealt with in earnest and in depth and with a sense of dedication that any leaders or group of leaders within the Commission could involve themselves. Others will have other ideas. I am well aware that in some of these areas something has been done or thought of, but there has not been the kind of intelligent effort put forward by the Commission that could and should be possible.

My concern, Mr. Chairman, is that the present Commission has not defined its task properly, has not realized that it has neither the time nor the resources to rebuild this country or girdle it with a network of parks. It can, however, educate the country about the glories and deficiencies of its beginnings and in the process render a service worthy of the bicentennial of the American Revolution.

Mr. Chairman, let me suggest that we do our best to seek to draw from past history

of our race inspiration and encouragement which will cheer our hearts and fortify and purify our resolution as we seek not only a greater comradeship for ourselves, but a comradeship with the world. The Declaration is not only a great American document, but is a world document. It came from the experience of others, from reading by our patriots who learn from the experience of others, for history. From this experience and from this renewal of the spirit, we can learn anew wherever men seek to frame policies or constitutions which are intended to safeguard the citizen, be he rich or poor, on the one hand from the shame of despotism and on the other from the miseries of anarchy, which are devised to combine personal liberty with respect for the law and love of country, and wherever these desires are sincerely before the makers of constitutional law, it is to this original inspiration, which is the product of the English soil, which is the outcome of the Anglo-Saxon mind, it is to that that they will inevitably be drawn.

Mr. Chairman, from this experience we can grasp again the impact that the Declaration has had. It remained for a young lawyer from the mid-west, in a dramatic and critical time in our history to articulate so well what I think is a fitting conclusion to my statement.

"I am filled with deep emotion at finding myself standing here, in this place, where were collected the wisdom, patriotism, the devotion to principle, from which sprang the institutions under which we live."

"You have kindly suggested to me that in my hands is the task of restoring peace to the present distracted condition of the country. I can say in return, sir, that all the political sentiments I entertain have been drawn, so far as I have been able to draw them, from the sentiments which originated and were given to the world from this hall. I have never had a feeling politically that did not spring from the sentiments embodied in the Declaration of Independence. I have often pondered over the dangers which were incurred by the men who assembled here and framed and adopted the Declaration of Independence. I have pondered over the toils that were endured by the officers and soldiers of the army who achieved that independence."

"... I have often inquired of myself what great principle or idea it was that kept this confederacy so long together. It was not the mere matter of the separation of the colonies from the mother land, but that sentiment in the Declaration of Independence which gave liberty, not alone to the people of this country, but, I hope, to the world for all future time. It was that which gave promise that in due time the weight would be lifted from the shoulders of men. This is the sentiment embodied in the Declaration of Independence. Now, my friends, can this country be saved on this basis?"

If it can, I will consider myself one of the happiest men in the world if I can help to save it. If it cannot be saved on that principle it will be truly awful. But if this country cannot be saved without giving up that principle, I was about to say, I would rather be assassinated on this spot than surrender it. . . . I have said nothing but what I am willing to live by, and if it be the pleasure of Almighty God, to die by."

Mr. SMITH of New York. Mr. Chairman, I yield 8 minutes to the gentleman from Pennsylvania (Mr. WILLIAMS), a member of the Commission.

Mr. WILLIAMS. Mr. Chairman, as an active member of the American Revolution Bicentennial Commission—ARBC—I am most concerned with the plans and progress of the ARBC toward the celebration of the American Revolution Bi-

centennial in 1976. I am most concerned with its activities, to date, and I am most anxious for the celebration in 1976 to be a success.

On September 16, 1971, I was appointed to the American Revolution Bicentennial Commission by you, Mr. Speaker, upon recommendation of the Republican Leader of the House, the Honorable GERALD R. FORD. My appointment to the Commission was a result of the resignation of my colleague, JOHN SAYLOR. I was very pleased to accept this position and I enthusiastically looked forward to the opportunity to help fulfill the goal of the Commission. I firmly believed at the time that the Commission would assist in the formulation of plans to help the people of this country properly celebrate its 200th birthday, rekindle a new spirit for modern America, and forge a purposeful new national commitment leading toward a rewarding future. Today, less than 10 months after my appointment to the ARBC, I do not believe all of these goals can be reached by the bicentennial year, because of the manner in which the Commission is operating.

Since coming to the Commission, and reviewing much of its past history, the ARBC has been endorsing one concept after another, as constructive and exciting, and, to date, none of these ideas has ever reached the first plateau of reality. There was the "Polis 1976" high-speed rail system for the east coast to transport visitors more efficiently from place-to-place during the bicentennial year; there was the project of a "National Birthday Cake" a piece of which would be available in supermarkets across the Nation; there were the plans for an International Exposition in Philadelphia, which were even endorsed by our President until a certain point in time, and I could go on and on. Now, it seems, a concept for a State bicentennial park system for all 50 States is the newest venture. However, feasibility of such a project has not been determined.

Millions of dollars have been spent on studies and proposals for these various plans, not only on a Federal level, but on a State level, too. The city of Philadelphia and the State of Pennsylvania spent \$3 million to develop a proposal and plans for an International Exposition in Philadelphia, only to discover, in May of this year when the proposal was submitted to the Commission for approval, that the Commission deemed the concept too costly at a figure of \$600 million; yet, the bicentennial parks proposal is estimated at \$1.25 billion, and a feasibility study has not and will not be available until September to determine if this figure is correct.

I would like to dwell for just a moment on the rejection of the plans for an International Exposition in Philadelphia. My district, the Seventh District of Pennsylvania, borders the city of Philadelphia. Much of my time, and the time of many other individuals, was devoted to the selection of a site, the feasibility of the plans, and the formal proposal. By the time the Expo plans were to be presented to the ARBC on May 16, 1972, in

the full Commission meeting in Boston, Mass., Philadelphia had selected a site that was acceptable to everyone on a local level. Mr. William L. Rafsky, president of the Philadelphia 1976 Bicentennial Corp. made an excellent presentation to the members of the full Commission. In my estimation it was a feasible, workable plan.

At the May meeting, I was more than concerned with the fact that many of the congressional members of the Commission were not present to vote on the proposal, but had given proxy statements to Chairman Mahoney, in advance, to vote against the Philadelphia proposal. These members were not present to witness the presentation, but yet had cast their vote, and nowhere in the ARBC procedures does it state that proxy votes can be used.

Just recently, I have discovered that Mr. Mahoney had been in contact with Hon. Maurice H. Stans, Secretary of Commerce and Hon. George P. Schultz, Director of the Office of Management and Budget, as long ago as August 2, 1971, informing them of his decision that the International Exposition was not feasible for the ARBC to endorse. All of his prematurely stated reasons were outlined on a two-page summary dated September 1, 1971, and attached to a letter to Mr. Schultz and Mr. Stans. In checking with my colleagues who are members of the Commission, they have indicated to me that they have no copies of any such letter or summary in their files, nor does the copy in my possession indicate any distribution to members of the ARBC. It is my feeling that Mr. Mahoney spent much of his time between September 1971, and May 1972, in a lobbying effort among the Commission members, and other individuals in high office, to discourage plans for an International Exposition in Philadelphia. If this is the case, and it is very obvious to me that it is, then why was Philadelphia and the State of Pennsylvania allowed to continue spending money on their proposal between September 1971, and May 1972, for a total of \$3 million, when unofficially the decision had already been made.

Now, to get back to the activities of the ARBC, some projects the ARBC has officially endorsed, to date, as commemorative activities, are items such as the Mount Rushmore National Memorial, the Rainbow Center urban-renewal project in Niagara Falls, N.Y., the Colorado Winter Olympics of 1976, and the program of the National Medical Association to combat sickle-cell anemia. Of course, we all are aware that all of these projects have been administered by or funded through other departments or agencies of the Government, and none of them is the result of any effort put forth by the ARBC. I definitely agree that these projects are all well and good and will be beneficial to our country. I do ask, however, what do these projects have to do with celebrating the 200th birthday of the American Revolution?

What I have mentioned to you is typical of the waste of time, effort, and tax dollars that continues by the ARBC. To cite another instance, it was on February

21, 1972, that the ARBC voted unanimously that the ARBC staff would conduct a feasibility study on the State bicentennial parks concept and report back to the full Commission as soon as possible. Please keep in mind that the unanimous vote was to have the feasibility study begun; yet, when the concept was presented before the National Governors' Conference for their endorsement a short time later, it was indicated to them that the State bicentennial park system had the full endorsement of the ARBC.

Instead of the ARBC staff proceeding with the mandate issued by the full Commission to begin the feasibility study by utilizing information that could be obtained from representatives of the executive members, at an approximate cost of \$50,000, it was decided by the executive committee of the ARBC that Booz, Allen, & Hamilton, Inc., would be given a contract to conduct a feasibility study at the cost of \$150,000. In accordance with a resolution passed by the Commission on February 21, 1972, information for the study could be obtained from the "Federal and State Governments, the State Bicentennial Commissions, and the private sector." The reference made to the "private sector" does not necessarily justify the letting of a contract in the amount of \$150,000 without the full Commission being at least consulted on the amount and the type of information asked for. The contract with Booz, Allen, & Hamilton, Inc., was agreed upon in April 1972, by the executive committee, and the contract was signed on July 10, 1972, under executive committee authority. I did not receive, as a member of the full Commission, any documentation that this was the amount of the contract and what information the ARBC will receive in return. Just today, approximately 1 month after signing of the contract, I received a letter from the Chairman of the ARBC explaining that the contract price to Booz, Allen, & Hamilton, Inc., was \$66,045. The additional moneys have been set aside to fund certain authorized reimbursables.

In a memorandum delivered to my office on July 28, 1972, it was stated that the contract with Booz, Allen, & Hamilton, Inc., is for only phase I of the study; how much is phase II going to cost us? Also, it is very apparent to me that the hastily prepared "Chronology of the Feasibility Study of the Bicentennial Parks" that was attached to the memo delivered to my office on July 28, was a timely attempt by the ARBC staff, at the direction of the executive committee, to justify its actions.

I firmly believe that this study costing \$150,000, or more, is not necessary. The ARBC staff, with the information from the various representatives of the executive branch of the Government could have undertaken and have completed the feasibility study by now. As I stated on the floor of the House, on June 19, 1972:

No one knows exactly what anybody is doing about the past, the present, or the future in the ARBC, even though as of June 2, 1972, we had 87 employees.

I, myself, have verified that when you attempt to obtain information about a particular item from the appropriate people at the ARBC, it takes days for them to get the information to you, and you are always referred to the Director to verify the information. This totalitarian effort has to stop. We are supposed to have responsible individuals in positions on the ARBC staff. However, when it comes to obtaining information or a decision from them it must be cleared through the Director.

Based on the present salaries, this year alone, the total ARBC staff payroll will be in excess of \$1.7 million. We have 21 people being paid on the basis of a projected annual salary of \$30,000. This brings to mind that recently the legislation for the ARBC appropriations, which failed to pass the House, contained a provision for additional "supergrades," obviously to accommodate our already rather highly paid staff. It would appear to me that with the caliber of people, as indicated by their salary ranges, the expertise for making decisions, assembling information and, last but not least, compilation of the feasibility study on the bicentennial parks should exist within the scope of that staff. However, the Director, and the Executive Committee of the ARBC with its endless authority, think otherwise.

If we are going to accomplish our aim of celebrating properly the 200th birthday of this country, we are not going to do it with this type of organization. I voice my criticism of the ARBC's lack of progress, but I am not critical of the entire Commission membership or their projects. I think we have many very knowledgeable people aboard and some excellent ideas. I must be sharply critical of the leadership of the Commission and of the structuring within the ARBC of the 10-member Executive Committee which makes almost all of the decisions for the full Commission. The manner in which this operation is run defeats the purpose and original intent of the legislation which created the ARBC. The American people, comprised of minority groups, ethnic groups, immigrants, women, the people who make up and have helped form these United States have very little to do with decisions made by the Executive Committee.

It is true that the President agreed that eight new public members should join the Commission, to represent "Middle America." In April 1972, the eight new public members were appointed, which included three blacks, a Chicano, and an American Indian. All of this is a step in the right direction; however, it leaves a lot to be desired as, with the Executive Committee making the decisions, the role of the Commission is a most minor one.

Dissatisfaction with the Commission's present mode of operation in representing "Middle America" is totally clear, leaving way for the upspring of organizations such as the Peoples American Revolutionary Bicentennial Commission, the Afro-American Bicentennial Corporation, and others, crying out to be recognized. The Youth Advisory Committee of 25, headed by John D. Rockefeller

III, resigned from the Commission expressing the determination that the youth of this country and their ideals were not truly represented in the operations of the Commission. The Bicentennial Service Corporation, publisher of the newsletter USA 200, is managed, and the newsletter is edited by past employees of the ARBC that are determined to give a true accounting to the people of the activities of the ARBC.

The groups that I have just mentioned to you are only a portion of the dissension that presently exists, not only among the people of this country, but among the Commission members themselves, my colleagues on both Houses of Congress, as well as most of your people here today. All of this disenchantment has been well publicized in newspaper articles, magazines, in statements on the floor of the House and, of course, was reflected in the recent overwhelming vote by the House not to suspend the rules and pass the appropriations bill for the ARBC for fiscal year 1973.

I think the most recent documentation and confirmation of the poorly run organization and incompetence of the leadership of the ARBC is the Arthur D. Little, Inc., report, authorized by the executive committee, to study the operations and individuals involved with the Commission. This study cost the ARBC \$25,000 and only told us what most of us have been aware of for months. This study was ordered by the Director and commenced the first week of January 1972; it was basically a 6-to-8 week study, ending approximately the end of February. The final report, delivered to my office on July 5, 1972, was highly critical of the ARBC.

The consultant's study found management of the ARBC:

In a state of incipient failure with staff "resentment and low morale" and a lack of "basic clarity of goals."

I firmly believe that the items I have mentioned to you, today, play an important role in the obvious failure of the ARBC to produce anything meaningful for 1976. I am wholly in agreement with, and urge you, as Members of the U.S. Congress, to see that the following suggestions be implemented before more time and tax dollars are wasted on any further nonsense. I positively believe that leadership and decisionmaking on important issues should be returned to the full Commission. In the past, the full Commission has rarely adopted resolutions on major policy issues; this has got to stop. In this respect, the ARBC Procedure Manual should be altered in a manner as to spell out that all major decisions be made by the full Commission and the Commission should establish guidelines for minor decisions.

I firmly believe that because of the little or no accomplishment status given to the ARBC, that the full Commission should meet monthly, or, at the least, bimonthly until some progress is shown. At least in this manner, the Commission members that seek representation in their areas may be present to make a decision, and it will eliminate the executive committee of making decisions

for the full Commission. The way the Commission is presently structured, the executive committee makes all of the decisions. Out of the 10 committee members, only six need be present to make a quorum, and, then, only four votes on any one issue could make a decision. Does this represent a cross-section of the Nation participating in plans for the 1976 celebration?

All of these facts that I express to you, today, have in some manner been publicized in the barrage of news items that have appeared on a national level making a complete fiasco of the entire American Revolution Bicentennial Commission. I, as a member of that Commission, resent the fact that the public is of the opinion that the entire Commission is at fault when the blame rests on the shoulders of a handful of individuals who, as a result of poor management and lack of expertise have given the whole organization a bad name due to lack of progress and under-the-table operations.

I am of the firm opinion that with the implementation of my suggestions, along with those of other members of the Commission, and utilizing the Arthur D. Little, Inc., findings, the ARBC could still prepare some excellent programs for the 1976 celebration. We must act immediately to take these steps so that we have an American Revolution Bicentennial Celebration in 1976 which will be worthy of our great country.

In order to facilitate this, tomorrow I will offer the following amendment:

On page 3, immediately after line 22, add the following new section:

SEC. 5. Section 6(b) (3) is amended to read as follows:

"(3) The Commission shall delegate such powers and duties to the Director (with the power to redelegate) as necessary for the day-to-day, efficient operation and management of the Commission staff. All major decisions shall be made by the full Commission. All proposals from advisory committees and panels, including any executive committee, shall be approved by the full Commission. The Commission shall meet at least bi-monthly and special meetings of the Commission may be called by the Chairman."

Mr. DONOHUE. Mr. Chairman, I yield 5 minutes to the gentlewoman from Washington (Mrs. HANSEN).

Mrs. HANSEN of Washington. Mr. Chairman, in 5 minutes you cannot cover the details of all the problems and discussions which have been held, but I would like to reply to some of the statements that have been made and to support H.R. 13694, although I shall probably offer two amendments.

Last week I appeared before the Senate Judiciary Committee on behalf of the American Revolution Bicentennial Commission and congratulated that committee for holding public hearings because, interestingly enough, in reviewing the history of the legislation I do not find where either the House or Senate committees ever held public hearings of such scope that details of a bicentennial program were ever proposed.

These hearings should have been held throughout the Nation several years ago because the criticism accruing today is partially a result of many minds at work with many voices.

The bicentennial has been under constant and continuing attack for a wide variety of reasons. As you are well aware, there are some people in this country who do not want an American commemoration of our Declaration of Independence at all, but who would prefer instead to have a "blood-and-guns" revolution.

Two, there is a group, and a wide group, of people who think the bicentennial should be entirely that of commemorative events related to military actions; that it should be limited to dressing people in a uniform and having reproductions of military events during the course of our historic fight for independence.

I would like to point out that 1976 is not only the commemoration of military activities for, in many instances, they were yet to come. Instead, it is a statement of certain political truths. It was a statement by the courageous and thoughtful people of the colonies setting forth the reasons they could no longer support continuation of association with Great Britain. And they asked for the support of this Declaration with a firm reliance on the protection of Divine Providence, and pledged to each other their lives, their fortunes, and their honor.

Thus, in this context we should think of 1976.

Third, there are those who see the bicentennial as an opportunity to attract tourists and to promote merchandising.

Fourth, there are those who are genuinely committed to making the American Revolution Bicentennial serve as a focal point for the reevaluation of America's tremendous needs as we look ahead toward our next hundred years.

And, fifth, there are those of us who believe that an American Revolution Bicentennial should encompass historical commemoration, and provide an opportunity for international visitors to come to our Nation, participate with us as "people-to-people," learn to understand us, know our past—how we began, when we began, and to see how we are tackling the problems of the future.

We also believe that we can look forward at this time, in the years between now and 1976, to setting some goals nationally that will mean a restatement of our commitment to the very principles of the Declaration of Independence; to again state that "we hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain inalienable rights, that among these are life, liberty, and the pursuit of happiness. That to secure these rights, Governments are instituted among men, deriving their just powers from the consent of the governed."

This magnificent statement is the guideline for those of us who believe that we commemorate, invite, and plan; that we sit down and during these next years commit ourselves to reviewing the social, spiritual, and physical needs of this great Nation, and that we take those steps of leadership by involving all of us together as one nation to put together goals for America that will say at the

300th anniversary of our Nation, "we saw, we began and did the things that make for life, liberty, and the pursuit of happiness."

The bicentennial program has been adopted with these goals—Heritage, Open House, and Horizon. Of these I will speak later.

There is a certain frustration among people because we are a wide variety of Americans—210 million of us, and, like all Americans, each one having a different opinion. This, fortunately, is our salvation, because we have the opportunity to speak about it and to voice these opinions. To some it seemed almost mandatory that we have a fair, that we have slogans, that we have stump speeches, that we have parades in the connotation of John Adams' statement. Yes, this is a part of a celebration but at this point in time of America, it would be insensitive of the needs and demands of millions of Americans to involve ourselves only in fireworks. Most Americans are dedicated to making this Nation a better place to live, think, and do.

But, may I repeat, because of these varying viewpoints, there is frustration.

Your congressional Members are not appointed by the President. The Democrats are appointed by the Speaker, and the Republicans are named by their leadership.

Let us look at what we have had, what we are doing, and where we are going. I have chaired the Subcommittee of Interior and Related Agencies Appropriations since the first appropriations proposal came to our subcommittee. The appropriations requested and given were extremely small.

The first authorization bill passed in July 1966. The first appropriation of \$150,000 was made for the year 1969. The total appropriated for the years 1969-70, 1971-72 was \$4,845,000, of which \$2,400,000 was earmarked for the States with a grant of \$45,000 to each State and smaller amounts to the territories.

At this time there were also private contributions in small amounts. The appropriated amounts were not provided promptly, and usually through the supplemental route, for in each year the authorizations have been late and subject to a point of order in an appropriations bill. I would suspect much planning has had to be in a crisis state.

I have been rereading the hearings of our Appropriations Committee and the first notable achievement was the preparation by a force of mission of a report to the President incorporating specific recommendations. This was July 4, 1970. In October 1971, the Commission testified before the committee reporting their activities for the supplemental budget again.

This year they appeared before us on March 15, 1972, with a detailed justification statement but at that time I warned them that they had better secure the passage of the authorization or again we would be subject to a point of order.

The 1973 appropriations bill of necessity did not carry any appropriations for the American Revolution Bicentennial due to this point-of-order problem.

At this time the House and the Senate

are confronted with the fact that if no authorization bill is passed by this Congress, the American Revolution Bicentennial will automatically die.

Of necessity, Congressmen are busy people. The time that we have to attend meetings is relatively limited for as we serve our districts and our Nation and preside over committees, our time is usually fully consumed. Therefore, management details are of necessity incumbent upon others.

I was placed on the Executive Board, presumably because I am a Democrat and a woman. I have served there and am slightly intrigued by some of the comments that have been made that this is an arbitrary group or a clique. Well, if there is anything less cliqueish than a woman and a Democrat, I would doubt it. Any action that I have taken as an executive member has been to try and reflect the sentiment of Americans. For example, in one conversation in an executive board meeting, I said that I felt, when we had so many unfunded necessities in the United States, it would be difficult to get several hundred million dollars from Congress for a particular exposition. This was at a moment when I could not even get through the Office of Management and Budget requests for spending which would build \$90 million worth of Indian hospitals. I think this Commission will understand why I had some genuine misgivings about committing several hundred million dollars to an exposition, desirable as it may be.

I have also warned the Commission, reflecting, I think, opinions of Members of Congress, that the State park program proposed would have very rough going because, first, we already have a splendid national park system and we already have a land and water conservation fund of \$300 million per year for the acquisition of land. And, knowing the fiscal problems of Congress, I simply felt that additional State parks would be a most difficult program to push, particularly in areas that already have parks, and I still feel so. On the other hand, this was one idea presented to be discussed.

Also, I would call to your attention that Congressman ST GERMAIN of Rhode Island has prepared for Congress a bill asking for the authorization of national parks in 20 States having none and asking that the completion of this activity be done by 1976. This could serve as a splendid alternative. But, again, may I point out that this is one of a number of subjects under discussion. At each meeting there are dozens of ideas presented. This, I think, speaks to the point of the Executive Committee. This committee serves rather in the same context as a congressional committee or subcommittee trying to channel for the sake of time, a myriad of programs. I certainly do not consider myself and my participation in the Executive Committee as arbitrary or cliqueish.

Let me now proceed to other operations of the Commission. Lay committees from the Commission, ably assisted in all instances by experts from the fields under consideration, were appointed. The Committee on Heritage is historical and is

ably chaired by the very distinguished gentleman from Philadelphia, Mr. James Biddle, with whom I have had the privilege of working on the American historic preservation program, which has become one of the most enthusiastically supported programs in the United States. Mr. Biddle and his very distinguished panel have developed and presented to the ARBC a proposal for a national historic records program, something to give America a greater legacy of knowledge of its past.

The Horizons Committee is busy with their program. And it is this third program, Horizons, where so much controversy comes about. The goal set to make this Horizons program reflect, as stated in the ARBC Guideline, is "A nationwide challenge to every American acting individually or with others to undertake at least one principal project which manifests the pride, the priorities and the hopes of this community. The Commission encourages every group, especially our youth and those young in spirit, to pool their resources and their talent in a constructive effort to demonstrate concern for human welfare, happiness and freedom."

It is through this program that the women of the United States have become interested in our participation as representatives of groups to focus on current and future priorities. Monday last, the Executive Board of the Commission passed a resolution approving the goal asked by women for "resources centers." I cannot emphasize too strongly the meaningfulness of the participation of women in this program. I also cannot stress too strongly the participation of our blacks, our Indians, and our Spanish people in working for goals of commitment to make this a better Nation.

I have urged the appointment of black women, young people, and I have worked continually at executive meetings to try and make sure that there is focus on these activities. I think it is important and mandatory in this turbulent part of this century to recognize that a long-range look into the continuing problems of our people as to education, food, shelter, and health are part of the American dream and the American goal to provide life, liberty, and the pursuit of happiness.

It is this part of our consideration that has stirred up probably more tempest in the ARBC than anything else. However, I shall continue to believe that these are meaningful, necessary parts of our long look ahead and that they are co-equal with Heritage.

To do easily and well the transformation from merely commemorative to goal-setting is difficult. I heard a woman not long ago say, "this should not be just a celebration of statutes."

In Philadelphia 3 years ago, a distinguished citizen said to me, "I would trust the Bicentennial becomes a feast of reason and soul-reaching and not a county fair." A member of my subcommittee said, "We don't want public works projects."

There are thousands of people who advocate continuing scholarships as to the reasons why and how the Declaration of Independence came to be. There

are others who advocate cultural and artistic grants.

It is all these wide and diverse opinions which create problems. There is as much disagreement about them as there was about the language of the Declaration in 1776. But I would remind you today, nothing can be done without money and there cannot be any money without an authorization. If we want a women's group working, we have to expect to have the staff to do it. If we want blacks cooperating and Indians participating and the States programing continued, we have to have the money.

Before we proceed on the authorization may I compare for you a 1970 report and a 1971 report to Congress.

A COMPARISON BETWEEN THE 1970 REPORT TO CONGRESS, AND THE 1971 REPORT TO CONGRESS

The 1970 report, issued in February of 1971, mentioned only one panel—coins and medals—and only 15 programs planned by cities which were considering cooperation with the ARBC.

The 1971 report to Congress, issued this year, mentions eight panels, in addition to the Communications Committee, and about 50 programs in cooperation with Federal, State, and city organizations.

The panels represent a cross-section of expertise from all over the Nation.

The expansion and increased activity of the ARBC coincides with the addition of Mr. Mahoney as Chairman in October of 1970.

Section II had a great deal of discussion on this floor. Many questions were raised. My understanding is that the major point was to provide contracting for computers.

I am offering an amendment which provides the removal of the words "the acquisition and disposition of property" because this is to many people that portion of the section which would put us in the pork business without congressional authorization.

Section 4 relating to supergrades was also controversial. I would propose an amendment to limit these supergrades to five, recognizing that if you are going to have top-flight people it is necessary to provide the ability to hire them.

For example, a professor of history or a top specialist in this field will not come to the Commission inexpensively.

We were discussing Mount Rushmore and Niagara Falls a moment ago. The whole concept of the bicentennial this year has been based upon an attempt to get all Americans involved in their celebration, their commemoration of the American Declaration of Independence, and the revolution. Therefore, all 50 States are participating.

Now as to the \$6,712,000 authorization. Some \$2.4 million of this goes to the States. Of the last appropriation \$2.4 million went to the States.

You have heard about the executive committee. Well, I think the chairman of the Commission got a little frustrated with rather poor attendance. When you have 25 people plus secretaries and others on a commission people just do not all show up, so, like any good businessman, he assumed a board of directors could clear the air and perhaps go through the

details looking at salient and important points and referring those to the full commission.

It is rather like Congress. I hear criticisms about Congress. They say you have committees and subcommittees; why is not everything done on the floor? Well, you know, I am looking around here. Just imagine if we were going to try to transact whatever business the Congress has to transact here on the floor.

The second thing I want to say is, I have to agree with Mr. WILLIAMS that all major decisions should be made by the full commission and that the Director should be appointed by the full commission.

I think the gentleman from Iowa has another idea about electing the chairman. That is one idea, however, the decision was made here in 1966 giving the President the right to appoint the chairman. He appoints the chairman of the arts council and appoints the chairman on humanities and all of similar groups. I would not treat a Republican President any differently than I have treated Democratic Presidents, because whomever is appointed has to go down to the Office of Management and Budget after authorization, then come up here and ask for funds. Therefore, I would think there should be some discussion with the White House on budget and some responsibility.

You have heard about State parks. I am one of those "horrible" members of the executive committee. I am sure I was appointed because I am a woman and a Democrat. I have no illusions. I am a minority on both counts.

I said at the executive committee that I felt the State parks program is infeasible. We have a great national park system and anyway I cannot go to the Congress of the United States and ask for money on this scale when I cannot even get \$90 million to build Indian hospitals.

However, I will tell you what I have stood for on that Commission, and I am not ashamed of it. We have the heritage program. What is our heritage? It is freedom. It is also the magnificent words of the Declaration of Independence, which guarantee us the right of life, liberty, and the pursuit of happiness.

I will tell you what I am concerned about in this part of this century. I am concerned about looking ahead and using the principles that were part of the Declaration of Independence to declare some goals for us. I want to see the people of this Nation fed; I want to see them housed; I want to see them have the opportunity of education. These are all part of our goals.

Several years ago President Nixon and your Congress said we are going to make the establishment of the Navajo college one of the goals of the bicentennial. That college has been built.

It will be in operation in 1976. This is a small thing, but an accomplishment.

What else do we want? We want to make sure that we have innovative programs. True, there are not just commemorative activities but they reflect these goals that our very courageous an-

cestors stood for and for which they faced the King of England and said, "We want people to be free."

There are certain basic truths.

The CHAIRMAN. The time of the gentlewoman from Washington has expired.

Mr. DONOHUE. Mr. Chairman, I yield 2 additional minutes to the gentlewoman from Washington (Mrs. HANSEN).

Mrs. HANSEN of Washington. Mr. Chairman, may I say this, if I felt that the only purpose of this celebration was to dress people up in buff-colored uniforms and have them marching around on some parade ground, I would say to heck with it. Because I am for people, and I am for people's lives. I want to look at the America that it is going to be 100 years from now. I am proud of my heritage, but I am prouder yet of the Nation we are going to be if we can do things together to make it better.

Mr. WILLIAMS. Mr. Chairman, will the gentlewoman yield?

Mrs. HANSEN of Washington. I yield to the gentleman from Pennsylvania.

Mr. WILLIAMS. Mr. Chairman, I want to compliment the gentlewoman from Washington (Mrs. HANSEN), who has rendered outstanding service on the American Revolution Bicentennial Commission and, of course, the Executive Board. I think the gentlewoman has done a tremendous job.

One of the things that has bothered me, and I think it is known to the Chairman, is the attendance at the meetings of the Commission. May I say that the next set of meetings that we have scheduled are set for September 7 and 8. I believe that it will be the first time that the meetings have ever been scheduled on a Friday when most of the eight Congressmen will be able to attend.

Mrs. HANSEN of Washington. I could not agree with the gentleman from Pennsylvania more. I think the meetings should be scheduled when we can have a maximum attendance. I may say that I would hope that there will be more Congressmen, if we are going to have an executive board—and whether they have one or not does not mean a thing to me, because it is nothing but extra work—but I believe our Nation is entitled to a great celebration, not only of our past, but what we are going to do for the future.

Mr. WILLIAMS. Mr. Chairman, I thank the gentlewoman for yielding to me, and I would add that I have certainly enjoyed the comments made by the gentlewoman from Washington.

Mr. SEIBERLING. Mr. Chairman, will the gentlewoman yield?

Mrs. HANSEN of Washington. I am happy to yield to my distinguished colleague, the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Chairman, I would like to associate myself with the goals that have just been cited so eloquently by the gentlewoman from Washington (Mrs. HANSEN). I would like to ask the gentlewoman a few questions.

I voted against this bill in the Committee on the Judiciary, as the chairman knows, and others, because I was troubled as to what visible signs of progress

were being made for all the millions of dollars that have already been spent by this Commission.

Mrs. HANSEN of Washington. May I say to the gentleman from Ohio that the total amount of money that has been expended has not been huge; a sizable portion of the money has gone to the States. In order to achieve the goals that have been set, it must have members on the Commission who can pave the way for the future.

The second point I would raise is that we have tried to get a coalition of the women, and to get the blacks, the Indian people and yes, the young people, involved in the program. The pressure now is that most people feel they are not getting enough money.

The Indians the other day said they did not get a commitment, but, very frankly, on a request of this kind you cannot make a commitment of money now, for there is no authorization.

I want to see these people working together, and doing the things within their own communities that will build a better America.

The CHAIRMAN. The time of the gentlewoman from Washington has again expired.

Mr. DONOHUE. Mr. Chairman, I yield 2 additional minutes to the gentlewoman from Washington (Mrs. HANSEN).

Mrs. HANSEN of Washington. Mr. Chairman, I thank the gentleman from Massachusetts for yielding me this additional time.

Mr. SEIBERLING. Mr. Chairman, if the gentlewoman will yield further, and I would say that I am sorry I am keeping her standing in the well all this time, but just a few weeks ago a very brilliant young man came into my office. He happens to be the son of one of my constituents. But, this young man has made a very successful movie, and I think that last year it grossed some \$20 million.

He said he is taking the money from that film and he is going to make another movie on—and I do not want to reveal the title—but it is going to be on the theme of the American Revolution. He said—Do you know every single great country in this world has an epic film—the Russians had "War and Peace" and so forth—except the United States of America. He said, "I am not going to fool around with the Government, because it is never going to get done." He said, "I am taking my money and I am going to take \$8 million and I am going to make a film about the American Revolution and it is going to be a commercial and artistic success."

Now that is the kind of spirit that we really need to get this thing going. What I would like to know is between now and 1976 is there some way that we here in the Congress can get a picture as to just what concepts this Commission is working on to see whether it is worth continuing to put this kind of money into this thing because the prime need is for this money.

Mrs. HANSEN of Washington. I think they will because, for example, the Women's National Club has asked for a resources center.

We have asked for programs in the arts.

Mrs. Hanks called me last night to tell about the work she is doing in the arts for the bicentennial.

But, I will be very frank—there has been more commotion, because we want to involve people more than anything else. Every American, all 210 million of us, have our own opinion—and when you try to boil these down, it is difficult—you know how hard it is for Congress to get together.

But I would hope it would be the challenging story of what made us and what keeps us going.

Mr. WILLIAMS. Mr. Chairman, will the gentlewoman yield?

Mrs. HANSEN of Washington. I yield to the gentleman.

Mr. WILLIAMS. I think I can help to answer that question.

One thing that the ARBC failed to do is to develop close cooperation with the States. This, I think, we must do. Every State either has their own State ARBC or has designated the duties of a State ARBC to one of their departments.

Now Virginia, for example, is planning a celebration around Yorktown—on a very important part of American history.

The CHAIRMAN. The time of the gentlewoman from Washington has expired.

Mr. SMITH of New York. Mr. Chairman, I yield 2 minutes to the gentlewoman from Washington.

Mr. WILLIAMS. So all I say is—I think all of our 50 States, and not just the 13 Colonies have places that play an important part in the development of the United States and we should cooperate to the fullest extent with them even to the point of giving them some Federal financing for their various projects.

Mrs. HANSEN of Washington. May I say to the gentleman, it is the importance of the participation of these 50 States—and not only the 50 States, but of our territories that have magnificent programs underway.

Many people think this money was first granted to the ARBC in 1967. It was not. The first appropriation did not begin until 2 years later, and all the appropriations have come about as a result of a supplemental bill.

The authorizations have been slow each year, therefore, I think they have always operated in a crisis state. I have been on the Commission less than 2 years and I certainly am not going to accept any credit—or all the blame. But I do say this, and I say to this House—America is worth every dime we put in to celebrate her past and plan her future.

Mr. SMITH of New York. Mr. Chairman, will the gentlewoman yield?

Mrs. HANSEN of Washington. I yield to the gentleman.

Mr. SMITH of New York. The gentlewoman mentioned the fact that she has only been on the Commission for 2 years.

Mrs. HANSEN of Washington. Less than 2 years.

Mr. SMITH of New York. Who are the House Members who serve on the Commission?

Mrs. HANSEN of Washington. The House Members who serve on the Commission are the gentleman from Virginia (Mr. WHITEHURST), the gentleman from Pennsylvania (Mr. WILLIAMS), the gentleman from Massachusetts (Mr. DONOHUE), and myself.

Mr. SMITH of New York. Are you on the Executive Committee?

Mrs. HANSEN of Washington. I told you—I admitted to that great sin.

I said I was on it, because I was a woman and a Democrat, I am in the minority on either side.

Mr. SMITH of New York. Mr. Chairman, I yield 1 minute to the gentleman from Iowa (Mr. SCHWENGEL).

Mr. SCHWENGEL. I am concerned that William Alderson, for instance, who heads the great association of American Association of State and Local Historians, tried repeatedly to get in touch with members of the staff and got the cold shoulder. He had some ideas which he wanted to explore in the endorsement a series of publications some planned to reach into every school. There was no response. Only a cold shoulder.

Further, to answer your question on film, a Carl Haverlin was invited here at my suggestion and spent 2 weeks here counseling people on the staff. He never got to see the chairman once, and he got to see the Director for an hour. Now, Carl Haverlin of Broadcast Music, Inc., deals with all communications services. He wanted to talk to them about free programs, at no cost, the very thing you are talking about.

In our discussions he needed some kind of endorsement, some kind of encouragement. He even made trips to New York to meet with people of the media. They are ready and willing but there was no leadership, no encouragement, no help, and that is the reason I am in favor of a change.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. SMITH of New York. Mr. Chairman, I yield myself the remainder of the time on this side.

Mr. Chairman, I think we have talked generally about this bill that is before us today, H.R. 13694, and I must say that I, for one, who does not serve on the Commission, feel that if we were to amend this bill or the basic organic law of this Commission in any substantial form, that we probably would be doing a great disservice to the implementation and the development of the bicentennial celebration and program which I feel is just now at the point where their contacts and their programs with each individual State are at the point of maturing.

So, I hope that tomorrow when we meet to consider amendments to this bill, that the House will vote down such amendments.

The CHAIRMAN. All time has expired. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the joint resolution entitled "Joint resolution to establish the American Revolution Bicentennial Commission, and for other purposes",

approved July 4, 1966 (80 Stat. 259), as amended, is further amended as follows:

Section 7(a) is amended to read as follows: "SEC. 7. (a) There is hereby authorized to be appropriated to carry out the purposes of this Act and to remain available until expended \$6,712,000 for fiscal year 1973, of which not to exceed \$2,400,000 shall be for grants-in-aid pursuant to section 9(1) of this Act."

Mr. DONOHUE, Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GONZALEZ, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 13694), to amend the joint resolution establishing the American Revolution Bicentennial Commission, as amended, had come to no resolution thereon.

SEC STUDY ON PENN CENTRAL

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

Mr. STAGGERS. Mr. Speaker, on June 21, 1970, an event took place in this country which had a grave impact on our national economy, and called into serious question the adequacy of the law. I am speaking of the bankruptcy of the Penn Central Railroad. The loss which has been sustained by many Americans who were investors in the company, shareholders, bondholders, and others is now measured in billions of dollars. The common stock of the Penn Central stood at \$35 per share in January of 1970. Six short months later, June 22, 1970, the day after the declaration of bankruptcy, the stock had fallen to \$6.50 a share. But figures alone cannot tell the story of the real loss that has been suffered here. It was a loss that fell in many cases upon those who could ill afford to bear it. I have reference particularly to the more than 100,000 small shareholders, many of whom were older people. They entrusted their savings in the Penn Central securities thinking that these were secure investments for their old age.

The collapse of the Penn Central forces us to question whether our laws are adequate to protect the investing public. And it forces us to question whether those agencies, which the Congress has set up to defend the public interest, are equal to the task.

After the declaration of the Penn Central bankruptcy, I asked the SEC to look into the stock market trading in Penn Central stock. In September of 1970, the Special Subcommittee on Investigations of the House Commerce Committee held a public hearing on the Penn Central matter. We specifically wanted to know from the ICC and the SEC what they had been doing while the Nation's largest transportation company plunged into bankruptcy. I asked that the SEC provide us with a detailed account of how this greatest of all bankruptcies in our history had taken place. After 2 years we now have that report; it is one of the

most extensive and detailed studies ever compiled by the Commission's staff in a single investigation. I have directed the staff of our subcommittee to review this report carefully. In view of its great significance, I am also directing that the report be printed as a subcommittee document. This report deserves wide circulation and wide discussion. I commend it to the attention of the Members of this House.

I believe one of the immediate lessons taught by the collapse of the Penn Central is that we cannot continue to have one standard of regulation over the securities of rail and motor carriers, and a different standard over the securities of all other businesses in America. This has been the result of exceptions which were written into the securities laws many years ago by which the ICC, and not the SEC, regulates the issuance of securities by rail and motor carriers. I have introduced H.R. 12128 to eliminate the distinction and to insure that minimum standards of responsibility are clearly imposed for the protection of the investing public. I think the need for other legislative measures may become apparent once this report has been fully evaluated.

I commend the SEC for the job they have done on this report. It is going to be a valuable reference for the public and for the Congress.

The Penn Central disaster should not have taken place. We must do everything we can to make sure it does not happen again.

SEVENTY-FIFTH ANNIVERSARY OF THE SCRANTONIAN

The SPEAKER. Under a previous order of the House, the gentleman from Pennsylvania (Mr. McDADE) is recognized for 5 minutes.

Mr. McDADE. Mr. Speaker, for the past 75 years, the people of Scranton, Pa., have awakened on Sunday to a hearty breakfast, and with that breakfast an equally hardy Sunday newspaper, the *Scrantonian*, which is celebrating its 75th anniversary this year.

I want to take this opportunity to offer my most heartfelt congratulations to the people who produce the *Scrantonian* weekly, and to offer my equally sincere wishes that the *Scrantonian* will be on the Sunday morning tables 75 years from today.

Newspapers do not live by looking back. They are the voice of today and can look only to the future, as the *Scrantonian* looks to the future. But while we also look to the future with them, I hope we may also look to the past.

The *Scrantonian* was founded by the Little and Goodman families in Scranton. They had already brought into being the distinguished morning daily, the *Scranton Tribune*, and in the creation of the Sunday newspaper, filled out the seventh day in news gathering for the people of the area. For three generations this family has been working in the publication of *Have* brought a sense of civic responsibility to their work in the field of the press work as the copublishers of the papers,

that is most commendable. Richard Little II, and Herman Goodman today work as the copublishers of the papers, and Richard Little III, and Nelson Goodman are executives working with their parents.

I know that all of my colleagues will join me in wishing the happiest possible 75th birthday to the *Scrantonian*. The press has been the guardian of American freedom from our earliest days, and as long as such distinguished newspapers as this serve the people of America in keeping the citizenry informed, we may be certain that this Nation will remain free and strong in the years to come.

With your permission, Mr. Speaker, I will append here an editorial from the *Scranton Tribune* concerning its sister paper, the *Scrantonian*:

[From the *Scranton Tribune*, Aug. 1, 1972]

SCRANTONIAN MILESTONE

For The *Scranton Tribune*, the current observance by The *Scrantonian* of its 75 years of publication is a family celebration and it is in the spirit of shared joy and pride that the "morning paper" takes note of The *Scrantonian's* history of "3900 Sundays."

The *Tribune*, a lively 116-year-old, has been published since 1938 by the Goodman and Little families who brought The *Scrantonian* into being. Richard Little, who established The *Scrantonian* in 1897 later was joined in its publication by M. L. Goodman. Both publishers enjoyed long careers and they were succeeded by the present copublishers, Richard Little II and Herman S. Goodman. A third generation of the two families now is represented in the executives of The *Scrantonian* and The *Tribune* by Richard Little III and Nelson Goodman.

This brief summation illustrates that there is strong stability and continuity behind the publication of the newspapers. It is most appropriate to recognize that in this era of the conglomerate, the proliferation throughout the nation of chain newspapers controlled and managed more or less from afar, the endurance of The *Scrantonian* as an independently owned newspaper, published for a community and area by people whose roots in the community and area are deep, is heartening and reassuring.

The *Scrantonian* has, under the leadership of its publishers, improved itself constantly in all aspects, principally as a medium dedicated to the progress of the region and the welfare of its citizens. This has won for the newspaper the acceptance and loyalty which have made possible a history of three-quarters of a century of publication.

Anniversaries are an occasion for looking forward rather than backward. The *Scrantonian* pledges for the years ahead the same adherence to sincerity, truthfulness and accuracy which has won for it an esteemed and respected place in the journalism of our region, state and nation. With that pledge, the 75 great years of The *Scrantonian* are a promise of still greater years to come.

WOMEN'S TALENT POOL TAPPED BY REPUBLICAN PARTY

The SPEAKER. Under a previous order of the House, the gentleman from Alabama (Mr. EDWARDS) is recognized for 5 minutes.

Mr. EDWARDS of Alabama. Mr. Speaker, as a delegate to the 1972 Republican National Convention, I am pleased to comment on the improved

scenery compared with the 1968 convention. And I am not talking about the terrain in Miami Beach.

Forty-three States show an increase in the number of women delegates to the 1972 Republican Convention. There will be a total of 933 Republican women delegates and alternates in Miami Beach August 21-28.

It should be noted that the number of women delegates has almost doubled since the 1968 convention. And equally as important as the increase is the fact that these gains were not brought about at the gun point of artificial quotas. Rather, they resulted from increased involvement in the Republican Party by qualified citizens who happened also to be women. These women were selected without force or coercion and without a massive upheaval in the rules of the game.

Perhaps one important reason for the upswing in the tapping of the pool of talent possessed by Republican women is the leadership provided by President Nixon. The degree of progress under his tutelage can be measured in many ways. Just one example is the comparison of Presidential appointments at top-grade levels. In 3 years, President Nixon has appointed 105 women to top positions, while Presidents Kennedy and Johnson appointed a total of 45 women over a total of 8 years.

So, while I will enjoy the improved view in Miami, I will also enjoy the realization that this is real progress toward equal opportunities for women as opposed to an artificial, divisive quota system. While others may spend valuable time debating the use of such terms as chairperson and chairwoman, the Republican Party will be making real, meaningful advances toward equal rights for women.

UNEMPLOYMENT COMPENSATION

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

Mr. HARVEY. Mr. Speaker, during the past 2 years, the Congress has attempted to combat the suffering and economic hardship associated with rising unemployment by providing extended unemployment compensation benefits to those individuals who find themselves without work for a prolonged period of time. While unemployment compensation cannot and does not attack the root of our unemployment problem, it does provide our jobless with the means to supply food and shelter to themselves and to their families for a limited period of time. It has become indispensable in permitting our workers to keep their heads above water while seeking new employment.

Under the recent congressional extensions of the unemployment compensation programs, American workers are eligible for a maximum of 52 weeks of compensation. The first 26 weeks of unemployment compensation is provided by the States out of funds collected from em-

ployers under the insured unemployment compensation program.

In 1970, the Congress enacted the Federal-State Extended Unemployment Compensation Act—Public Law 91-873—which extended unemployment compensation for a period of 13 weeks under certain circumstances. There were both national and State triggers for these extended benefits, which are shared on a 50 to 50 basis by the State and Federal Governments.

On the national level, if insured unemployment equals or exceeds 4.5 percent, seasonally adjusted, for 3 consecutive months, all States become eligible for these extended benefits. Of course, if insured unemployment falls below the 4.5 percent level, seasonally adjusted, the "off-indicator" is triggered and benefits cease.

Individual States can receive this extra compensation if insured unemployment for a 13-week period equals or exceeds 120 percent of the average of such rates for the corresponding 13-week period, ending in each of the preceding 2 calendar years, and that rate equals or exceeds 4 percent. Both of these criteria must be met before the State can qualify, and if one or the other is not satisfied, the State loses its extended benefits.

Under the extended benefit program, a State cannot be "triggered off" regardless of its insured unemployment picture, if the national "on" indicator is still effective, but once the State's insured unemployment falls below the 120-percent or the 4-percent rates and the national indicator is "off," it will lose its extended benefits. If the national indicator is "off," a State can be triggered "on" provided it meets the two above-mentioned requirements.

A similar situation exists under the Emergency Unemployment Compensation Act of 1971—Public Law 92-224—which was just recently extended for 6 months by the House. This program, when operating, provides an additional 13 weeks of 100-percent, federally funded unemployment compensation when a State's insured unemployment averages 6.5 percent for 13 consecutive weeks. If the rate falls below 6.5 percent, the emergency compensation is discontinued.

I should like to mention at this point a note concerning the rate of insured unemployment as used in both Public Law 91-873 and Public Law 92-224. This "rate" is not the same unemployment rate that is calculated by the Labor Department in determining the national average. Rather, it is the rate of insured unemployment, meaning the number of people receiving State and Federal unemployment compensation in comparison with the total work force. The rate of insured unemployment is naturally lower than the actual rate of unemployment because it does not include the many people who are jobless and whose compensation has expired. Because it does not include these people, it creates certain anomalies. For example, if a person draws his last unemployment check but still has not found a job, he is no longer

considered "unemployed" for the statistical purpose of these laws. Thus, when a State's extended and emergency unemployment compensation programs are terminated, the rate of insured unemployment declines, even though the actual number of unemployed individuals remains the same. Without this necessary Federal assistance, States are often unable to provide adequate compensation for their unemployed citizens, especially if they are plagued by pockets of unusually high unemployment.

This seemingly absurd development occurred recently in my Eighth Congressional District in Michigan. Unemployment in Bay, Tuscola, and Arenac Counties, according to the latest figures, is approaching 15 percent; in Sanilac County the rate exceeds 18 percent; and in Huron County the figure is a whopping 21.3 percent. Saginaw and Lapeer Counties, the remaining two counties in my district, have 7.5 percent and 7.3 percent unemployment rates, respectively. Yet, despite these totally unacceptable figures, the people in my district no longer are eligible to receive either extended or emergency unemployment compensation.

The Federal-State extended benefits "triggered off" in Michigan on April 1, when the statewide rate of insured unemployment dipped below the 120-percent requirement. On July 29, the emergency unemployment compensation ended also, leaving my constituents with the minimum of 26 weeks of unemployment compensation.

Mr. Speaker, I cannot sit by and watch the unemployed in my district go without compensation. Today, I am introducing legislation that will correct this intolerable situation. The bill that I am introducing amends both the Federal-State Extended Unemployment Compensation Act of 1970 and the Emergency Unemployment Compensation Act of 1971 by changing the "off trigger" to take into account pockets of severe unemployment in States that have otherwise lost their extended and emergency compensation benefits.

Under the provisions of this bill, simply stated, no State will lose either extended or emergency unemployment benefits so long as any county's unemployment rate remains above the level prescribed for that State's "off" indicator. In other words, even though a State's overall statistics might cause a loss of Federal unemployment benefits, that State will continue to receive these extended and emergency benefits so long as even just one county remains above the acceptable unemployment limits.

This legislation is aimed at providing additional unemployment assistance to those pockets of persistent unemployment that occasionally burden a State. In Michigan, for example, the counties in my congressional district would continue to receive these extra benefits, even though the statewide figures would be low enough to trigger the preestablished "off" indicators. In this way, federally assisted unemployment compensation

will be available for as long as a county needs it.

Mr. Speaker, this Congress must take the necessary steps to alleviate the nagging unemployment problems in our Nation. Unemployment compensation, as I have noted, is not the final answer. It will ease some of the hardships that unemployment causes, but it cannot provide the training and the jobs that are so necessary for an expanding, healthy economy. Just last week, I spoke to the House on the pressing need for comprehensive manpower programs. I asked that Congress give "top priority" to the Nation's unemployment crisis. Today, I reiterate that plea and again urge that the appropriate committees in the House and Senate move immediately to consider the necessary legislation, especially my Comprehensive Manpower Act (H.R. 15829), that will remove the suffering of so many of our citizens.

LAST MINUTE NAVY CLAIMS PAYMENT

The SPEAKER. Under a previous order of the House, the gentleman from Wisconsin (Mr. ASPIN) is recognized for 5 minutes.

Mr. ASPIN. Mr. Speaker, in order to obey Adm. Elmo Zumwalt's order to spend extra cash during fiscal year 1972, Navy officials paid \$73.4 million worth of claims to defense contractors in June.

Between January 1 and June 1 of this year, only one claim of \$7.6 million was paid. Suddenly after June 1 the floodgates opened and more than \$73 million was paid.

Mr. Speaker, I believe that the Navy is guilty of making last-minute decisions in order to spend extra cash before the fiscal year closed last June 30. I have asked the General Accounting Office to thoroughly investigate these last-minute payments to determine if the contractors truly deserve these large sums.

I believe these kinds of last-minute quickie deals are an example of the almost parasitic relationship that seems to exist between some defense contractors and the Pentagon.

As many of my colleagues may remember, in January of this year Admiral Zumwalt ordered Navy officials to spend an extra \$400 million during fiscal year 1972 reflecting increased outlay targets adopted by the Nixon administration. Admiral Zumwalt told the Navy brass in a memorandum that the Navy budget would be cut if the \$400 million were not spent and he suggested that claims and provisional payments on claims should be accelerated.

The timing of these payments strongly suggest that the legitimacy of the contractor's claim is not an important factor in making the decision. As a result I have asked the GAO to investigate.

The names of the companies and the amounts paid and my letter to the General Accounting Office follow:

COMPANY, CONTRACT, AND AMOUNT PAID
 Newport News Shipbuilding & Drydock Co.; nuclear submarines; \$20.5 million.
 General Dynamics (Quincy, Mass.); one submarine tender and one assault ship; \$16.2 million.
 North American Rockwell Corporation; Condor missile; \$28.5 million.
 Westinghouse Electric Co.; Mark 48 torpedo; \$8.2 million.
 Total, \$73.4 million.

CONGRESS OF THE UNITED STATES,
 HOUSE OF REPRESENTATIVES,
 Washington, D.C., August 7, 1972.

MR. ELMER STAATS,
 Comptroller General,
 U.S. General Accounting Office,
 Washington, D.C.

DEAR MR. STAATS: The General Accounting Office, several members of Congress and the Department of the Navy have been very concerned about the resolution of contractor claims, in particular, shipbuilding claims.

Between January 1st and June 1st this year, the Navy settled only one claim valued at \$7.6 million. Between June 1st and June 30th, the Navy settled a series of claims valued at \$73.4 million.

I am writing to you today to request that the General Accounting Office thoroughly investigate these last minute payments to determine if the contractors truly deserve these large sums.

Before submitting my specific questions, I would like to outline the claims that I hope can be investigated.

(1) Newport News and Shipbuilding and Dry Dock Company has received \$20.5 million on claims concerning the use of HY-80 steel. (2) North American Rockwell Corporation has received a \$28.5 million on the Condor missile. (3) The Westinghouse Electric Company has received \$8.2 million in payments of claims on the Mark 48 torpedo program. However, Westinghouse, I understand, is planning to file an appeal with the Armed Services Contract and Control Appeal Board for \$45.6 million in additional payments for the Mark 48 claims. (4) The General Dynamics Corporation has received a total of \$16.2 million in provisional payments for a submarine tender and an assault ship.

I hope that the GAO will be able to answer the following questions concerning the Newport News and North American Rockwell claims:

Did the company provide sufficient documentation to justify their claims settlements?

Did the Navy adequately attempt to independently evaluate the company's claim?

What were the original dollar amounts of the contractor claims and their justification?

Did the Navy or the contractor provide historical cost data or develop standards for evaluation of their claim? Was the Defense Contractor Audit Agency consulted concerning the estimating system of contractors?

Did the contractor provide a factual basis for proposed prices during the life of the contract?

In the case of Westinghouse, it is not my desire to inject the GAO into ongoing negotiations between the Department of the Navy and Westinghouse. However, it is my hope that the same questions outlined above could be answered for the portion (i.e. \$8.2 million) of the claim that has been settled between Westinghouse and the Navy.

The case of General Dynamics—Quincy Division has not truly been settled. However, Navy regulations dictate that before provisional payments are made, that the contracting officer or authorizing agents must determine that the final contractor claims settlement will be in excess of the provisional payment. Did competent Navy authorities make this determination before the provisional payments were made to General Dynamics—

Quincy? Was adequate documentation and accurate price information provided to the Navy to justify these \$16.2 million provisional payments to General Dynamics—Quincy? In the case of Newport News, I hope that you could determine whether defective or deficient HY-80 steel was the basis of the Newport News claim.

I hope that you will be able to report to me specific answers to all of the questions that I have outlined and any other information that is pertinent to the expeditious and judicious settlement of contractor claims with the Navy. If members of your staff have any additional questions, please contact a member of my staff, Mr. Bill Broydrick.

Thank you very much for your cooperation.

Sincerely,

LES ASPIN,
 Member of Congress.

A BILL TO CREATE A NEW ENGLAND POWER AND ENVIRONMENTAL PROTECTION AGENCY

The SPEAKER. Under a previous order of the House, the gentleman from Massachusetts (Mr. HARRINGTON) is recognized for 5 minutes.

Mr. HARRINGTON. Mr. Speaker, today I rise to introduce a bill to create a New England Power and Environmental Protection Agency. I am taking this action because I believe that an alternative is needed to New England's present situation of constantly spiraling electric bills, unreliable service, and a commitment to the protection of the environment on the part of the utility industry that is minimal at best.

New England is one of the few regions of the country without a significant Federal electric power system. There is the TVA and the Southeastern Power Administration in the Southeast, the Bureau of Reclamation's power system in the Midwest, the Southwestern Power Administration in the Southwest, the Bonneville Power Administration in the Northwest, and the Alaska Power Administration in Alaska.

These Federal systems have provided low-cost power for the people in their service areas, and serve as a yardstick by which private utility rates can be measured. There is no good reason why New England should be denied a Federal presence granted every other region of the country.

Historically, New England has always had among the highest electric rates in the United States. Residential consumers pay 30 percent more for their electricity than does the average American. Massachusetts' average monthly residential power bill ranks higher than the average bill of 47 of the 50 States, despite the fact that Massachusetts residents use about 24 percent less electricity than do residents in the rest of the country. Connecticut ranks 34th highest; New Hampshire 48th; Maine 46th; Rhode Island 43d; and Vermont 16th.

The industrial power situation is even worse. Industrial users pay over 60 percent more for their power—a fact that helps account for the inability of New England to attract new job-producing industry. A large firm can expect its power bills to rise \$20,000 or more if it locates in New England.

The figures I just quoted were based on 1968 statistics. Since then, New England has witnessed an unprecedented series of rate increases. If presently requested rate increases are approved, some residents will find their monthly bills increased 60 percent—\$40 or more a year. But these increased bills will only partially reflect the true cost of the increases, because when the cost of power goes up, the effect is multiplied throughout the entire economy because electricity is involved in every stage of the production-distribution process.

Yet this is just the beginning of a spiral of rate hikes. In the next 4 years, New England's utilities will request approximately \$500 million in additional increases. By 1985, electric power revenues will be more than double what they are today.

As I speak to you today, New England is experiencing the worst power shortage in its history. Electric power reserves are at an intolerably low level, and the possibility of a massive power blackout is all too real.

Why does this emergency exist? Part of the answer lies in delays in bringing new equipment on the line—construction delays, licensing delays, accidents. But part of the answer also lies in actions taken by certain elements of the utility industry to restrict the development of additional power sources. I refer here to the well-organized lobby campaign against the Dickey-Lincoln hydroelectric project, against the importation of low-cost Canadian power, and against legislation which would allow publicly owned utilities to build facilities to meet their share of the load.

One further problem must be considered. Between now and 1990, it is estimated that at least 26 new generating facilities will have to be built to meet New England's power requirements. In addition, 2,500 miles of transmission lines will have to be built. The impact of these facilities on the environment will be substantial. The present haphazard system of dealing with environmental problems will simply not be adequate in the future. We must design new decision-making structures to assure that the new power facilities will be built with the least possible adverse impact on the environment.

These three factors—the rate problem, the reliability problem, and the environmental problem—add up to an electric power crisis in New England. It is a crisis that must be dealt with now.

The utility industry's solution to the problem, the NEPOOL agreement, is inadequate. It is not even acceptable to segments of the utility industry itself, and its legality is currently being challenged before the Federal Power Commission.

The time has come to develop new alternatives. In 1970, a study of New England's electric power situation done for the New England Regional Commission recommended that a public agency be created to be responsible for all new generation and transmission facilities in the region.

Today, I am introducing a bill which will establish such an agency. The New

England Regional Power and Environmental Protection Agency, which will be financed by the sale of revenue bonds, will have responsibility for coordinating New England's power operation, and building and operating all new facilities necessary to meet the region's power needs. It is estimated that the agency will save New England's consumers \$695,000 over its first 10 years of operation.

However, the agency will be equally concerned with assuring that only a minimum number of new facilities will be built, and that those facilities will be built with a minimum adverse impact on the environment. The agency, while it is an independent Federal agency, will still have to meet all of the environmental standards which the States themselves have established. In addition, it will also have to obtain all licenses required by a regional powerplant siting agency.

The solution I am proposing today is far reaching, but one which I believe reflects the growing public awareness that electricity is a public good—one that is essential to public health, life, and economic survival. The present electric power system in New England has failed to meet the needs of the people—it is now time to reform that system to make it more responsive to the public interest.

Mr. Speaker, at this point I include a section-by-section analysis of the bill:

SECTION-BY-SECTION ANALYSIS

Title: The New England Regional Power and Environmental Protection Act.

TITLE I

Sec. 101. Definitions.

Sec. 102. Establishes the New England Regional Power and Environmental Protection Agency to establish and operate a bulk power supply system to supply wholesale power to utilities throughout New England, and to establish interconnections with other regions, a national grid if one should be established, and Canada.

b. Establishes the primary purpose of the Agency as the provision of bulk power with the minimum adverse impact on the environment. Establishes a research and development program.

c. Provides for the Agency to acquire generating and transmission facilities through construction, purchase, lease, condemnation or other procedure.

d. Mandates uniform rates to utilities throughout the region.

e. Authorizes Agency to acquire facilities necessary to supply the power needs of all utilities in the region.

f. Prohibits utilities from building new facilities; once the Agency determines that it has acquired generation and transmission facilities necessary to meet all the electric power needs of New England.

g. Designates the Agency as the sole marketing agent for all power produced by Federal projects located in New England. Provides preference to utilities not doing business for profit.

h. and i. Designates the Agency as the sole agency for the importation of Canadian power.

Sec. 103, a. and b. Provides for a regional siting study done in cooperation with state, regional, and federal agencies with responsibility for environmental protection. Establishes specific subjects to be covered by the study.

c. Mandates a comprehensive regional siting plan.

d. Requires public hearings during plan-

ning stages, and full public access to all documents and records.

e. Provides for siting plan to follow State land use plans as closely as possible.

Sec. 104. Establishes a research and development program.

TITLE II—GENERAL PROVISIONS

Sec. 201. Establishes a seven-man board of directors appointed by President with advice and consent of Senate. At least one director must come from each of the New England states. Provides that six-year terms for directors and sets a salary schedule.

Sec. 202. Establishes provisions for officers and employees of the Agency.

Sec. 203. Establishes corporate powers of the Agency.

Sec. 204. Establishes criteria for accounts and contracts.

Sec. 205. Provides for the issuance of U.S. guaranteed revenue bonds to finance the activities of the Agency.

Sec. 206. Authorizes the Agency to institute condemnation procedures.

Sec. 207. Provides for payments in lieu of taxes to states and local governments.

Sec. 208. Provides for annual reports to the President and Congress.

TITLE III—ENVIRONMENTAL PROTECTION

Sec. 301. The Agency shall be subject to Federal and State environmental standards.

Sec. 302. Facilities built by the Agency shall be subject to the provisions of the National Environmental Policy Act of 1969.

Sec. 303. The Agency shall obtain all licenses and approvals required by a power plant siting agency for the region, should one be established either by an Act of Congress or an Interstate Compact.

TITLE IV

Sec. 401. Authorizes appropriations necessary for the Agency to fulfill the purposes of the Act.

FACTS SOUGHT ON VD EXPERIMENT

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. METCALFE) is recognized for 5 minutes.

Mr. METCALFE. Mr. Speaker, additional facts are still being uncovered concerning the Federal experiment on syphilitic victims which began in Tuskegee, Ala., some 40 years ago.

It was disclosed in a New York Times article today that a Government doctor who was then employed by the Alabama Public Health Service, said he was instructed not to treat men who were involved in the experiment.

According to the article, Dr. Reginald G. James who is now a medical adviser to the Social Security Administration, said he believes the men who were victims in the experiment were told not to take the syphilis treatment in exchange for certain benefits such as treatment for other ailments, payment for burial expenses and a \$50 benefit.

Dr. James' statement contradicts a previous statement by Dr. John R. Heller, a former U.S. Public Health Service doctor. Dr. Heller said treatment was not deliberately denied to any of the men and that they were not coerced into the program through offers of benefits.

I believe the true facts in this experiment must be sought and must be made public. The blatant contradictions in

facts suggest that a "cover-up" attempt is being made on the part of those responsible for this most inhuman experiment.

I have spoken to you on three other occasions about this experiment and I feel that I cannot emphasize enough the importance of continuing to investigate this case in order that the whole truth may be found.

I call your attention to this most recent article on the subject which I am inserting in the Record and I ask for your continued support in my efforts to have the facts in this case completely disclosed:

[From the New York Times, Aug. 8, 1972]

DOCTOR SAYS HE WAS TOLD NOT TO TREAT MEN IN VD EXPERIMENT

WASHINGTON.—A Government doctor said today that he had been instructed not to treat men involved in a Federal syphilis experiment in Alabama and when he had insisted on treating them, the men never appeared again.

Dr. Reginald G. James said he believed the men had been told not to take the syphilis treatment.

The 40-year-old experiment, called the Tuskegee Study, was run by the United States Public Health Service in Tuskegee and surrounding Macon County, Ala., to determine the effect of untreated syphilis. During the experiment, some 400 black men never received syphilis treatment and several died.

"I was distraught and disturbed whenever one of the patients in the study group appeared," Dr. James said in an interview. "I was advised that the patient was not to be treated. Whenever I insisted on treating such a patient, he never showed up again. They were being advised they shouldn't take treatments or they would be dropped from the study."

"BENEFITS PROFFERED PATIENTS

"At that time certain benefits were proffered the patients such as treatment for other ailments, payment of burial expenses and a \$50 cash benefit," he said. "To receive these benefits, the patient had to remain in the study."

Dr. James directly contradicted a former United States Public Health Service doctor who played a key role in administering the Tuskegee Study. Dr. John R. Heller said in an interview 10 days ago that the Public Health Service had not intended that men involved in the syphilis experiment should be deliberately denied treatment.

"It was not the intention of the study that the participants should be intentionally deprived of treatment and it was not built into the project that treatment would be withheld," Dr. Heller said.

And, he added, it was his impression that all of the study's participants had received syphilis treatment from private doctors and Tuskegee-area clinics.

"NO COVERT ATTEMPT

"Naturally, you'd rather have the study population untreated," Dr. Heller said, "but there was no covert attempt to keep these people untreated."

Informed of Dr. James' statements, Dr. Heller said: "I don't know who told him not to treat them. This is a chapter I'm not familiar with. This is a completely new chapter to me."

Dr. James, who is now a medical adviser to the Social Security Administration here, said his encounters with the experiment occurred between 1939 and 1941 when he worked for the Alabama Public Health Service.

"It was my task to find, diagnose and treat

venerable diseases in Macon County, using a mobile clinic to travel into the remote areas," he said.

Dr. James said his assistant was a United States Public Health Service nurse, Eunice Rivers, whose job it was to keep tabs on the participants in the Tuskegee Study.

"She was on loan to the county health department from the United States Public Health Service," Dr. James said. "She traveled with me and she was my nurse. When we found one of the men from the Tuskegee Study, she would say, 'He's under study and not to be treated.'"

The nurse, who is now retired, could not be reached immediately for comment. During attempts to interview her in Tuskegee after disclosure of the syphilis experiment, she said she did not want to discuss it.

According to the Public Health Service's Center for Disease Control in Atlanta, at least seven men died as a direct result of untreated syphilis and the figure could be higher.

The center has released no figures on the number of participants who may have suffered side effects of syphilis that include deafness, blindness, bone deformations, central nervous system decay, heart disease and insanity.

"An investigation of the Tuskegee Study is being conducted by the Department of Health, Education and Welfare. Officials there say they are particularly concerned about a decision made after World War II not to treat study participants with penicillin when its use could have helped or saved some participants.

GOLDEN ANNIVERSARY TRIBUTE TO AHEPA

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. DANIELSON) is recognized for 5 minutes.

Mr. DANIELSON. Mr. Speaker, I am pleased to join my colleagues in paying tribute to the Order of Ahepa, The American Hellenic Educational Progressive Association, on its 50 years of service and accomplishment, particularly in the fields of education, citizenship, Hellenic culture, disaster relief, and the nurture of family life and good character. Founded on July 26, 1922, in Atlanta, Ga., AHEPA's 430 local chapters are located in 49 States, Canada, and Australia.

AHEPA has, in its 50-year history, made many worthy contributions to this country and to charitable causes. One of the most significant areas of achievement is in support of education. AHEPA has also fought for freedom and self-respect for minorities in its justice for Greece and Cyprus programs, and is actively engaged in promoting citizen responsibility and participation. The Order of Ahepa has made notable contributions in the wake of disasters to give relief to victims of floods, earthquakes, and hurricanes, both in this country and abroad.

I would like to make special mention of the local chapter officers in Los Angeles, Calif.: President Harry Siafaris, Vice President Jim Papadatos, Secretary Andrew Malakates, and Treasurer Nick Elias. In addition, we are fortunate to have the following district lodge officers from the city of Los Angeles: Gov. Ni-

colas G. Wallace, and Advisor John Siamas.

The Order of Ahepa has as its primary goal the "improvement and betterment of our social, moral, and family life." Its contributions toward this end are most gratefully recognized on the occasion of its golden anniversary, with best wishes for the next 50 years of service.

BLACK BANKING: 1970-71

(Mr. DIGGS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DIGGS. Mr. Speaker, Mr. Andrew F. Brimmer, a distinguished member of the Board of Governors of the Federal Reserve System, has prepared a most concise and informative report on "Recent Developments in Black Banking: 1970-71."

This report will, I believe, provide a most useful reference for the study of the economics of the ghetto and the role in which black-owned banks have played in the flow of capital in those areas. As Mr. Brimmer points out, the banks are in an anomalous position: while they exert considerable effort to attract Federal Government deposits to enhance their ability to lend in the black community, they are, at the same time, investing a disproportionate share of their total resources in Federal Government securities.

Mr. Brimmer's report is based on thorough investigation of trends and developments among black banks during 1971, and I would like to submit it for inclusion in the RECORD at this time:

RECENT DEVELOPMENTS IN BLACK BANKING: 1970-71

(Report by Andrew F. Brimmer)

During 1971, banks owned and controlled by blacks continued to expand their deposits at a faster pace than did commercial banks in the country as a whole. While the bulk of the gain in deposits originated with the private sector, the largest relative gains occurred in deposits attracted from the Federal Government. The black banks also continued to increase their earning assets at a faster pace than that achieved by all insured commercial banks. However, reflecting the limited outlets for funds in the black community, the black banks channeled a significant share of their new deposits into loans and investments outside the area that is the principal focus of their activities.

In particular, they greatly expanded their holdings of U.S. Government securities. In fact, the black banks seem to be in an anomalous position: they exert considerable effort to attract Federal Government deposits to enhance their ability to lend in the black community; at the same time, they invest a disproportionate share of their total resources in Federal Government securities. So while trying to serve as a magnet to attract U.S. Government funds to the black community, the black banks (because of difficulties inherent in lending in the urban ghetto) perhaps inadvertently may be diverting resources from the black community into the financing of the national debt.

These are some of the main conclusions which emerge from a review of trends and developments among black banks during 1971. The review was based on statistics from

the "Consolidated Report of Condition" ("Call Report") collected by Federal bank supervisory agencies each quarter for all insured commercial banks. Part of the information in the Call Report must be published by each bank in a newspaper in its hometown, and it is this information that is being used here. Last October, in response to inquiries about data relating to black banks, a special statistical tabulation was prepared, and it was indicated that additional reports would be made following receipt of data from the June and December Call Reports. Because of the time required to process and analyze the statistics, the reports may not be ready until four or five months following the receipt of the Call Reports. The present report is based on statistics from the Call Report as of December 31, 1971. The data are presented in four attached tables. Tables I A-D show data as of December 31, 1970; Tables II A-D show data as of June 30, 1971, and Tables III A-D show data as of December 31, 1971. In each case, Table A is a summary of assets and liabilities for all black banks combined, Table B shows principal assets of individual black banks, and Tables C and D show for each bank principal liabilities, reserves and capital accounts. Table IV shows deposit growth and changes in selected types of assets of black banks during 1971. All of the statistics in the tables are from that part of the Call Report which each bank must publish locally. The individual bank reports are presented here as a matter of convenience.

TREND IN ASSETS OF BLACK BANKS

On December 31, 1971, there were 29 banks owned and operated by blacks in the United States. Three of these institutions had been started within that calendar year. Eleven of the banks were members of the Federal Reserve System, and 18 were insured nonmembers. Ten of the banks had national charters (and thus they were required by law to be members of the Federal Reserve). And 18 had State charters. Among the latter, only one had elected to join the Federal Reserve System.

At the end of last December, the 29 black banks had total assets of \$460 million. Two-fifths of this total (\$189 million) was held by member banks. During 1971, total assets of black banks rose by \$138 million, or by 43 per cent. The assets of member banks expanded by \$65 million—a rate of growth not quite as rapid as that recorded by nonmembers. The three newly-chartered banks accounted for about \$12 million of the increase in assets. Over three-quarters of the 1971 rise in the black banks' total assets (\$105 million) occurred in the last six months of the year. As one would expect, the highest growth rates were generally recorded by the newest banks. But several of the older banks also expanded their assets at rates well above the group average.

Black banks expanded their assets in 1971 about four times as fast as did all insured commercial banks (43 per cent vs. 11 per cent). Consequently, their combined assets rose to 0.072 per cent of the total for all insured banks at the end of last year—compared with 0.056 per cent at the end of 1970, and 0.049 per cent at the close of 1969. Nevertheless, the average black bank remains about one-third the size of the average bank in the country. For instance, as of December 31, 1971, the average insured U.S. bank had assets of \$46.8 million; the average black bank had assets of \$15.8 million.

¹The reports by national banks are received by the Comptroller of the Currency; reports by Federal Reserve member banks are received by the Federal Reserve Board; and reports by insured nonmember banks are received by the Federal Deposit Insurance Corporation.

SOURCES OF FUNDS: GROWTH OF DEPOSITS

At the end of last December, total deposits of black banks amounted to \$419 million. This was a rise of \$131 million (or 46 per cent) during the year. Nearly three-fifths of the increase centered in time and savings deposits. At the end of 1970, the black banks' total deposits were divided roughly 50-50 between checking accounts and time and savings balances. The general structure of deposits at black banks seems to be roughly the same as that at other banks. As of last December 31, total deposits of both groups of banks were distributed as follows: 49 per cent demand and 51 per cent time. During 1971, the black banks raised slightly their share of total deposits in the banking system. At the end of last year, they held 0.078 per cent of the total—compared with 0.060 per cent a year earlier and 0.053 per cent at the end of 1969.

However, the extent to which black banks have attracted deposits from broad segments of the economy varies considerably. As mentioned above, these institutions held 0.078 per cent of total deposits as of last December 31. On the same date, they held 0.071 per cent of private deposits (i.e., deposits of individuals, partnerships, and corporations). Their share of deposits of State and local governments was 0.102 per cent. In the case of the Federal Government, the proportion was 0.492 per cent. Thus, in relation to their size in the banking system as a whole, the black banks had performed best in attracting deposits of the Federal Government, and State and local units were next in line. The black banks' holdings of Federal Government deposits are examined further below.

USES OF FUNDS: SCARCITY OF LOAN DEMAND

Black banks have demonstrated clearly their ability to attract deposits. Yet, they continued to face difficulties in finding reasonably secure outlets for their funds in the black community. At the end of 1971, they recorded \$172 million in loans to businesses and individuals. This amount represented 41.1 per cent of their total deposits. For all insured banks, loans represented 64.5 per cent of deposits at the end of last year. Over the last few years, the ratio of loans to deposits has been shrinking for all banks. Black banks have exhibited the same trend, but the relative decline in the ratio has been somewhat greater for them. In the case of all insured banks, the proportion declined from 67.9 per cent at the end of 1969 to 64.5 per cent last year—a drop of 3.4 percentage points. For black banks, the decline was 6.0 percentage points—from 56.8 per cent to 50.8 per cent. To some extent, the lag in the growth of loans reflects the economic sluggishness associated with the 1969-70 recession. The black banks may have been affected by the same factors, but more fundamental circumstances may also have been at work.

The fact that black banks face a much higher degree of risk in extending loans than do banks in the nation as a whole is widely recognized: the lower income of the typical individual borrower, the smaller size of the average black business, and the higher incidence of crime in urban areas—all combine to compound the exposure of black banks to loan losses. The results can be traced in the evidence on relative loan losses and profitability.

Reflecting this experience, the black banks have been cautious in channeling their new deposits into loans. For example, in the two years ending last December, the black banks lifted their share of total loans outstanding at all insured commercial banks from 0.044 per cent to 0.062 per cent. However, this relative increase was less than the rise in their share of total deposits—which

rose from 0.053 per cent to 0.078 per cent. Thus, there was a widening of the gap between the ability of the black banks to attract funds and their ability to lend the funds in the black community.

Because of these limited outlets for loans in their local communities, the black banks have relied heavily on the acquisition of investments as earning assets. They have concentrated particularly on U.S. Government issues, but obligations of States and political subdivisions have also been acquired in substantial amounts. At the end of last December, total investments in marketable securities by the black banks amounted to \$177.8 million. These holdings consisted of \$138.9 million in U.S. Government and agency issues, \$30.0 million in State and local obligations, and \$8.9 million of other securities (including corporate stocks). In the aggregate, these investments represented 42.4 per cent of the black banks' total deposits. On the same date, at all insured commercial banks, investments amounted to \$169.6 billion—or 31.5 per cent of their total deposits.

Over the last few years, the black banks have come to rely even more heavily on sales of Federal funds as deposit outlets. These funds represent short-term lending of member banks' excess reserves at Federal Reserve Banks. Usually smaller institutions supply such funds to the largest banks on an over-night basis. This allows them to employ their money at little cost and at a fairly good rate of interest—depending on money market conditions. For example, the Federal funds rate averaged about 4.91 per cent in June; interest rates on 3-month U.S. Treasury bills averaged 4.74 per cent; yields on residential mortgages were about 7.38 per cent, and interest rates charged on small business loans probably were even higher.

At the end of last December, black banks as a group had sold about \$41.4 million in Federal funds. This represented about 9.9 per cent of their total deposits. Both the level and ratio of Federal funds to deposits have been rising over the last few years. At the end of 1969, the percentage was 6.2, and it rose to 7.8 by December 31, 1970. Moreover, if Federal funds sold are classified as loans, the increased reliance on such outlets is still noticeable. As a proportion of total loans, fund sales rose from 10.9 per cent in 1969 to 14.3 per cent in 1970 to 19.4 per cent at the end of last year.

Sales of Federal funds by all insured commercial banks have also been rising relative to total deposits, but the pace has been somewhat slower than at black banks. For example, at the end of 1969, the Federal funds/deposit proportion for all insured banks was 2.2 per cent; this rose to 3.3 per cent at the end of 1970 and to 3.7 per cent at the end of last year. Again if sales of Federal funds are classed as loans, the percentage rose from 3.2 in 1969 to 4.8 in 1970 to 5.4 at the end of last year.

Furthermore, participation in the Federal funds market by black banks has risen substantially in the last few years. At the end of 1969, 13 of the 22 black banks (59 per cent) had sold such funds. One year later, 22 of the 26 institutions (85 per cent) had done so; and at the end of last year, 23 out of 29 (80 per cent) were carrying fund sales on their books.

As one would expect, the dependence on sales of Federal funds varied appreciably from one bank to another. While for all banks fund sales represented 19.4 per cent of total loans at the end of 1971, the proportion was 50 per cent or more at two banks. It was between one-quarter and one-half at six other banks. To some extent, the heavy reliance on sales of Federal funds reflects the

fact that several of the banks were recently opened for business. As is generally known, it takes time to develop loan outlets for deposits, so the banks put their liquid funds to work in the short-term money market. Yet, a number of the older banks seem to do so because of a scarcity of sound loan prospects.

BLACK BANKS AND THE FEDERAL GOVERNMENT

In the last year or so, black banks have made a special effort to attract deposits of the Federal Government. They have argued that such funds would help them strengthen their lending in the black community. Partly in response to those arguments, a special \$100 million-deposit program was announced on October 2, 1970, to be achieved within one year. The Federal Government's share of this total was set at \$35 million, and the rest was to come from State and local governments and the private sector.

The goals apparently were achieved by the target date—October 2, 1971. A few months later—December 31—the black banks held \$50.3 million in U.S. Government deposits. This was an increase of \$20 million (or two-thirds) over the \$30.3 million outstanding at the end of 1970. As mentioned above, the black banks' total deposits rose by 46 per cent during 1971. By the end of last year, U.S. Government deposits amounted to 12.0 per cent of total deposits at black banks—compared with 6.5 per cent at the end of 1969 and 10.4 per cent at the close of 1970. The corresponding figures for all insured banks were 1.1 per cent in 1969, 1.6 per cent in 1970, and 1.9 per cent at the end of last year.

Thus, the black banks have clearly demonstrated their ability to attract deposits from the Federal Government. What is less clear is the extent to which they have been able to use the funds to expand lending in the black community. Instead, it appears that black banks may be in the anomalous position of campaigning for U.S. Government funds which they then use to finance a disproportionate share of the Federal debt.

As indicated above, black banks have channeled a much larger proportion of their total deposits into U.S. Government issues than have banks generally. As of December 31, 1971, black banks held \$88.2 million of U.S. Treasury securities and \$50.6 million of Federal agency issues—for a total of \$138.9 million of Federal Government obligations. During the course of 1971, this total rose by only 43 per cent in the same period. So at the end of last year, Federal Government securities represented 30 per cent of the black banks' total assets. In contrast, as of December 31, 1971, all insured commercial banks held \$82.5 billion of Federal Government securities—consisting of \$64.7 billion of Treasury issues and \$17.8 billion of obligations of United States agencies. During 1971, this total rose by \$7.9 billion—or by 11 per cent. These banks' total assets expanded by 11 per cent. Thus, Federal Government securities accounted for 13 per cent of the total assets of all insured commercial banks at the end of 1971.

To some extent, of course, the greater proportion of Federal Government issues in the portfolios of black banks reflects the relatively small size of these institutions. In general, smaller banks tend to hold a higher proportion of their assets in U.S. Government securities than do larger banks. But even after allowing for this fact, the black banks are still much more dependent on U.S. Government securities as outlets for their deposits. While these investments obviously provide black banks with earnings—and thus make a positive contribution to their progress—they also represent a use of funds alternative to the expansion of loans in the black community.

TABLE I-A.—CONSOLIDATED REPORT OF CONDITION FOR BLACK BANKS AS OF DEC. 31, 1970

[In thousands of dollars]

	National ¹	State member ²	All member ³	Non-member ⁴	Total		National ¹	State member ²	All member ³	Non-member ⁴	Total
ASSETS						20. Total deposits.....	113,830	26,559	140,389	147,715	288,104
1. Cash and due from banks.....	17,538	3,955	21,593	18,500	39,993	(A) Total demand deposits.....	57,111	17,282	74,393	73,184	147,577
2. U.S. treasury securities.....	24,636	704	25,340	22,105	47,445	(B) Total time and savings deposits.....	56,719	9,277	65,996	74,531	140,527
3. Obligations of other U.S. Government agencies and corps.....	14,902	86	14,988	20,019	35,007	21. Federal funds purchased.....	0	0	0	150	150
4. Obligations of States and political subdivisions.....	3,009	10,111	13,120	9,884	23,004	22. Mortgage indebtedness.....	111	3,200	3,311	879	4,190
5. Other securities (including corporate stocks).....	699	62	761	3,130	3,891	23. All other liabilities.....	2,393	522	2,915	2,915	5,830
6. Trading account securities.....	0	0	0	0	0	24. Total liabilities.....	116,334	30,281	146,615	151,659	298,274
7. Federal funds sold.....	9,150	1,550	10,700	11,725	22,425	25. Minority interest in consolidated subsidiaries.....	0	0	0	19	19
8. Other loans.....	51,107	11,520	62,627	72,284	134,911	26. Total reserves on loans and securities.....	288	179	467	625	1,092
9. Bank premises, furniture and fixtures.....	2,380	4,589	6,969	4,461	11,430	CAPITAL ACCOUNTS					
10. Real estate owned other than bank premises.....	486	108	594	480	1,074	27. Capital notes and debentures.....	825	0	825	350	1,175
11. All other assets.....	1,679	205	1,884	1,457	3,341	28. Preferred stock.....	0	0	0	0	0
12. Total assets.....	125,586	32,890	158,476	164,045	322,521	29. Common stock.....	4,181	880	5,061	5,552	10,613
LIABILITIES						30. Surplus.....	2,140	1,171	3,311	5,111	8,422
13. Demand deposits, IPC.....	41,425	15,035	56,460	49,229	105,689	31. Undivided profits.....	1,811	175	1,986	514	2,400
14. Time and savings deposits, IPC.....	48,907	8,838	57,745	68,525	126,270	32. Reserves for contingencies and other capital reserves.....	7	204	211	315	526
15. Deposits of U.S. Government.....	12,641	1,513	14,154	16,118	30,272	33. Total capital accounts.....	8,964	2,430	11,394	11,742	23,136
16. Deposits of States and political subdivisions.....	8,506	791	9,297	10,144	19,441	34. Total liabilities, reserves, and capital accounts.....	125,586	32,890	158,476	164,045	322,521
17. Deposits of foreign governments, official institutions.....	0	0	0	0	0						
18. Deposits of commercial banks.....	226	0	226	437	663						
19. Certified and officers checks, etc.....	2,125	382	2,507	3,262	5,769						

¹ Number of banks, 8.² Number of banks, 1.³ Number of banks, 9.⁴ Number of banks, 17.

TABLE I-B.—PRINCIPAL ASSETS OF BLACK BANKS AS OF DEC. 31, 1970

[Amounts in thousands of dollars]

	Cash and due from banks	U.S. Treasury securities	Obligated government agencies and corporations	Obligated States and political subdivisions	Other securities	Trading account securities	Federal funds sold	Other loans	Bank premises and furnishings	Real estate	All other assets	Total assets
Unity Bank & Trust Co., Boston, Mass.....	941	288	2,392	0	0	0	1,300	5,521	409	0	85	10,936
Freedom National Bank, New York, N.Y.....	6,773	8,589	10,020	0	113	0	2,200	16,187	605	486	671	45,644
Unity State Bank, Dayton, Ohio.....	205	629	0	0	0	0	475	923	55	0	32	2,319
Industrial Bank of Washington, D.C.....	1,953	4,348	2,483	3,532	2,893	0	0	7,955	506	64	53	23,787
United Community National Bank of Washington, D.C.....	1,177	2,072	0	0	35	0	2,775	3,879	126	0	107	10,171
Mechanics and Farmers Bank, Durham, N.C.....	1,475	3,288	4,177	2,443	3	0	2,200	9,347	847	11	247	24,038
Victory Savings Bank, Columbia, S.C.....	143	483	333	344	0	0	500	1,458	50	3	48	3,362
First State Bank, Danville Va.....	345	393	0	803	101	0	1,250	2,719	49	3	4	5,667
Consolidated Bank and Trust, Richmond, Va.....	2,066	1,058	800	1,191	0	0	1,300	7,262	221	0	138	14,036
Citizens Trust Co., Atlanta, Ga.....	3,955	704	86	10,111	62	0	1,550	11,520	4,589	108	205	32,890
Carver State Bank, Savannah, Ga.....	701	1,364	100	286	0	0	0	1,454	47	0	1	3,953
Citizens Savings Bank and Trust, Nashville, Tenn.....	2,189	955	1,760	15	0	0	0	2,415	29	0	0	7,363
Highland Community Bank, Chicago, Ill.....	239	300	1,006	0	0	0	650	38	25	0	35	2,293
Independence Bank of Chicago, Chicago, Ill.....	2,715	1,933	3,701	0	0	0	1,000	6,577	134	11	170	16,241
Seaway National Bank of Chicago, Illinois.....	3,777	3,768	1,600	3,009	42	0	0	12,621	631	0	403	25,851
First Independence National Bank, Detroit, Mich.....	1,250	2,414	901	0	446	0	2,000	1,727	215	0	101	9,054
Gateway National Bank, St. Louis, Mo.....	1,189	2,528	880	0	13	0	600	5,152	240	0	92	10,694
Tristate Bank of Memphis, Memphis, Tenn.....	937	2,380	298	379	50	0	800	6,747	250	39	110	11,990
First Plymouth National Bank, Minneapolis, Minn.....	688	3,911	200	0	11	0	125	1,987	203	0	45	7,170
Douglass State Bank, Kansas City, Kans.....	1,525	1,582	226	891	13	0	250	6,194	484	174	62	11,401
Swope Parkway National Bank, Kansas City, Mo.....	1,770	854	0	0	23	0	900	5,974	102	0	192	9,725
American State Bank, Tulsa, Okla.....	432	196	0	0	0	0	100	719	57	0	12	1,516
Riverside National Bank, Houston, Tex.....	914	500	1,301	0	16	0	550	3,580	258	0	158	7,277
Bank of Finance, Los Angeles, Calif.....	1,740	1,289	1,934	0	69	9	900	10,056	884	175	364	17,411
Freedom Bank of Finance, Portland, Oreg.....	342	1,065	0	0	1	0	300	636	200	0	47	2,591
Liberty Bank of Seattle, Seattle, Wash.....	552	554	809	0	0	0	700	2,263	214	0	49	5,141

TABLE I-C.—PRINCIPAL LIABILITIES, RESERVES, AND CAPITAL ACCOUNTS OF BLACK BANKS AS OF DEC. 31, 1970

[Amounts in thousands of dollars]

	Demand deposits IPC	Time and savings deposits IPC	Deposits U.S. government	Deposits states and political subdivision	Deposits foreign governments	Deposits commercial banks	Certified and officers checks, etc.	Total deposits	Total demand deposits	Total time and savings deposits	Federal funds purchased	Mortgage indebtedness
Unity Bank & Trust Co., Boston Mass.	3,253	4,583	1,619	50	0	5	493	10,003	5,420	4,583	0	0
Freedom National Bank, New York N.Y.	15,718	18,423	2,195	5,753	0	70	898	43,057	19,074	23,983	0	0
Unity State Bank, Dayton, Ohio	610	586	421	0	0	0	56	1,673	1,087	586	0	0
Industrial Bank of Washington, D.C.	8,289	12,768	1,113	0	0	0	231	22,401	9,633	12,768	0	0
Unified Community National Bank of Washington, D.C.	3,495	4,002	1,181	0	0	0	100	8,778	4,767	4,011	0	0
Mechanics and Farmers Bank, Durham, N.C.	7,734	10,307	1,463	1,789	0	0	339	21,632	10,570	11,062	0	248
Victory Savings Bank, Columbia, S.C.	931	1,465	418	182	0	0	20	3,016	1,406	1,610	0	0
First State Bank, Danville, Va.	1,002	3,324	467	225	0	0	39	5,057	1,533	3,523	0	0
Consolidated Bank and Trust, Richmond, Va.	3,569	7,355	1,483	239	0	0	86	12,732	5,377	7,355	0	0
Citizens Trust Company, Atlanta, Ga.	15,035	8,838	1,513	791	0	0	382	16,559	17,282	9,277	0	3,200
Carver State Bank, Savannah, Ga.	474	2,038	428	538	0	15	68	3,561	1,029	2,532	0	0
Citizens Savings Bank and Trust, Nashville, Tenn.	2,637	2,839	485	794	0	0	43	6,798	3,699	3,099	0	0
Highland Community Bank, Chicago, Ill.	397	496	614	0	0	0	95	1,602	1,106	496	0	0
Independence Bank of Chicago, Chicago, Ill.	5,314	6,081	2,230	1,414	0	0	197	15,236	7,847	7,389	0	0
Seaway National Bank of Chicago, Ill.	9,016	11,444	1,085	1,260	0	20	387	23,212	10,572	12,640	0	0
First Independence National Bank, Detroit, Mich.	1,935	3,348	2,218	101	0	0	63	7,665	4,217	3,448	0	0
Gateway National Bank, St. Louis, Mo.	3,583	4,429	744	708	0	0	317	9,781	4,850	4,931	0	111
Tri State Bank of Memphis, Memphis, Tenn.	3,186	5,298	998	1,098	0	0	85	10,665	4,402	6,263	0	0
First Plymouth National Bank, Minneapolis, Minn.	1,213	1,447	3,417	354	0	0	85	6,516	4,769	1,747	0	0
Douglas State Bank, Kansas City, Kans.	2,859	4,464	900	1,702	0	14	169	10,108	4,840	5,268	0	205
Swope Parkway National Bank, Kansas City, Mo.	4,278	2,962	969	0	0	135	112	8,456	5,494	2,962	0	0
American State Bank, Tulsa, Okla.	257	251	10	109	0	395	9	1,031	695	336	0	0
Riverside National Bank, Houston, Tex.	2,187	2,852	832	330	0	1	163	6,365	3,368	2,997	0	0
Bank of Finance, Los Angeles, Calif.	6,490	4,496	2,184	1,372	0	0	1,284	15,826	10,840	4,986	0	339
Freedom Bank of Finance, Portland, Oreg.	620	715	322	302	0	0	14	1,973	958	1,015	0	0
Liberty Bank of Seattle, Seattle, Wash.	1,607	1,459	963	330	0	8	34	4,401	2,742	1,659	150	87

TABLE I-D.—PRINCIPAL LIABILITIES, RESERVES, AND CAPITAL ACCOUNTS OF BLACK BANKS AS OF DEC. 31, 1970

[Amounts in thousands of dollars]

	All other liabilities	Total liabilities	Minor interest in consolidated subsidiary	Reserves on loans and securities	Capital notes and debt	Preferred stock	Common stock	Surplus	Undivided profit	Reserves for contingencies	Total capital accounts	Total liabilities reserved, capital accounts
United Bank & Trust Co., Boston, Mass.	619	10,622	0	231	0	0	600	315	-832	0	83	10,936
Freedom National Bank, New York, N.Y.	497	43,554	0	82	400	0	876	400	325	7	2,008	45,644
Unity State Bank, Dayton, Ohio	64	1,737	0	0	0	0	254	211	117	0	582	2,319
Industrial Bank of Washington, D.C.	329	22,730	0	23	0	0	248	606	175	5	1,034	23,787
Unified Community National Bank of Washington, D.C.	98	8,876	0	54	0	0	750	250	241	0	1,241	10,171
Mechanics and Farmers Bank, Durham, N.C.	299	22,179	19	157	200	0	565	803	115	0	1,683	24,038
Victory Savings Bank, Columbia, S.C.	38	3,054	0	31	0	0	112	118	47	0	277	3,362
First State Bank, Danville, Va.	40	5,097	0	30	0	0	50	375	10	105	540	5,667
Consolidated Bank and Trust, Richmond, Va.	251	12,983	0	61	0	0	300	625	67	0	992	14,036
Citizens Trust Company, Atlanta, Ga.	522	30,281	0	179	0	0	880	1,171	175	204	2,430	32,890
Carver State Bank, Savannah, Ga.	35	3,596	0	15	0	0	149	56	82	55	342	3,953
Citizens Savings Bank and Trust, Nashville, Tenn.	75	6,873	0	0	0	0	250	182	58	0	490	7,363
Highland Community Bank, Chicago, Ill.	5	1,607	0	0	0	0	300	300	-64	150	686	2,293
Independence Bank of Chicago, Chicago, Ill.	151	15,387	0	5	0	0	400	267	182	0	849	16,241
Seaway National Bank of Chicago, Ill.	659	23,871	0	61	425	0	625	430	439	0	1,919	25,851
First Independence National Bank, Detroit, Mich.	87	7,752	0	0	0	0	750	350	202	0	1,302	9,054
Gateway National Bank, St. Louis, Mo.	267	10,159	0	30	0	0	235	185	85	0	505	10,694
Tri State Bank of Memphis, Memphis, Tenn.	400	11,065	0	44	0	0	340	385	156	0	881	11,990
First Plymouth National Bank, Minneapolis, Minn.	181	6,697	0	16	0	0	250	100	107	0	457	7,170

	All other liabilities	Total liabilities	Minor interest in consolidated subsidiary	Reserves on loans and securities	Capital notes and debt	Preferred stock	Common stock	Surplus	Undivided profit	Reserves for contingencies	Total capital accounts	Total liabilities reserved, capital accounts
Douglass State Bank, Kansas City, Kans.	187	10,500	0	6	0	0	375	397	123	0	895	11,401
Swope Parkway National Bank, Kansas City, Mo.	458	8,914	0	40	0	0	375	225	171	0	771	9,725
American State Bank, Tulsa, Okla.	2	1,033	0	3	0	0	290	145	45	0	480	1,516
Riverside National Bank, Houston, Tex.	146	6,511	0	5	0	0	320	200	241	0	761	7,277
Bank of Finance, Los Angeles, Calif.	369	16,534	0	0	150	0	667	60	0	0	877	17,411
Freedom Bank of Finance, Portland, Oreg.	5	1,978	0	0	0	0	400	100	113	0	613	2,591
Liberty Bank of Seattle, Seattle, Wash.	46	4,684	0	19	0	0	252	166	20	0	438	5,141

TABLE II-A.—CONSOLIDATED REPORT OF CONDITION FOR BLACK BANKS AS OF JUNE 30, 1971

[In thousands of dollars]

	National	State member	All member	Non-member	Total		National	State member	All member	Non-member	Total
ASSETS						19. Certified and officers checks, etc.	1,836	241	2,077	2,927	5,004
1. Cash and due from banks	14,370	4,773	19,143	20,190	39,333	20. Total deposits	124,334	25,265	149,599	168,221	317,820
2. U.S. Treasury securities	27,557	1,923	29,480	27,900	57,380	(A) Total demand deposits	(56,468)	(14,232)	(70,700)	(77,430)	(148,130)
3. Obligations of other U.S. Government agencies and corporations	19,025	65	19,090	21,896	40,986	(B) Total time and savings deposits	(67,866)	(11,033)	(78,899)	(90,791)	(169,690)
4. Obligations of States and political subdivisions	4,542	7,263	11,805	12,200	24,005	21. Federal funds purchased	0	1,300	1,300	650	1,950
5. Other securities (including corporate stocks)	1,836	62	1,898	5,316	7,214	22. Mortgage indebtedness	306	3,195	3,501	860	4,361
6. Trading account securities	0	0	0	0	0	23. All other liabilities	2,316	500	2,816	3,544	6,360
7. Federal funds sold	9,575	0	9,575	10,974	20,549	24. Total liabilities	126,956	30,260	157,216	173,275	330,491
8. Other loans	54,483	13,260	67,743	80,978	148,721	25. Minority interest in consolidated subsidiaries	0	0	0	20	20
9. Bank premises, furniture and fixtures	2,775	5,013	7,788	4,541	12,329	26. Total reserves on loans and securities	206	-13	193	620	813
10. Real estate owned other than bank premises	589	41	630	536	1,166	CAPITAL ACCOUNTS					
11. All other assets	1,224	188	1,412	1,776	3,188	27. Capital notes and debentures	825	0	825	450	1,275
12. Total assets	135,976	32,588	168,564	186,307	354,871	28. Preferred stock	0	0	0	33	33
LIABILITIES						29. Common stock	4,181	880	5,061	5,837	10,898
13. Demand deposits, IPC	42,314	9,771	52,085	59,218	111,303	30. Surplus	2,282	1,171	3,453	5,397	8,850
14. Time and savings deposits, IPC	61,201	9,314	70,515	83,010	153,525	31. Undivided profits	1,519	86	1,605	659	2,264
15. Deposits of U.S. Government	9,806	293	10,099	11,475	21,574	32. Reserves for contingencies and other capital reserves	7	204	211	16	227
16. Deposits of States and political subdivisions	9,101	5,646	14,747	11,053	25,800	33. Total capital accounts	8,814	2,341	11,155	12,392	23,547
17. Deposits of foreign governments, official institutions	0	0	0	0	0	34. Total liabilities, reserves, and capital accounts	135,976	32,588	168,564	186,307	354,871
18. Deposits of commercial banks	76	0	76	538	614	Number of banks	8	1	9	18	27

TABLE II-B.—PRINCIPAL ASSETS OF BLACK BANKS AS OF JUNE 30, 1971

[Amounts in thousands of dollars]

	Cash and due from banks	U.S. Treasury securities	Obligated Government agencies and corporations	Obligated States and political subdivisions	Other securities	Trading accounts securities	Federal funds sold	Other loans	Bank premises and furniture	Real estate	All other assets	Total assets
Unity Bank & Trust Co., Boston, Mass.	637	509	1,842	0	429	0	1,050	4,464	405	0	161	9,497
Freedom National Bank, New York, N.Y.	4,561	9,289	11,064	530	124	0	0	16,904	584	539	416	44,011
Unity State Bank, Dayton, Ohio	286	693	0	0	0	0	500	1,748	59	0	44	3,330
Industrial Bank of Washington, D.C.	2,263	4,792	2,258	3,649	4,360	0	800	8,284	490	86	64	27,046
United Community National Bank of Washington, D.C.	1,199	2,575	750	0	38	0	4,000	2,971	123	0	86	11,742
Mechanics and Farmers Bank, Durham, N.C.	2,481	3,751	4,577	3,714	3	0	400	10,022	835	12	254	26,049
Victory Savings Bank, Columbia, S.C.	223	483	356	377	0	0	450	1,539	69	3	42	3,542
First State Bank, Danville, Va.	319	687	0	793	101	0	1,100	2,713	50	2	4	5,769
Consolidated Bank & Trust, Richmond, Va.	1,759	1,552	1,840	1,145	0	0	500	7,403	240	0	186	14,625
Citizens Trust Co., Atlanta, Ga.	4,773	1,923	65	7,263	62	0	0	13,260	5,013	41	188	32,588
Carver State Bank, Savannah, Ga.	648	1,510	100	386	0	0	0	1,513	48	0	0	4,205
Citizens Savings Bank & Trust, Nashville, Tenn.	1,974	954	1,861	416	0	0	0	2,385	29	0	0	7,619
Highland Community Bank, Chicago, Ill.	511	1,201	953	0	0	0	1,200	1,961	46	0	78	5,950
Independence Bank of Chicago, Chicago, Ill.	2,958	2,802	2,703	309	0	0	1,050	9,853	134	11	223	20,043
Seaway National Bank of Chicago, Ill.	3,332	4,864	1,696	4,012	52	0	0	13,656	785	0	240	28,637
First Independence National Bank, Detroit, Mich.	1,053	3,453	1,973	0	1,559	0	2,300	2,764	212	0	160	13,474

TABLE II-B.—PRINCIPAL ASSETS OF BLACK BANKS AS OF JUNE 30, 1971—Continued

[Amounts in thousands of dollars]

	Cash and due from banks	U.S. Treasury securities	Obligated Government agencies and corporations	Obligated States and political subdivisions	Other securities	Trading accounts securities	Federal funds sold	Other loans	Bank premises and furniture	Real estate	All other assets	Total assets
North Milwaukee State Bank, Milwaukee, Wis.	224	801	46	0	0	0	150	938	23	0	11	2,193
Gateway National Bank, St. Louis, Mo.	1,480	2,365	2,040	0	13	0	1,100	5,546	241	50	120	12,955
Tri State Bank of Memphis, Memphis, Tenn.	1,253	3,105	714	415	50	0	1,500	6,617	241	7	134	14,036
First Plymouth National Bank, Minneapolis, Minn.	211	1,814	200	0	12	0	1,000	2,330	352	0	68	5,987
Douglass State Bank, Kansas City, Kans.	1,207	1,591	1,275	996	13	0	624	6,482	486	197	138	13,009
Swope Parkway National Bank, Kansas City, Mo.	1,455	2,647	0	0	23	0	200	6,516	173	0	8	11,022
American State Bank, Tulsa, Okla.	446	495	0	0	225	0	100	1,344	95	0	11	2,716
Riverside National Bank, Houston, Tex.	1,079	550	1,302	0	15	0	975	3,796	305	0	126	8,148
Bank of Finance, Los Angeles, Calif.	1,871	907	2,296	0	135	0	0	10,733	865	218	315	17,340
Freedom Bank of Finance, Portland, Ore.	500	1,416	0	0	0	0	700	670	206	0	44	3,536
Liberty Bank of Seattle, Seattle, Wash.	630	651	1,075	0	0	0	850	2,309	220	0	67	5,802

TABLE II-C.—PRINCIPAL LIABILITIES, RESERVES, AND CAPITAL ACCOUNTS OF BLACK BANKS AS OF JUNE 30, 1971

[Amounts in thousands of dollars]

	Demand deposits, IPC	Time and savings deposits, IPC	Deposits, U.S. Government	Deposits, States and political subdivisions	Deposits, foreign governments	Deposits, commercial banks	Certified and officers checks, etc.	Total deposits	Total demand deposits	Total time and savings deposits	Federal funds purchased	Mortgage indebtedness
Unity Bank & Trust Co., Boston, Mass.	3,229	4,933	854	61	0	2	193	9,272	4,319	4,953	0	0
Freedom National Bank, New York, N.Y.	15,713	19,845	1,884	3,656	0	70	412	41,580	18,480	23,100	0	0
Unity State Bank, Dayton, Ohio	908	1,052	586	0	0	0	26	2,572	1,520	1,052	0	0
Industrial Bank of Washington, D.C.	9,338	14,821	1,095	0	0	0	249	25,503	10,682	14,821	0	0
United Community National Bank of Washington, D.C.	3,331	5,291	1,525	0	0	0	143	10,290	4,990	5,300	0	0
Mechanics and Farmers Bank, Durham, N.C.	8,672	11,496	353	2,447	0	0	598	23,566	10,599	12,967	0	242
Victory Savings Bank, Columbia, S.C.	915	1,605	378	242	0	0	21	3,161	1,411	1,750	0	0
First State Bank, Danville, Va.	994	3,487	275	356	0	0	33	5,145	1,358	3,787	0	0
Consolidated Bank and Trust, Richmond, Va.	3,867	8,161	887	202	0	0	82	13,199	5,038	8,161	0	0
Citizens Trust Company, Atlanta, Ga.	9,771	9,314	293	5,646	0	0	241	25,265	14,232	11,033	1,300	3,195
Carver State Bank, Savannah, Ga.	671	2,281	380	455	0	15	21	3,823	1,072	2,751	0	0
Citizens Savings Bank and Trust, Nashville, Tenn.	2,883	3,022	451	660	0	0	39	7,055	3,483	3,572	0	0
Highland Community Bank, Chicago, Ill.	1,562	1,855	1,659	100	0	0	60	5,236	3,281	1,955	0	0
Independence Bank of Chicago, Chicago, Ill.	7,577	9,168	1,057	835	0	0	254	18,891	8,920	9,971	0	0
Seaway National Bank of Chicago, Chicago, Ill.	8,979	13,907	1,073	1,830	0	0	379	26,168	10,434	15,734	0	0
First Independence National Bank, Detroit, Mich.	1,792	6,333	1,969	1,873	0	0	79	12,046	5,413	6,633	0	0
North Milwaukee State Bank, Milwaukee, Wis.	637	514	163	300	0	0	57	1,671	857	814	0	0
Gateway National Bank, St. Louis, Mo.	4,607	5,489	222	1,290	0	0	371	11,979	5,563	6,416	0	106
Tri State Bank of Memphis, Memphis, Tenn.	3,713	6,320	860	1,622	0	0	137	12,652	4,764	7,888	0	0
First Plymouth National Bank, Minneapolis, Minn.	1,426	1,948	1,471	231	0	0	113	5,189	3,039	2,150	0	200
Douglass State Bank, Kansas City, Kans.	3,218	4,955	645	2,166	0	14	162	11,160	5,118	6,042	0	200
Swope Parkway National Bank, Kansas City, Mo.	3,748	5,054	978	0	0	5	139	9,924	4,870	5,054	0	0
American State Bank, Tulsa, Okla.	543	712	222	199	0	499	25	2,200	1,313	887	0	0
Riverside National Bank, Houston, Tex.	2,718	3,334	684	221	0	1	200	7,158	3,679	3,479	0	0
Bank of Finance, Los Angeles, Calif.	7,774	5,395	514	577	0	0	804	15,064	9,379	5,685	650	332
Freedom Bank of Finance, Portland, Ore.	1,093	970	368	390	0	0	16	2,837	1,567	1,270	0	0
Liberty Bank of Seattle, Seattle, Wash.	1,624	2,263	728	441	0	8	150	5,214	2,749	2,465	0	86

	Demand deposits IPC	Time and savings deposits IPC	Deposits U.S. government	Departments States and political subdivisions	Departments foreign governments	Departments commercial banks	Certified and officers checks etc.	Total departments	Total demand departments	Total time and savings departments	Federal funds purchased	Mortgage indebtedness
Tri State Bank of Memphis, Memphis, Tenn.	4,453	6,881	1,053	1,778	0	0	129	14,294	5,837	8,457	0	0
First Plymouth National Bank, Minneapolis, Minn.	2,720	3,818	3,446	607	0	0	137	10,728	6,313	4,415	0	0
Douglass State Bank, Kansas City, Kans.	3,298	5,426	900	2,660	0	15	189	12,488	5,941	6,547	0	196
Swope Parkway National Bank, Kansas City, Mo.	4,525	5,084	1,559	2,060	0	5	0	13,233	6,856	6,377	0	0
American State Bank, Tulsa, Okla.	645	1,086	69	350	0	528	48	2,726	1,315	1,411	0	0
Riverside National Bank, Houston, Tex.	2,877	3,890	1,081	978	0	1	299	9,126	4,391	4,735	0	0
Bank of Finance, Los Angeles, Calif.	7,266	6,837	2,279	1,152	0	0	5,628	23,162	15,543	7,619	0	325
Freedom Bank of Finance, Portland, Oreg.	1,521	1,243	425	449	0	0	36	3,674	2,066	1,608	0	0
Liberty Bank of Seattle, Seattle, Wash.	2,832	2,193	900	733	0	8	146	6,812	4,024	2,788	0	85

TABLE III-D.—PRINCIPAL LIABILITIES, RESERVES, AND CAPITAL ACCOUNTS OF BLACK BANKS AS OF DEC. 31, 1971

[Amounts in thousands of dollars]

	All other liabilities	Total liabilities	Minor interest in consolidated subsidiary	Reserves on loans and securities	Capital notes and debentures	Preferred stock	Common stock	Surplus	Undivided profit	Reserves for contingency	Total capital accounts	Total liabilities reserve capital account
Unity Bank & Trust Co., Boston, Mass.	133	12,107	0	334	1,985	0	600	314	-1,363	0	1,536	13,977
Freedom National Bank New York, N.Y.	1,014	52,824	0	0	400	0	876	50	11	0	1,337	54,161
Unity State Bank, Dayton, Ohio	256	4,487	0	0	0	0	266	227	119	0	612	5,101
Industrial Bank of Washington, D.C.	391	27,703	0	27	0	0	248	649	398	25	1,320	29,050
United Community National Bank of Washington, D.C.	299	14,665	0	54	0	0	750	350	238	0	1,338	16,057
Mechanics and Farmers Bank, Durham, N.C.	475	32,192	21	145	190	0	580	967	67	0	1,804	34,162
Greensboro National Bank, Greensboro, N.C.	13	1,340	0	0	0	0	280	280	111	0	671	2,011
Victory Savings Bank, Columbia, S.C.	54	3,472	0	33	0	0	112	140	55	0	307	3,812
First State Bank, Danville, Va.	159	6,721	0	30	0	0	50	375	24	0	449	7,200
Atlantic National Bank, Norfolk, Va.	187	2,875	0	12	0	0	500	300	33	0	838	3,725
Consolidated Bank and Trust, Richmond, Va.	309	16,356	0	77	0	0	300	675	49	0	1,024	17,457
Citizens Trust Company, Atlanta, Ga.	726	32,423	0	25	0	0	897	1,171	132	204	2,404	34,852
Carver State Bank, Savannah, Ga.	63	4,636	0	16	0	0	150	56	86	46	338	4,990
Citizens Savings Bank and Trust, Nashville, Tenn.	99	6,892	0	0	0	0	250	189	77	0	516	7,408
Highland Community Bank, Chicago, Ill.	187	7,862	0	2	0	0	300	263	0	0	563	8,427
Independence Bank of Chicago, Chicago, Ill.	407	27,890	0	51	250	0	550	450	190	0	1,440	29,381
Seaway National Bank of Chicago, Chicago, Ill.	448	33,169	0	82	425	0	625	450	558	4	2,062	35,313
First Independence National Bank, Detroit, Mich.	375	23,636	0	17	0	0	750	350	166	0	1,266	24,919
North Milwaukee State Bank, Milwaukee, Wis.	80	5,497	0	0	0	0	275	165	87	0	527	6,024
Gateway National Bank, St. Louis, Mo.	394	16,016	0	60	0	0	318	352	157	0	827	16,903
Tri State Bank of Memphis, Memphis, Tenn.	436	14,730	0	59	0	0	341	387	212	1	941	15,730
First Plymouth National Bank, Minneapolis, Minn.	228	10,956	0	18	0	0	250	100	78	0	428	11,402
Douglass State Bank, Kansas City, Kans.	280	12,964	0	46	0	34	375	556	55	0	1,020	14,030
Swope Parkway National Bank, Kansas City, Mo.	271	13,504	0	113	0	0	375	175	0	34	584	14,201
American State Bank, Tulsa, Okla.	29	2,755	0	12	0	0	290	145	82	0	517	3,284
Riverside National Bank Houston, Tex.	236	9,362	0	25	0	0	320	208	313	0	841	10,228
Bank of Finance, Los Angeles, Calif.	390	23,877	0	0	250	0	669	168	0	0	1,087	24,964
Freedom Bank of Finance, Portland, Oreg.	30	3,704	0	0	0	0	400	100	66	0	566	4,270
Liberty Bank of Seattle, Seattle, Wash.	62	5,959	0	0	0	0	251	128	10	0	389	7,348

TABLE IV.—DEPOSIT GROWTH AND CHANGES IN SELECTED TYPES OF ASSETS OF BLACK BANKS, DEC. 31, 1970, TO DEC. 31, 1971

[Amounts in thousands of dollars]

Name of bank	Changes in major types of assets											
	Total deposits		Total assets		Cash and due from banks		U.S. Government and agency securities		Federal funds sold		Other loans	
	Amount (Dec. 31, 1971)	Rate of growth, 1971 (percent)	Amount (Dec. 31, 1971)	Rate of growth, 1971 (percent)	Amount (Dec. 31, 1971)	Percent of change in total assets	Amount (Dec. 31, 1971)	Percent of change in total assets	Amount (Dec. 31, 1971)	Percent of change in total assets	Amount (Dec. 31, 1971)	Percent of change in total assets
Unity Bank & Trust Co., Boston	1,971	19.7	3,041	27.8	-326	-10.7	2,075	68.2	1,300	42.7	-489	-16.1
Freedom National Bank, New York	8,753	20.3	8,517	18.7	0		2,184	25.6	4,300	50.5	-719	-8.4
Unity State Bank, Dayton	2,560	153.0	2,782	120.0	374	13.4	956	34.4	-75	-2.7	1,453	52.2
Industrial Bank of Washington, D.C.	4,911	21.9	5,263	22.1	-143	-2.7	578	11.0	900	17.1	801	15.2
United Community National Bank, Washington, D.C.	5,588	63.7	5,886	57.9	0		2,822	47.9	2,076	35.3	639	10.9
Mechanics & Farmers Bank, Durham	9,849	45.5	10,124	42.1	2,078	20.5	1,976	19.5	2,400	23.7	834	8.2
Victory Savings Bank, Columbia	402	13.3	450	13.4	124	27.6	57	12.7	0		229	50.9
First State Bank, Danville	1,505	29.8	1,533	27.1	329	21.5	798	52.1	-200	-13.0	365	23.8
Consolidated Bank & Trust, Richmond	3,315	26.0	3,421	24.4	-606	-17.7	1,649	48.2	0		1,873	54.8
Citizens Trust Co., Atlanta	1,673	6.3	1,962	6.0	671	34.2	257	13.1	-1,550	-79.0	1,636	83.4
Carver State Bank, Savannah	1,012	28.4	1,037	26.2	308	29.7	212	20.4	200	19.3	222	21.4
Citizen's Savings Bank & Trust, Nashville	-5	-7	45	.6	-1,241	-2,757.8	403	895.6	350	777.8	92	204.4
Highland Community Bank, Chicago	6,073	379.1	6,134	267.5	483	7.9	3,414	55.7	-650	-10.6	2,846	46.4
Independence Bank of Chicago	12,247	80.4	13,140	80.9	324	2.5	4,974	37.9	500	3.8	6,532	49.7
Seaway National Bank, Chicago	9,509	41.0	9,462	36.6	0		4,326	45.7	0		1,651	17.4
First Independence National Bank, Detroit	15,596	203.5	15,865	175.2	0		6,455	40.7	4,600	29.0	2,570	16.2
Gateway National Bank, St. Louis	5,738	58.7	6,209	58.1	0		2,868	46.2	400	6.4	1,703	26.4
Tri State Bank of Memphis	3,629	34.0	3,740	31.2	111	3.0	1,043	27.8	400	10.7	1,056	28.2
First Plymouth National Bank, Minneapolis	4,212	64.6	4,232	59.0	0		1,621	38.3	675	15.9	1,051	24.8
Douglass State Bank, Kansas City, Kans.	2,380	23.5	3,629	23.1	-426	-16.2	1,192	45.3	1,050	40.0	592	22.5
Swope Parkway National Bank, Kansas City, Mo.	4,777	56.5	4,476	46.0	0		3,941	88.0	500	11.2	260	5.8
American State Bank, Tulsa	1,695	164.4	1,768	116.6	94	5.3	494	27.9	0		915	51.8
Riverside National Bank, Houston	2,761	43.4	2,951	40.6	0		917	31.1	525	17.8	999	33.9
Bank of Finance, Los Angeles	7,336	46.4	7,553	43.4	92	1.2	2,379	31.5	600	7.9	4,372	57.9
Freedom Bank of Finance, Portland	1,701	86.2	1,679	64.8	29	1.7	1,010	60.2	450	26.8	157	9.4
Liberty Bank of Seattle	2,411	54.8	2,207	42.9	1,039	47.1	951	43.1	-700	-32.7	835	37.8
Memorandum: All black banks	131,031	45.5	137,866	42.7	10,717	7.8	56,625	41.1	19,001	13.8	36,611	26.7

WHY IT IS IMPORTANT THAT THE FEDERAL RESERVE BE FULLY REVIEWED AND SUBJECTED TO ITS FIRST AUDIT BY THE GENERAL ACCOUNTING OFFICE

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD, and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, it is time for the Congress to take a close look at its relationship with the Federal Reserve and the Federal Reserve's relation to the President. The Fed, as it is known, is both the creation and creature of Congress. No one denies this. Yet it goes its own way doing what it wishes when it wishes unconstrained by the Congress or the President. Sam Rayburn recognized this when he said, in 1959:

I have been forced to the conclusion that the Federal Reserve authorities * * * consider themselves immune to any direction or suggestion by the Congress, let alone a simple expression of the sense of Congress.

Mr. Rayburn's statement applies as well to recent experience as to his times. The Joint Economic Committee, which I have the honor of being cochairman of, has recommended that the growth of the money supply be kept between 2 and 6 percent per year. The Federal Reserve authorities, however, have ignored these guidelines with terrible consequences for the economy and people of this country, contributing alternately to inflation by causing the volume of money to grow

faster than 6 percent per year and to recession by allowing the growth rate to fall below 2 percent per year. The Fed's behavior is just plain irresponsible.

Responsibility in government means responsible to the electorate either directly as is the case with the Congress, the President and other elected officials, or indirectly through supervision and direction by elected officials. Making the Federal Reserve responsible to the electorate by making it responsive to the guidelines of the Congress, and direction of the President within the guidelines, should be given top priority by the Congress. Congress must redefine now its relationship with the Fed and the Fed's relation to the President.

Two essential steps are:

First. Require that the volume of money grow between 2 and 6 percent per year except at the instruction of the President.

Second. Subject the Federal Reserve to the normal budget review and GAO audit.

These are essential and proper proposals. At a time in our history when Presidential boards are enforcing wage and price guidelines, constraining the freedom of business enterprises and labor alike, it is incredible and unacceptable that the monetary authorities be free to do what they wish, when they wish, to the Nation's money supply and credit, unconstrained by either congressional guidelines or Presidential directives. There is thus a clear and compelling

need for Congress to set monetary growth guidelines, permitting deviations only by Presidential direction.

The need for subjecting the Fed to the normal appropriations and audit processes is just as compelling. It is as wrong as wrong can be to exempt the Fed from the normal budget review and GAO audit. Why? What is the reason? The fact is that there is no good reason. Rather, the exemption is rooted in bad accounting practice.

The Fed now is exempt from the budget review and GAO audit because, while mismanaging our money and credit, it has accumulated over the years more than \$70 billion of Treasury bonds, notes, and bills. The interest income from this portfolio more than covers any conceivable annual expenditures the Fed could possibly want to make. In fact the Fed spends only part of the interest on the \$70 billion, remitting the bulk of it to the Treasury.

Because it is permitted to receive the interest on the \$70 billion portfolio and to spend several hundreds of million dollars of this interest the Fed is not obliged to come to the Congress for its appropriations or to submit to a GAO audit. But the Fed should not be allowed to receive and spend, as it sees fit without congressional approval or audit, any of the interest on the \$70 billion. The \$70 billion belongs to the people and only the Congress should determine public spending priorities. Representative government is di-

luted and polluted by allowing the Fed to authorize its own spending programs and appropriations and to spend the money without a GAO audit.

To restore to Congress power to determine and supervise what is done with public funds we need to subject the Fed to the budget review process and GAO audit. This can be accomplished by transferring to the Treasury all securities purchased by the Fed, with provision for transfer out of the Treasury to the public via Federal Reserve banks in executing open market sales. It is right and proper that this be done. The Fed monetizes the debt when it purchases it on the open market. Securities purchased by the Fed are paid for by issuing currency and crediting member bank reserve balances in Federal Reserve banks. Put otherwise, the Fed purchases securities with its cash obligations.

Because it is the agent of all taxpayers, the Fed's cash obligations are the obligations of the Government. Its currency or note issues are signed, every one of them, by the Secretary of the Treasury and the Treasurer of the United States. Definitely, Federal Reserve currency or notes are the Government's obligations. So, too, are member bank reserve balances.

Balances in Reserve banks, which incidentally are less than half as large as Federal Reserve note issues, are convertible into note issues upon demand. This is how the Fed furnishes "an elastic currency" as it was established to do. So no one can deny the Fed's cash obligations. Federal Reserve notes or currency and member bank reserve balances, are the Government's cash obligations—the liabilities of all taxpayers. But, of course, this means that the assets purchased by issuing Federal Reserve cash obligations also belong to the Government, to all the taxpayers, that is.

The conclusion is inescapable that the Fed's \$70 billion portfolio belongs to all the people, to the Government. Congress cannot allow, therefore, the Federal Reserve to receive and spend any interest from the securities it purchases. Representative government requires that the elected representatives of the people, and they alone, should determine what is done with public moneys. The case is clear. We must enact legislation retiring monetized debt and requiring the Federal Reserve to submit its spending plans to the normal budget review and appropriations process and its expenditures to GAO audit.

The retirement of these bonds will make it possible, of course, to reduce the national debt by a whopping \$70 billion. In other words, our debt, which is approaching \$450 billion, could be reduced to around \$380 billion and we would not need further requests for an increase in the debt in the foreseeable future.

FEDERAL RESERVE SECRECY CONTRIBUTES TO ECONOMIC UNCERTAINTY

Mr. Speaker, it has become increasingly clear that the state of the economy is the No. 1 issue before the Congress and in the current campaign. We know our problems are very real. We discuss our fiscal responsibilities and

taxes because we must. The American people are listening and they want to know what we think and what we plan to do. But we are missing a great opportunity to let them in on a secret. We have been remiss in meeting our responsibilities and our presidential candidates will fail in meeting their responsibilities if we do not let the people know how important the management of their money by the Federal Reserve is to their economy and to their everyday lives.

The consequences of Federal Reserve secrecy at their most serious level—the level at which all the efforts of the Congress and the President in setting economic policy hinge on whether or not the Federal Reserve will agree or decline to support that policy—is set forth in an article by Lindley H. Clark, Jr., in the July 31 edition of the Wall Street Journal. The article goes on to discuss as well the way in which this secrecy affects investors in Government bonds and that section is of less interest for our purposes because it fails to give weight to the interests of all the taxpayers of the country in what happens to the market for Government bonds.

In recommending that Members read the article, I would also add that it fails to take note of the fact that the Federal Reserve is able to maintain secrecy concerning its operations and its policies because it has an independent income. It does not come before Congress like other Government agencies with a request for appropriations to meet expenses. It need not request funds from Congress because it claims that the bonds it buys with the Government's money belong to the System and not to the people who are responsible for the Government's obligations—namely, the taxpayers. The Federal Reserve is like a dishonest trustee who takes the money a man puts aside for his family and buys bonds with it and then claims that he and not the family of the man who gave him the money, owns the bonds. That is exactly what the Federal Reserve does and what it has done for years. It has taken a law passed by Congress in 1945 for the purpose of supporting the Government bond market and interpreted it for its own benefit.

In 1971 the Federal Reserve held approximately \$70 billion of Government bonds in its portfolio. The interest on these bonds was about \$4 billion. The Federal Reserve called that interest its "earnings." It took \$4 billion from the Treasury, spent what it pleased and gave back the rest. How it spends that money, the Federal Reserve says, is its own business. Because I think it is our business, I have called for an audit of the Federal Reserve by the General Accounting Office.

My request for an audit has a larger purpose as well. In 1971, the System's total transactions in Government bonds—buying, selling, repurchase agreements and redemptions—were over \$145 billion. It paid commissions on these transactions to 20 dealers which it has approved and sponsored. A GAO audit of these dealers which I requested revealed that their transactions for the year 1970 totaled over \$738 billion—almost three

times the volume of purchases and sales of the New York Stock Exchange and the American Stock Exchange. These 20 dealers had a 5-year average rate of return of 31 percent on net worth, a rate which is substantially larger than that for other business enterprises. We would not have known this if we had not requested this audit by the General Accounting Office. And it is important to know it because it indicates that the subsidies which the Federal Reserve pays these 20 dealers are significant in terms of profits. It also indicates the size and significance of the Government bond market in our financial structure. And it points up the importance of my proposal to audit the Federal Reserve itself.

Congress has a direct responsibility for the Government securities which the Federal Reserve buys and sells. We are the body which has been given authority to tax the people to pay interest and principal on the Government's obligations. We must know and take responsibility for the way in which these obligations are handled by the Federal Reserve.

Mr. Speaker, in requesting that the article mentioned above be attached at the conclusion of my remarks, I wish to add that I do fault the author for his concern that Federal Reserve secrecy may have harmful effects on investors in Government securities. His concern is, of course, appropriate to the publication for which he writes. But what is important in considering this article is that it testifies to the growing recognition of the fact that the secrecy which surrounds Federal Reserve policy contributes to economic uncertainty.

The article follows:

APPRAISAL OF CURRENT TRENDS IN BUSINESS AND FINANCE

Though the administration is pleased with the progress of the economy, Chairman Herbert Stein of the Council of Economic Advisers concedes, "We remain confronted with problems and uncertainties." One of those uncertainties, now, as in the past, is the future course of Federal Reserve System policy.

Most economists look for upward pressure on interest rates later this year and in 1973. In the past the Fed has often tried to fight such pressures by pouring reserves into the banking system. Will it do so again, and thus possibly increase inflation fears?

On the other hand, the federal budget deficit is large and growing. If the deficit is financed largely through the banks the result could be highly inflationary. Will the Federal Reserve try to prevent such a result by tightening up on reserves—and thus possibly curbing business expansion?

Questions such as these are considered by the Federal Open Market Committee, which meets about once a month in Washington. The committee, which includes the seven Reserve Board members and five of the 12 Reserve Bank presidents, decides the course of monetary policy, insofar as it is carried out by buying or selling government securities.

The actual buying and selling are of course done by the securities department of the Federal Reserve Bank of New York. The head of that department, the manager of the system open market account, acts on the basis of a policy directive drawn up by the Open Market Committee, although he is in regular consultation with committee members between meetings. If the policy calls for put-

ting reserves into the banking system the manager will buy government securities; if it calls for reducing reserves he will sell.

All of this is done in an atmosphere of great secrecy. The Open Market Committee's directive to the system account manager, for instance, is not made public until three months after the manager receives it. The Fed argues the secrecy is necessary because early information on the operations of its huge government securities portfolio could be highly valuable to speculators.

Speculators and the general run of investors naturally try to figure out what the Fed is doing anyway. An unending flood of market letters pours out of banks, securities houses and research firms to tell the public what is really going on. While many of the letter-writers are highly sophisticated and intelligent, the Fed's curtain of secrecy means that the letters must remain at least partly guesswork.

Thus, in one recent week, Richard Scott-Ram, chief economist of DuPont Gloré Forgan Inc., wrote, "The slightly tightened conditions in the money markets compared with a month ago continue to be mostly, but not entirely, due to increased demand for funds in the market . . . rather than a change in Fed policy. Monetary policy may have contributed a little to the recent tightening, but subtly and slightly."

The analysts were at least agreeing that the Federal Reserve has been allowing money to tighten up a bit in recent weeks. Paul J. Markowski, chief economist at Weis, Voisin & Co. Inc., had this comment earlier this month: "The Federal Reserve has recently gone through a reappraisal of its monetary posture. From the statements of Federal officials and the movement of monetary indicators, it appears that the decision has been made to moderate the rate of expansion of the money aggregates in the months ahead."

That's probably right, too. At any rate, a couple of weeks after Mr. Markowski made his comment the Federal Reserve finally released the report on the Open Market Committee's meeting last April. And at that meeting, the report disclosed, the committee did vote for a "somewhat more moderate" rate of increase in the money supply.

Informed assessments, such as those of Messrs. Markowski and Scott-Ram, however, are not all that the Fed must contend with. Many people still watch the weekly reports issued by the Federal Reserve; these tell of changes in the Fed's government securities holdings, bank reserves and other figures. If there is a sudden bulge in reserves or in the system's securities holdings, some observers are only too likely to scent a shift in Federal Reserve policy.

As the Fed continually tells anyone who will listen, though, statistics for a single week, or even for several weeks, may well be entirely meaningless. Totally unexpected developments in the economy can cause unintended bulges in the figures.

So at least some of the speculation about what the Federal Reserve is doing, has been doing and is going to do is ill-informed and can lead to wrong and expensive market decisions. The result is an increase in confusion and uncertainty.

What can be done? Well, Homer Jones, who retired last year as research chief at the St. Louis Federal Reserve Bank, argues that the Open Market Committee should make its reports public immediately.

Mr. Jones has no desire to unduly enrich speculators. But the committee's directives to the New York Fed, he points out, do not say to buy or sell \$100 million of this security and \$500 million of that one. Their vagueness could hardly help anyone make a market killing, he contends.

In March, for instance, the directive reviewed the past month's developments and

then announced that it was the committee's policy to foster sustainable growth and increased employment, to ease inflation and to work for equilibrium in the balance of payments. To implement this policy, said the committee, it sought "to achieve bank reserve and money market conditions that will support moderate growth in monetary aggregates over the months ahead."

Mr. Jones and the St. Louis Fed have long been known as mavericks in the Reserve System; they have even urged a fixed policy of slow, steady growth of the money supply, along the monetarist line urged by University of Chicago Professor Milton Friedman.

That sort of policy, which the system is still firmly resisting, would ease the uncertainty that now surrounds monetary matters. So too, argues Mr. Jones, would a partial lifting of the Federal Reserve's curtain of secrecy.

—LINDLEY H. CLARK JR.

THE SHERIFFS' ASSOCIATION OF TEXAS—STRONG ON LAW AND ORDER

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, at a time when the efficiency and dedication of our law enforcement officials is of utmost importance to all citizens, I would like to commend the Sheriffs' Association of Texas for their outstanding public service and unflagging devotion to the maintenance of law and order. Over the past 94 years, this splendid organization has worked diligently to improve State and local law enforcement procedures, practices, and operations. The following resolution adopted by the Sheriffs' Association of Texas reflects their concern and interest in better and more effective law enforcement.

RESOLUTION

Whereas, over a period of many years members of the Sheriffs' Association of Texas have witnessed deterioration of the processes of law enforcement, due primarily to encroachment into and assumption by the federal judiciary of government reserved by the Constitution of the United States to the legislative branch,

Specifically:

1. Arrest—Procedural restrictions by many court decisions have resulted in undue delays, unavailability of valuable evidence and the ultimate escape of the guilty from punishment.

2. Searches and Seizures—The powers given to law enforcement by the Constitution have been virtually emasculated by technicalities.

3. Interrogation—Decisions go far beyond praise-worthy goals of protection of the defendant's privilege against self-incrimination and guaranteeing due process of law to the point that truth becomes a minor consideration.

4. Care and Custody of Prisoners—More recent federal court decisions clearly indicate usurpation of local authority in matters concerning jail security.

5. Post Conviction Relief—The courts have exhibited an extremely unrealistic attitude in accepting for review, convictions of prisoners, and in remanding their cases on flimsy procedural technicalities, even in cases where the accused has confessed guilt.

6. Penalties—The action of the U.S. Supreme Court in nullifying statutes of a majority of the states with respect to the im-

position of the death penalty, clearly ignoring the will of the people as expressed through their legislature—and;

Whereas, the trends reflected by the above in protecting rights of the accused have often ignored the rights of the law-abiding citizen to be protected against those who commit criminal acts; and

Whereas, as sheriffs and concerned and responsible citizens, we recognize the rights of all citizens to be protected in their persons and property now, therefore

Be it resolved that the Sheriffs' Association of Texas meeting in 94th Annual Conference in Beaumont, Texas, this 26th day of July, 1972, urges you, Mr. President, to use the influence of your good office to recommend legislation to the Congress to reverse the trend of the federal encroachment and return traditional law enforcement functions to state and local governments; and

Be it further resolved that copies of this resolution be forwarded to the following:

Vice President Spiro T. Agnew
Hon. Mike Mansfield, Speaker of the House of Representatives

All members of the Texas delegation to the U.S. Congress

Hon. Richard Kleindienst, U.S. Attorney General.

And other concerned officials and Associations.

Unanimously adopted July 26, 1972

THE CITY OF NEW YORK MUST PROVIDE BETTER SERVICES FOR THE LOWER EAST SIDE

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, sanitation is a big problem in New York and many other cities throughout the country. On Manhattan's Lower East Side, in my congressional district for example, the city seems incapable of delivering the services necessary to keep the area clean. This apparent failure of adequate sanitation services can only embitter local residents who hear a good deal of rhetoric about the need to improve the quality of our urban environment, but see little action.

One must not underestimate the enormity of the sanitation problem but the city's inability to provide even the most fundamental sanitation services compounds the problem. On the Lower East Side for example, in a 10-block area along Avenue B, from Second to 12th Streets, there is not one public waste disposal basket at the intersections whereas throughout most other areas of my district there is invariably at least one basket at most intersections.

Robert E. Simon Junior High School between Fourth and Sixth Streets, Avenue B and C is a disgrace. The school grounds are littered with papers, tin cans, bottles, and boxes; the school play yard has garbage and broken glass all over; an alley directly behind the school and playground has heaps of uncollected garbage, piled where the alley joins Fourth Street; and this last street, in addition to being strewn with rubble, has three abandoned cars stuffed with debris which according to the local residents have been there for several weeks. The fact that this block is an officially designated play street for children emphasizes, with tragic irony,

the city's neglect. The city's failure to maintain the school grounds makes it appear as if it is no longer willing or able to attempt to provide decent, sanitary conditions in the neighborhood.

Not only does such a situation pose a serious health hazard—I have asked the city to inspect the worst areas—but it also breeds anger and frustration among local residents, and that in the long run is a disease which affects us all.

BUSING MORATORIUM BILL ASSAILED AS UNCONSTITUTIONAL

(Mr. CELLER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. CELLER. Mr. Speaker, earlier this year I placed in the RECORD comments on the proposed Student Transportation Moratorium Act (H.R. 13915) from six constitutional law authorities and members of the faculties of Harvard Law School, Columbia Law School, and the University of Pennsylvania Law School—CONGRESSIONAL RECORD, April 28, 1972, pages 14925-14929.

In an effort to further assist my colleagues to assess fully constitutional objections to the busing moratorium bill, I insert in the RECORD a scholarly legal memorandum filed August 1, 1972, with the Committee on the Judiciary by John Doar and Lloyd Cutler, cochairmen of the Lawyers Committee for Civil Rights under Law. The memorandum raises serious constitutional questions concerning the validity of the proposed moratorium legislation.

The material follows:

SUPPLEMENTAL MEMORANDUM OF LAW TO ACCOMPANY THE STATEMENT OF APRIL 12, 1972, BY JOHN DOAR AND LLOYD CUTLER BEFORE THE HOUSE COMMITTEE ON THE JUDICIARY

In response to this Committee's invitation, we submit a Supplemental Memorandum of Law to accompany and amplify our testimony of April 12, 1972.

Proponents of H.R. 13916—the Moratorium Bill—have urged that Congress may lawfully impose a stay on the effectiveness of future judicial orders providing specific relief for an adjudicated impairment of a constitutional right, when Congress finds the stay necessary to allow it time to enact another measure intended to provide standardized and at least equally effective remedies.¹

The question so framed is one of the first impression;² one that, in our judgment, would be very difficult to answer. However, it is not the question we see posed by H.R. 13916. For this bill—whether taken on its own terms or in conjunction with the companion Equal Educational Opportunities Bill that the Administration has also proposed (H.R. 13915)—has not been shown to be necessary for, or likely to result in, the enactment of standardized and equally effective remedies for adjudicated impairments of constitutional rights. To the contrary, and accepting its stated intentions, it appears on its face to enact a congressional limitation on judicial remedies for previously adjudicated constitutional rights, while Congress considers other measures that would impose still further limitations on those rights and remedies.

I. ENACTMENT OF THE STUDENT TRANSPORTATION MORATORIUM ACT WOULD BE AN UNCONSTITUTIONAL INFRINGEMENT UPON THE JUDICIAL BRANCH

In defending the Bill, the Attorney General emphasized the power that Congress has over the jurisdiction of the lower federal courts and Supreme Court.³ He argued:

"It seems clear that, if Congress has the power to create or abolish courts and to grant, withhold or revoke jurisdiction, it has the lesser power to grant or deny remedies to the federal courts or, as outlined in the President's proposals, to minimally alter some of the equitable remedies." (Klein-dienst Testimony at 1262.)

We, of course, agree that Congress has constitutional power to create lower federal courts and to define their jurisdiction, as well as power to make exception to the appellate jurisdiction of the Supreme Court. But it does not follow from that point, nor is it by any means clear, that Congress could abolish all the lower federal courts. Indeed, no less a constitutional authority than Justice Story thought that Congress could not. *Martin v. Hunter's Lessee*, 14 U.S. (1 Wheat.) 304 (1816); 3 Story, Commentaries on the Constitution 449 (1833), and other authorities have supported Justice Story's view.⁴

Subsequently, there have been court dicta to the contrary; but of course no court has ever so held since Congress has never tried to abolish all of the lower federal courts.

Even accepting the Attorney General's view of Congress' power over the jurisdiction of the federal courts, it by no means follows that the power over jurisdiction justifies legislation prohibiting all federal courts—even for a one-year period—from ordering busing when such busing is, in the judgment of the court, the only promptly available means of enforcing the constitutional right to equal protection.

Like any other governmental power, the power of Congress over the jurisdiction of federal courts is not an absolute one. For example, no one would suggest, we assume, that Congress could enact a statute denying original or appellate access to any federal court for claimed violations of First Amendment rights. The federal judicial power granted under Article III extends to "all cases in law and equity arising under this Constitution" (emphasis supplied) and Congress cannot constitutionally bar all federal courts from exercising this power. To take an even more obvious example, Congress could hardly define the jurisdiction of the federal courts to require that, notwithstanding the Sixth and Seventh Amendments, all cases must be tried without juries.

Congress, in the guise of a jurisdictional statute, cannot deprive a party either of a right created by the Constitution or of any remedy the courts deem essential to enforce that right. No case that we know of, including those cited by the Attorney General, refutes this basic premise.

The Norris-La Guardia experience is not to the contrary. An employer does not have a constitutional right to have a federal court issue an injunction in a case involving or growing out of a labor dispute. Thus, Congress may validly place appropriate limits on the jurisdiction of federal courts to enjoin strikes. Such a limitation does not deprive employers of a constitutionally protected right or remedy, and when the Supreme Court upheld the Act, it had no need to consider any such issue. *See Lauf v. E. G. Shinner Co.*, 303 U.S. 323 (1938), upholding the Norris-La Guardia Act's removal of jurisdiction to enjoin strikes except after a full evidentiary hearing. Such a statute does not dilute or eliminate any constitutional right; if anything, the Norris-La Guardia statute serves to implement the First Amendment right to

peaceful, non-coercive picketing. *See, Thornhill v. Alabama*, 310 U.S. 88 (1940). Finally, it should be noted that the carefully and narrowly drawn Norris-La Guardia Act does not prohibit all injunctions, but instead expressly preserves to the courts power to issue an injunction after a full evidentiary hearing whenever the courts find one necessary to prevent irreparable injury.⁵

Similarly, Congress may limit the courts' injunctive powers in suits challenging the collection of taxes (while providing other fully adequate, exclusive remedies). *See, Snyder v. Marks*, 109 U.S. 189 (1883); *Phillips v. Commissioner*, 283 U.S. 589, 596-97 (1931) (Brandeis, J.) (prohibition of injunctive relief in tax cases constitutional: "Where only property rights are involved, mere postponement of the judicial enquiry is not a denial of due process, if the opportunity given for the ultimate judicial determination is adequate.") However, Congress cannot, even in tax cases, limit equitable jurisdiction so as to deprive a person of property without due process of law. *See, Enochs v. Williams Packing Co.*, 370 U.S. 1 (1962); *Miller v. Standard Nut Margarine Co.*, 299 U.S. 498 (1932) (tax enjoined).

Similarly, cases upholding 28 U.S.C. § 2283, which in general forbids federal injunctions of state court proceedings,⁶ do not support the moratorium. In fact, such cases support the principle that Congress may not use a jurisdictional limitation to limit constitutional rights. *Younger v. Harris*, 401 U.S. 37 (1971) (Black, J.), the most recent case construing this statute, states that generally no constitutional right is infringed by a statute forbidding injunctions of state proceedings: "[T]he moving party has an adequate remedy at law and will not suffer irreparable injury if denied equitable relief." *Id.* at 43-44. However, the Court made it clear that the statute could not be applied to prevent the issuance of an injunction where necessary to prevent irreparable constitutional injury. It noted, quoting *Fenner v. Boykin*, 271 U.S. 240 (1926):

"*Ex parte Young*, 209 U.S. 123, and following cases have established the doctrine that when absolutely necessary for protection of constitutional rights courts of the United States have power to enjoin state officers from instituting criminal actions. But this may not be done except under extraordinary circumstances where the danger of irreparable loss is both great and immediate." 401 U.S. at 45 (emphasis added).

And *Younger* approved the issuance of an injunction in *Dombrowski v. Pfister*, 380 U.S. 479 (1965), because the facts of that case showed that equitable relief was necessary to prevent irreparable injury to constitutional rights.⁷ 401 U.S. at 47-49.

As we have already maintained before the Committee, and for the reasons set forth later in this Memorandum, a denial of a busing remedy may, in the facts of a given case, amount to a denial or equal protection for which there is no adequate remedy at law.

A corollary to the principle that Congress cannot limit the courts' power to issue enforceable judgments is that it cannot enact legislation which prescribes a particular result in a case. Thus, in *United States v. Klein*, 80 U.S. (13 Wall.) 128 (1871), the Court held that a congressional attempt to prescribe a rule of decision in order to make a case come out in a particular way is unconstitutional, even though the statute was phrased in terms of a limitation of the courts' jurisdiction:

"Congress has already provided that the Supreme Court shall have jurisdiction of the judgments of the Court of Claims on appeal. Can it prescribe a rule in conformity with which the court must deny to itself the jurisdiction thus conferred, because and only because its decision, in accordance with settled law, must be adverse to the government

Footnotes at end of article.

and favorable to the suitor? This question seems to us to answer itself." *Id.* at 147.

See also, *Hart and Wechsler, The Federal Courts and the Federal System* (1953) at 317-318 (Congress has no power to tell a court how to decide a case); see generally, Ratner, *Congressional Power Over the Appellate Jurisdiction of the Supreme Court*, 109 U.Pa.L. Rev. 157 (1960).

The basic principle established is that any power of Congress to limit federal court jurisdiction is subject (like the exercise of any other congressional power) to express limitations in the Constitution, including the Fifth and Fourteenth Amendments. See *Battaglia v. General Motors Corp.*, 169 F.2d 254, 257 (2d Cir.), cert. denied, 335 U.S. 887 (1948) (jurisdictional power must not be exercised so "as to deprive any person of life, liberty, or property without due process of law or to take private property without just compensation").

Eparte McCardle, 74 U.S. (7 Wall.) 506 (1868), much relied on by the Attorney General, may be thought to support the Moratorium Act; actually, it indicates that the Moratorium Act would not be constitutionally permissible. In *McCardle*, the Court upheld a post-Civil War Act of Congress that deprived the Supreme Court of appellate jurisdiction over lower federal court decisions in habeas corpus cases.⁵ But the Court took care to distinguish this statute from other cases in which courts had struck down "the exercise of judicial power by the legislature, or legislative interference with courts in the exercising of continuing jurisdiction." *Id.* at 514 (emphasis added). As an example of this distinction, *McCardle* cited with approval *State v. Fleming*, 7 Humphreys 152 (Tenn. 1846), which had held that the legislature "has no power to interfere with the administration of justice, either criminal or civil, in the courts; . . ." *Id.* at 154. Similarly, the Court approved *De Chastellux v. Fairchild*, 15 Penn. State 16, 21 (1850), where the Court said that it was self-evident in the structure of government that the legislature has no power to exercise judicial functions. "[I]t is not more intolerable in principle [for the legislature] to pronounce an arbitrary judgment against a suitor, than it is injurious in practice to deprive him of a judgment, . . ." (emphasis added).⁶

We therefore conclude that the proposed Moratorium Act, even if it were rewritten in the guise of a jurisdictional statute, would be unconstitutional.

Neither can the Moratorium be justified as a stay of court orders while the orders themselves or the courts' authority to enter them are being reviewed by Congress. The Supreme Court has held many times that the congressional authority to grant or remove jurisdiction in broad classes of cases does not include the authority to review decisions within a court's jurisdiction before permitting those decisions to become effective, or to require the courts to decide such cases in congressionally specified ways.

The earliest relevant decisions in this area were written in 1792—when the Constitution and the Judiciary Act of 1789 were only three years old. Congress had enacted a statute in 1792 to govern pensions for disabled veterans of the Revolutionary War. It empowered federal and state courts, upon application of a veteran, to determine what pension, if any, should be paid. The decision of the court was to be transmitted to the Secretary of War; he might decline to follow the decision if he suspected a mistake or imposition. The Secretary's decision was then to be transmitted to Congress, and if Congress agreed with the decisions of the court and the Secretary, it would appropriate the necessary pension funds. The Circuit Court for the District of Pennsylvania refused to consider the pension application of one William Hayburn under

this statute, and the Attorney General sought a writ of mandamus in the Supreme Court. *Hayburn's Case*, 2 U.S. (2 Dall.) 408 (1792).

In *Hayburn's Case*, Congress wisely avoided a constitutional confrontation by amendatory legislation before the Supreme Court actually ruled. The Court's opinion was analogous to a dismissal for mootness under modern practice. Nevertheless, the Court incorporated in the margin of its opinion some of the earliest and most authoritative thinking on the constitutional metes and bounds that separate the legislative from the judicial function.

Cited in *Hayburn's Case*⁷ are court opinions holding under the principles of separation of powers that a court decision subject to review by Congress is nonjudicial in nature, and that the courts are powerless to exercise nonjudicial functions; whenever a court is exercising Article III judiciary power, no legislature may review such a decision. The Circuit Court for the District of New York, consisting of Chief Justice Jay, Justice Cushing and a district judge, had unanimously held: "[B]y the constitution, neither the secretary at war, nor any other executive officer, nor even the legislature, are authorized to sit as a court of errors on the judicial acts or opinions of this court." 2 U.S. (2 Dall.) at 410 n. (a). The Circuit Court for the District of Pennsylvania (consisting of two Supreme Court Justices and a district judge) had jointly written the President in 1792 protesting the Pension Act (*id.*, at 411 n. (a)):

"It is a principle important to freedom, that in government, the judicial should be distinct from, and independent of, the legislative department. To this important principle, the people of the United States, in forming their constitution, have manifested the highest regard. They have placed their judicial power not in congress, but in 'courts.' They have ordained that the 'judges of those courts shall hold their offices during good behavior,' and that 'during their continuance in office, their salaries shall not be diminished.'

"Such revision and control [of judicial decision by a legislature] we deemed radically inconsistent with the independence of that judicial power which is vested in the courts; and consequently, with that important principle which is so strictly observed by the constitution of the United States." (Emphasis in original.)

And the Circuit Court for the District of North Carolina (consisting of a Supreme Court Justice and a district judge) had also written the President (*id.* at 413 n. (a)):

"... whether the power in question is properly of a judicial nature, yet, inasmuch as the decision of the court is not made final, but may be at least suspended in its operation, by the secretary at war, if he shall have cause to suspect imposition or mistake; this subjects the decision of the court to a mode of revision, which we consider to be unwarranted by the constitution; for though congress may certainly establish, in instances not yet provided for, courts of appellate jurisdiction, yet such courts must consist of judges appointed in the manner the constitution requires, and holding their offices by no other tenure than that of their good behavior, by which tenure the office of secretary at war is not held. And we beg leave to add, with all due deference, that no decision of any court of the United States can, under any circumstances, in our opinion, agreeable to the constitution, be liable to a revision, or even suspension, by the legislature itself, in whom no judicial power of any kind appears to be vested, but the important one relative to impeachments." (Emphasis added.)

A year after *Hayburn's Case*,⁸ in 1793, the separation of powers doctrine was further clarified in an exchange of correspondence

familiar to every law student. Thomas Jefferson, then Secretary of State, asked the Supreme Court for a legal opinion on the effect of certain treaties. The Court refused, explaining to President Washington in a letter dated August 8, 1793, that courts may not constitutionally give advisory opinions. See 3 Johnston, *Correspondence and Public Papers of John Jay*, 486-89 (1891).

A court decree that has no effect until Congress implements it or allows it to be enforced amounts to an advisory opinion. In *Gordon v. United States*, 117 U.S. 697 (1864), an act of Congress conferring appellate jurisdiction on the Supreme Court for review decisions of the Court of Claims was held unconstitutional because Court of Claims judgments (even after Supreme Court review) could not then be paid until the necessary appropriation had been estimated by the Secretary of the Treasury and approved by the Congress on a case-by-case basis. Chief Justice Taney pointed out (in an opinion published after his death) that the entire purpose of the Supreme Court was to ensure its impartiality and complete independence from the legislative power (117 U.S. 701). Taney explained that inherent in the exercise of judicial power and essential to any judgment of a court and to its independence is the award of relief and the possibility of execution on final judgment.

"Without such an award the judgment would be inoperative and nugatory, leaving the aggrieved party without remedy. . . . unless Congress should at some future time sanction it, and pass a law authorizing the court to carry its opinion into effect. Such is not the judicial power confided to this Court . . ." (*Id.* at 702)

See *Muskra v. United States*, 219 U.S. 346, 354 (1911), citing *Gordon* with approval and noting Chief Justice Taney's opinion as one of "great learning."

In a school desegregation case over which a federal district court has jurisdiction and in which the court has found deprivation of a constitutional right, the court may in the exercise of its equity power enter an order requiring some busing in order to fashion an effective remedy. The Student Transportation Moratorium Act would render such an order "inoperative and nugatory, leaving the aggrieved party without remedy" unless Congress some time between now and July 1, 1973 decides otherwise.⁹ See *Schneiderman v. United States*, 320 U.S. 118, 168-69 (1943), where Justice Rutledge stated, concurring, that Congress may not make:

"... an adjudication under Article III merely an advisory opinion or prima facie evidence of the fact or all the facts determined. Congress has, with limited exceptions, plenary power over the jurisdiction of the federal courts. But to confer the jurisdiction and at the same time nullify entirely the effects of its exercise are not matters heretofore thought, when squarely faced, within its authority." (Footnotes omitted; emphasis added.)

This basic principle—rooted in the independence of the judiciary and the doctrine of the Separation of Powers—was again reaffirmed by Justice Jackson, speaking for the Court in *Chicago & Southern Air Lines v. Waterman Steamship Corp.*, 333 U.S. 103, 113 (1948), when he observed:

"Judgments within the powers vested in courts by the Judiciary Article of the Constitution may not lawfully be revised, overturned or refused faith and credit by another Department of Government."

One of the most recent of these cases is *Glidden v. Zdanok*, 370 U.S. 530 (1962), a case upon which the Attorney General has relied. In *Glidden*, Mr. Justice Harlan, speaking for the Court, held that the Court of Claims and the Court of Customs and Patent Appeals were Article III courts of the Constitution (and not legislative courts). Mr. Justice Harlan, in considering the history of

Footnotes at end of article.

the Court of Claims, noted—as we explained above—that the Supreme Court, early in the history of the Court of Claims, had held that the Court of Claims was not an Article III court because its judgments were subject to case-by-case review by the Secretary of the Treasury before he recommended an appropriation to pay each judgment. Subsequently, Congress repealed the statute which gave the Secretary of the Treasury the power to review each judgment on a case-by-case basis before an appropriation was made. The Supreme Court then exercised its Article III judicial review of the Court of Claims. Later, when the Secretary of the Treasury sought to reassert this power to review a judgment of the Court of Claims—that is, the Secretary refused to pay part of a judgment—the Supreme Court held the refusal unwarranted: the Executive may not review judicial power. 370 U.S. at 555. By the same token, Congress may not review court orders. The constitutional method of reversing lower courts is the appellate process within the judicial branch.

Mr. Justice Harlan did agree that Congress has power over both the jurisdiction of the lower federal courts and the Supreme Court's appellate jurisdiction. 370 U.S. 530, 567. But Mr. Justice Harlan, in the very next sentence added an important caveat:

"The authority [over jurisdiction] is not, of course, unlimited. In 1870, Congress purported to withdraw jurisdiction from the Court of Claims and from this Court on appeal over cases seeking indemnification for property captured during the Civil War, so far as eligibility therefor might be predicated upon an amnesty awarded by the President, as both courts had previously held that it might. Despite *Ex parte McCordle*, *supra*, the Court refused to apply the statute to a case in which the claimant had already been adjudged entitled to recover by the Court of Claims, calling it an unconstitutional attempt to invade the judicial province by prescribing a rule of decision in a pending case. *United States v. Klein*, 13 Wall. 128. Surely no such concern would have been manifested if it had not been thought that the Court of Claims was invested with judicial power." 370 U.S. at 568 (emphasis added).

In the light of these cases and the constitutional principles that underlie them, the Student Transportation Moratorium Act would unconstitutionally interfere with the authority of courts to issue judgments in cases over which they have jurisdiction.

II. THE STUDENT TRANSPORTATION MORATORIUM ACT WOULD IMPOSE CONTINUING 14TH AMENDMENT INJURY ON SCHOOL CHILDREN AND WOULD THEREFORE VIOLATE THE FIFTH AMENDMENT

A. Legal Context of Busing

Consideration of the constitutionality of the proposed Student Transportation Moratorium Act of 1972 should begin with a review of the authority by which and the circumstances under which courts order busing.

Courts order school desegregation only where they have found that the segregated conditions are due, at least in part, to official conduct in violation of the Fourteenth Amendment.¹³ Once a court has found a constitutional violation, however, the Fourteenth Amendment requires the discriminating agency to "effectuate a transition to a racially nondiscriminatory agency to 'effectuate a transition to a racially nondiscriminatory school system.'" *Brown v. Board of Education*, 349 U.S. 294, 301 (1955) (*Brown II*) and to "take whatever steps might be necessary to convert to a unitary system in which racial discrimination would be eliminated root and branch." *Green v. School Board of New Kent County*, 391 U.S. 430, 437-38 (1968). The authority of the federal courts to issue orders requiring such affirmative ac-

tion is inherent in their equity power. *Brown II*, *supra*. The validity of court orders is not affected by the fact that they may be difficult or burdensome:

"All things being equal, with no history of discrimination, it might well be desirable to assign pupils to schools nearest their homes. But all things are not equal in a system that has been deliberately constructed and maintained to enforce racial segregation. The remedy for such segregation may be administratively awkward, inconvenient, and even bizarre in some situations and may impose burdens on some; but all awkwardness and inconvenience cannot be avoided in the interim period when remedial adjustments are being made to eliminate the dual school systems." *Swann v. Charlotte-Mecklenburg Board of Education*, 402 U.S. 1, 28 (1971).

As Chief Justice Burger observed in *Swann*, *supra*, at 30, busing is one "remedial technique . . . within [the] court's power to provide equitable relief . . ." in a case of constitutional injury to school children.

"[W]e find no basis for holding that the local school authorities may not be required to employ bus transportation as one tool of school desegregation. Desegregation plans cannot be limited to the walk-in school." *Ibid*.

Other techniques include teacher transfers, majority-minority "free" student transfers, rezoning (gerrymandered or "satellite" or both), pairing, and new school construction. Courts order busing in combination with other techniques.

"The scope of permissible transportation of students as an implement of a remedial decree has never been defined by this Court and by the very nature of the problem it cannot be defined with precision. No rigid guidelines as to student transportation can be given for application to the infinite variety of problems presented in thousands of situations." *Swann*, *supra*, at 29 (emphasis added).

That busing may be found to be an indispensable ingredient for effective and speedy desegregation is illustrated by *North Carolina State Board of Education v. Swann*, 402 U.S. 43 (1971), in which the Court unanimously struck down as unconstitutional North Carolina's Anti-busing Law. The state law "operate[d] to hinder vindication of federal constitutional guarantees." *Id.* at 45. Chief Justice Burger observed:

"The legislation before us flatly forbids assignment of any student on account of race or for the purpose of creating a racial balance or ratio in the schools. The prohibition is absolute, and it would inescapably operate to obstruct the remedies granted by the District Court in the *Swann* case." *Id.*

Busing plans are therefore appropriate ingredients of effective remedies by which unconstitutional segregation can be eliminated root and branch, speedily, and effectively. In some cases, effective relief may be found to be impossible without busing. With this in mind, we turn to an analysis of the proposed Student Transportation Moratorium Act of 1972. The bill would operate to stay the implementation of any court-ordered busing plan, notwithstanding the district court's proper jurisdiction, its findings of unconstitutional state action, and its determination that busing is an appropriate ingredient of the action required to achieve the effective desegregation required by the Constitution.

B. Irreparable harm in further delay

As we have already pointed out, constitutionality of the Moratorium Bill would depend on whether it could be clearly demonstrated that the moratorium was needed to enable Congress to enact the contemplated remedial legislation, and that in the remedial legislation Congress intended to protect and enforce rather than to limit the Fourteenth Amendment rights involved, and to provide

at least equally effective remedies for their impairment.

It would be difficult to demonstrate that a moratorium is necessary in order to allow Congress calmly, and with deliberation, to fashion appropriate subsequent legislation. The question is one of jurisdictional fact and would be subject to review by the courts. *Sterling v. Constantin*, 287 U.S. 378, 403 (1932) (Hughes, C.J.); *Ng Fung Ho v. White*, 259 U.S. 276 (1922). Since Congress—without a moratorium—is now considering substantive legislation in a "very calm, very deliberate, very unemotional" atmosphere (Remarks of Cong. McClory, Apr. 13, 1972 at 1412), a moratorium appears unnecessary. As HEW Secretary Richardson acknowledged, "the deliberations of this committee fully deserve the characterization [Congressman McClory has] given them." *Id.* at 1413.

Nor may it be argued that because seventeen years have already passed since the Supreme Court issued its opinion in *Brown v. Board of Education*, 349 U.S. 294, 301 (1955) (*Brown II*), Congress may now delay effective relief for an additional year. That argument fails because it does not take into account the long line of Supreme Court cases holding not only that the Fourteenth Amendment requires effective remedies to eliminate racial segregation in the public schools, but also that delays in the implementation of effective means are now intolerable. Delays are intolerable because the constitutional injury of segregation inflicted upon school children is "devastating [and] often irreparable. . . ." *Dandridge v. Jefferson Parish School Board*, 404 U.S. 1219, 1220 (1971) (Justice Marshall, in chambers). "[T]he rights of school children to schooling under nondiscriminatory and constitutional conditions cannot be recaptured for any school semester lived under discrimination practices. Nor can any court thereafter devise an effective remedial measure." *Kelley v. Metropolitan County Board of Education*, 436 F. 2d 856, 862 (6th Cir. 1970).

Eighteen years ago, the novelty of the decision in *Brown v. Board of Education of Topeka*, 347 U.S. 483 (1954), and the anticipated difficulty and complexity of fashioning appropriate relief led the Supreme Court to order something less than immediate results. The Supreme Court ordered "all deliberate speed" in desegregation but required school districts to make a "prompt and reasonable start toward full compliance," holding that: "The burden rests upon the defendants to establish that [additional] time is necessary in the public interest and is consistent with good faith compliance at the earliest practicable date." *Brown v. Board of Education of Topeka*, 349 U.S. 297, 300 (1955) (*Brown II*).

The "deliberate speed" time factor established by *Brown II* was allowed to stand for nearly a decade. In 1963, in *Goss v. Board of Education of Knoxville*, 373 U.S. 683, 689, the Supreme Court referred to the "deliberate speed" language of *Brown II* and observed: "[E]ight years after this decree was rendered and over nine years after the first *Brown* decision, the context in which we must interpret and apply this language to plans for desegregation has been significantly altered." In 1964, in *Griffin v. County School Board of Prince Edward County*, 377 U.S. 218, the Court observed at 234: "The time for mere 'deliberate speed' has run out, and that phrase can no longer justify denying these Prince Edward County school children their constitutional rights to an education equal to that afforded by the public schools in the other parts of Virginia." See *Galhoun v. Latimer*, 377 U.S. 263, 264 (1964), remanding for further consideration a desegregation plan adopted by the Atlanta Board of Education in 1964, on the basis of petitioners' assertion that it would not achieve desegregation "until sometime in the 1970's."

Footnotes at end of article.

By 1968, in the *Green* case, delay for purposes of allowing "freedom of choice" a chance to work had become constitutionally intolerable. The Court found (391 U.S. at 438-39):

"[A] plan that at this late date fails to provide meaningful assurance of prompt and effective disestablishment of a dual system is . . . intolerable. . . . The burden on a school board today is to come forward with a plan that promises realistically to work, and promises realistically to work now." (Emphasis in original.)

Conceding that "freedom of choice" might in some circumstances put an end to desegregation, the Court nevertheless said (391 U.S. at 441):

"[I]f there are reasonably available other ways, such for illustration as zoning, promising speedier and more effective conversion to a unitary, nonracial school system, 'freedom of choice' must be held unacceptable." (Emphasis added.)

The test established by *Green* was effectiveness, and the Court made it clear that a critical element of effectiveness is speed.

The immediacy of the relief required by the Fourteenth Amendment was firmly established in 1969. On August 21 of that year, the Justice Department moved the Fifth Circuit to allow more time for desegregation of the Holmes County, Mississippi, public schools. The private plaintiffs applied to Justice Black for a stay of the Fifth Circuit's decision granting the motion. Mr. Justice Black denied the stay, but he invited the applicants to present the issue to the full Court at the earliest possible opportunity and he wrote:

"[T]here is no longer the slightest excuse, reason or justification for further postponement of the time when every public school system in the United States will be a unitary one, receiving and teaching students without discrimination on the basis of their race or color." *Alexander v. Holmes County Board of Education*, 396 U.S. 1218, 1220 (1969) (Black, Circuit Justice, in Chambers).

"I would . . . hold that there are no longer any justiciable issues in the question of making effective not only promptly but at once—now—orders sufficient to vindicate the rights of any pupil in the United States who is effectively excluded from a public school because of his race or color.

"It has been 15 years since we declared in *Brown I* that a law which prevents a child from going to a public school because of his color violates the Equal Protection Clause. As this record conclusively shows, there are many places still in this country where the schools are either 'white' or 'negro' and not just schools for all children as the Constitution requires. In my opinion there is no reason why such a wholesale deprivation of constitutional rights should be tolerated another minute." *Id.* at 1222.

Two months later, in October, 1969, the full Court per curiam followed Justice Black's lead and held:

"[T]he Court of Appeals should have denied all motions for additional time because continued operation of segregated schools under a standard of allowing 'all deliberate speed' for desegregation is no longer constitutionally permissible. Under explicit holdings of this Court, the obligation of every school district is to terminate dual school systems at once and to operate now and hereafter only unitary schools." *Alexander v. Holmes County Board of Education*, 396 U.S. 19, 20 (emphasis added).

Thereafter, the United States Court of Appeals for the Fifth Circuit, in *Singleton v. Jackson Municipal Separate School District*, 419 F.2d 1211, 1216 (1969), conceded that the *Alexander* opinion "shift[ed] the burden from the standpoint of time for converting to unitary school systems." In language very significant for Congress' consideration of the

present proposal for a Moratorium, the Fifth Circuit observed:

"The shift is from a status of litigation to one of unitary operation pending litigation. The new modus operandi is to require immediate operation as unitary systems. Suggested modifications to unitary plans are not to delay implementation. Hearings on requested changes in unitary operating plans may be in order but no delay in conversion may ensue because of the need for modification or hearing." *Id.*

The Fifth Circuit nevertheless did allow, in the twelve consolidated cases before it, a one-semester delay in the implementation of pupil transfer plans because the order came in the middle of a school year. Plaintiffs went back to the Supreme Court. There, under the name of *Carter v. West Feliciana Parish School Board*, 396 U.S. 290, decided January 14, 1970, the Court held per curiam that even a one-semester deferral of student desegregation misconstrued the immediacy required by its holding in *Alexander*.

Justices White and Harlan, concurring, offered as a yardstick "the conclusion that in no event should the time from the finding of noncompliance with the requirements of the *Green* case to the time of the actual operative effect of the relief, including the time for judicial approval and review, exceed a period of approximately eight weeks.

This, I think, is indeed the 'maximum' timetable established by the Court today for cases of this kind." 396 U.S. at 293. Justices Black, Douglas, Brennan and Marshall, however, disassociated themselves even from the eight-week timetable, because they believed "that those views retreat from our holding in *Alexander* . . ." *Ibid.*

See also *Dowell v. Board of Education of Oklahoma City Public Schools*, 396 U.S. 269 (1969), reversing an order of the Tenth Circuit staying implementation of a desegregation plan: "[T]he Court of Appeals should have permitted [the plan's] implementation pending argument and decision of the appeal." 396 U.S. at 271.

It is clear from the foregoing that in school desegregation cases, the Fourteenth Amendment requires effective relief; that "effective relief" means immediate relief; and that the courts may not permit delays in the implementation of effective relief, because delays continue irreparable, constitutional injury to the school children involved. In cases where federal courts find that busing orders are necessary to provide effective relief for denials of equal protection found to have occurred, every day of the pendency of a moratorium enacted by Congress would inflict further constitutional harm on the school children involved.

School boards thus may not delay implementation of school desegregation plans that promise to work "now." *Griffin, Green, Alexander, supra*. State legislatures and governors may not hamper the implementation of effective remedies, whether by anti-busing statutes, *North Carolina State Board of Education v. Swann*, 402 U.S. 43 (1971)¹⁴ or by other kinds of delay and interference with court-ordered desegregation. *Griffin v. County School Board of Prince Edward County*, 377 U.S. 218 (1964); *Cooper v. Aaron*, 358 U.S. 1 (1958). Congress has no less stringent constitutional responsibilities in this regard than any state agency.

Yet, if Congress were to enact the Student Transportation Moratorium Act of 1972, it would be implicating itself in exactly the kind of delaying activity prohibited for school boards, state legislatures and governors. The Moratorium would be the direct cause of continuing denial of equal protection where a constitutional violation has already been found and where busing has been decreed a necessary part of the effective remedy. In

short, by staying implementation of an effective remedy, Congress would be acting in aid of racial discrimination and therefore in violation of the due process clause of the Fifth Amendment. *Bolling v. Sharpe*, 347 U.S. 497 (1954); *Gautreaux v. Romney*, 448 F.2d 740 (7th Cir. 1970). See *Green v. Kennedy*, 309 F. Supp. 1127, 1136 (D.C. C.C. 1969), dismissed for want of jurisdiction sub nom. *Coit v. Green*, 400 U.S. 986 (1971). Cf. *Battaglia v. General Motors Corp.*, 169 F.2d 254, 257 (2d Cir.), cert. denied 335 U.S. 887 (1948).

Moreover, in light of the stay provisions of the recently enacted Education Amendments of 1972, 86 Stat. 235 (June 23, 1972), a moratorium becomes unnecessary and even more difficult to justify. Under the stay provisions, busing orders issued by lower courts are automatically stayed pending appeal.¹⁵ Thus any errors by lower courts in ordering busing when such busing is not warranted by law may be corrected through the normal judicial process.

C. Section 5 of the 14th amendment

The proposed Moratorium is not made lawful by Section 5 of the Fourteenth Amendment, which authorizes Congress "to enforce, by appropriate legislation," the equal protection guarantee.

In the first place, the Moratorium Act, on its face, does not purport to enforce the guarantees of the Fourteenth Amendment. The statement of purposes of the Act mentions the Amendment only in noting that courts are likely to require implementation of desegregation plans "that impose a greater obligation than required by the Fourteenth Amendment. . . ." Section 2(a)(5). And, since the Act does no more than stay execution of busing orders for a time, it is plainly not itself an expression of equal protection standards or means for their enforcement. The intent of the Moratorium is not to enforce the guarantees of the Amendment, but rather to protect interests not protected but perhaps threatened by the Amendment from injury by allegedly overzealous enforcement of the Amendment's guarantees.¹⁶

In the second place, even assuming that the Moratorium Act can reasonably be viewed as an effort by Congress to enforce what it believes to be the command of the Fourteenth Amendment, it can find no support in Section 5.

Those who would base the Act on Section 5 rest their argument on the Supreme Court's opinion in *Katsenbach v. Morgan*, 384 U.S. 641 (1966), which upheld Congress' power under Section 5 to prohibit enforcement of a State literacy requirement. The argument for the Moratorium is that under Section 5 Congress may conclude that the Fourteenth Amendment does not require busing, even though the courts, in the absence of congressional action, might have thought busing necessary to achieve constitutional guarantees. This argument is seriously flawed.

Section 5 is a remedial provision which, while authorizing Congress to enforce Fourteenth Amendment protections, does not empower Congress to define the scope of those protections. This was made clear in *Oregon v. Mitchell*, 400 U.S. 112 (1970), in which the Supreme Court struck down a provision of the Voting Rights Act Amendments of 1970 which lowered the minimum voting age in State and local elections from 21 to 18.

Three of the nine Justices had maintained that Congress was empowered by Section 5 to determine that denial of the franchise to persons between the ages of 18 and 21 was a denial of equal protection, regardless of whether the courts could so find absent such a statute. But the Supreme Court rejected that view. Justice Stewart, in an opinion joined by Chief Justice Burger and Justice Blackmun, expressly rejected the notion that Congress had the power "to determine as a matter of substantive constitutional law

Footnotes at end of article.

what situations fall within the ambit of the [Equal Protection] clause, and what state interests are 'compelling.'" 400 U.S. at 296.

Justice Harlan, in his separate opinion, reasoned as follows:

"In Article V, the Framers expressed the view that the political restraints on Congress alone were an insufficient control over the process of constitution making. The concurrence of two-thirds of each House and of three-fourths of the States was needed for the political check to be adequate. To allow a simple majority of Congress to have final say on matters of constitutional interpretation is therefore fundamentally out of keeping with the constitutional structure. Nor is that structure adequately protected by a requirement that the judiciary be able to perceive a basis for the congressional interpretation. . . ." 400 U.S. at 205.

Furthermore, whatever the force of Section 5 in Congress' relations with the states, that Section does not augment Congress' power vis-a-vis the federal courts. The history of Section 5 plainly demonstrates that its purpose was simply to enable "Congress, in case the States shall enact laws in conflict with the principles of the amendment, to correct that legislation by a formal congressional enactment." Remarks of Senator Howard, who reported the Amendment to the Senate from the Joint Committee on Reconstruction, *Cong. Globe*, 39th Cong., 1st Sess., 2766, 2768 (1866). That Section 5 was not intended to give Congress greater power than the federal courts to define constitutional rights is unequivocally demonstrated by the history of Section 1 of the Fourteenth Amendment. The first draft of that Section provided that "Congress shall have power to make all laws . . . to secure . . . to all persons . . . equal protection. . . ." This draft was rejected in large part because it failed to entrench the stated guarantees against a future unsympathetic Congress. See Burt, *Miranda and Title II: A Morganatic Marriage*, 1969 Sup.Ct.Rev. 81, 92-93 (1969). Thus, the Amendment as adopted leaves the Courts with the last word in defining the rights protected by the Constitution.

The cases which have arisen under Section 5 reinforce the view that that Section concerns only questions of federalism—the Federal Government's relations with the states—not issues of checks and balances between Congress and the Federal Judiciary. In both *Morgan* and *Oregon* the issue was whether Congress had the power to find state laws unconstitutional where the courts had made no decision. In neither case was there a question of whether Congress could override an inconsistent determination by a federal court. The early cases, too, focused on the relations between Congress and the states and stressed the requirement that the object of legislation under Section 5 be to uphold the rights protected by the Amendment against State action. See *Ex parte Virginia*, 100 U.S. 339 (1879); *Virginia v. Rivers*, 100 U.S. 313 (1879); *Strauder v. West Virginia*, 100 U.S. 303 (1879). Some cases went so far as to strike down federal legislation where the court rejected the judgment of the Congress that the action at which the statutes were directed was violative of the Fourteenth Amendment. *Civil Rights Cases*, 109 U.S. 3 (1883); *United States v. Harris*, 106 U.S. 629 (1882).

Moreover, regardless of the power of Congress to extend by its legislation the rights protected by the Fourteenth Amendment, it is not permitted by Section 5 to limit those rights. As the Court noted in *Morgan*:

"§ 5 does not grant Congress power to exercise discretion in the other direction and to enact statutes so as in effect to dilute equal protection and due process decisions of the Court." We emphasize that Congress' power under § 5 is limited to adopting measures to enforce the guarantees of the Amendment; § 5 grants Congress no power

to restrict, abrogate, or dilute these guarantees. Thus, for example, an enactment authorizing the States to establish racially segregated systems of education would not be—as required by § 5—a measure 'to enforce' the Equal Protection Clause since that clause of its own force prohibits such state laws." 384 U.S. at 651 n. 10.

See also *Oregon v. Mitchell*, 400 U.S. 112, 128-29 (1970) (Black, J.).

Any other reading of Section 5 would conflict with the congressional purpose to secure Equal Protection Guarantees against a hostile Congress. Indeed, to read Section 5 as permitting restrictions of Equal Protection Rights would be to ignore the command of the Fifth Amendment that the federal government, including the Congress, as well as the States, is bound by the Equal Protection Clause. *Morgan* itself recognized this and made it perfectly clear that the lawfulness under the Equal Protection Clause of a congressional enactment is to be tested by the courts, even if the enactment purports to "enforce" the Clause under Section 5. 384 U.S. at 656.

To read Section 5 as authorizing only extensions of Fourteenth Amendment guarantees, and not restrictions of those guarantees, not only accords with the language of *Morgan* and the command of the Fifth Amendment, it also makes good sense in our constitutional scheme. As former Solicitor General Archibald Cox has noted:

"There is no a priori reason for linking power to expand constitutional safeguards with power to dilute them. One can assert without logical fallacy that, since the chief function of the Supreme Court is to protect human rights, it should never defer to any legislative determination which restricts those rights without making its own investigation and characterization of the interest affected, even though it welcomes any legislative determination that extends human rights and is subject to challenge only as an unconstitutional extension of federal power at the expense of the States." Cox, *The Role of Congress in Constitutional Determinations*, 40 U. Cinn. L. Rev. 199, 253 (1971).

In sum, nothing in Section 5 or in the *Morgan* case justifies congressional interference with constitutional decisions of the federal courts. Perhaps, as Professor Cox has suggested, Congress could revamp America's educational system in a way which would comply with equal protection guarantees and render unnecessary certain court-ordered remedies such as busing. But until that re-vamping is an accomplished fact, where federal courts have found busing necessary to achieve compliance with the constitutional command, Congress may not—under the guise of "enforcing" the Equal Protection Clause—simply prevent the enforcement or execution of the Court's order.

CONCLUSION

It is our view that the proposed Moratorium and Equal Opportunities Bills are unconstitutional. They infringe on the Judicial Branch in violation of Article III of the Constitution. If the Bills were redrawn in the guise of jurisdictional statutes, they would still be unconstitutional because the courts have held that segregated schools cause irreparable injury, which, under certain circumstances, can only be remedied by some constitutionally required busing. Congress, it is true, has power under Section 5 of the Fourteenth Amendment to implement and enforce that Amendment; and Congress could enact a pervasive, regulatory scheme to deal with the problem of school segregation, which scheme would not run afoul of the Fourteenth Amendment if the courts found that all congressional remedies were adequate to protect constitutional rights. But where federal courts have found busing necessary to achieve compliance with the

constitutional command, Congress may not—in the guise of "enforcing" the Equal Protection Clause—simply prevent the enforcement or execution of the court's order.

FOOTNOTES

¹ E.g., Testimony of HEW Secretary Richardson (Apr. 13, 1972) at 1372, 1382, 1420 (hereinafter cited as "Richardson Testimony"). Testimony of Acting Attorney General Kleindienst (Apr. 12, 1972) at 1279-80, 1284 (hereinafter cited as "Kleindienst Testimony").

² The only Supreme Court decision dealing with a legislative moratorium on judicial action is *Home Building & Loan Ass'n v. Blaisdell*, 290 U.S. 398 (1934), which sustained a Minnesota statute allowing courts to extend the redemption period of mortgages and thus postpone judicial foreclosure, but did so on the ground that the mortgage contract was inherently subject to modification by state law so that the constitutional ban on impairing the obligation of contracts had not been violated. The case is no precedent for a moratorium which by definition postpones the only relief a court finds effective for the adjudicated impairment of a constitutional right.

³ Kleindienst Testimony at 1261-62.

⁴ For example, Professor Goebel in his definitive work, *The Oliver Wendell Holmes Devise History of the Supreme Court of the United States: Antecedents and Beginnings to 1801* (P. Freund, ed. 1971), concludes at 243, n. 228, that the Constitution "robbed Congress of discretion whether or not to create inferior [federal] courts and left only discretion as to what courts were to be set up and to make changes." See also *id.* at 246-47; *Eisenstrager v. Forrestal*, 174 F. 2d 961, 965-66 (D.C. Cir. 1949) (Pretymann, J.), *rev'd on other grounds, sub nom. Johnson v. Eisenstrager*, 339 U.S. 763 (1950).

⁵ 29 U.S.C. § 107 provides: "No court of the United States shall have jurisdiction to issue a temporary or permanent injunction in any case involving or growing out of a labor dispute, as defined in this chapter, except after hearing the testimony of witnesses in open court (with opportunity for cross-examination) in support of the allegations of a complaint made under oath, and testimony in opposition thereto, if offered, and except after findings of fact by the court, to the effect—" [the statute here requires a showing of substantial injury, no adequate remedy at law, etc.]

⁶ 28 U.S.C. § 2283 provides: "A court of the United States may not grant an injunction to stay proceedings in a State court except as expressly authorized by Act of Congress, or where necessary in aid of its jurisdiction, or to protect or effectuate its judgments."

⁷ See also *Oesterlich v. Selective Service Board*, 393 U.S. 233, 243-44 (1968), where Mr. Justice Harlan, concurring, notes that if § 10(b) (3) of the Military Selective Service Act of 1967—which limits the courts' jurisdiction to review selective service cases—were interpreted to preclude the opportunity to raise a constitutional issue in a competent forum, the statute would raise "serious constitutional problems." See also *id.* at 243, n.6.

⁸ Even after this statute was enacted, the Supreme Court still had original habeas corpus jurisdiction as well as power to review lower court habeas corpus decisions by writ of certiorari. *Ex parte Yerger*, 75 U.S. (8 Wall.) 85 (1868); *cf. Ex parte McCordle*, 74 U.S. (7 Wall.) at 515.

⁹ See also the great deal of respectable authority holding that there could be no legislative meddling with the Supreme Court's appellate jurisdiction except for a narrow regulation of minor housekeeping items. So concludes Goebel, *The Oliver Wendell Holmes Devise History of the Supreme Court of the United States: Antecedents and Beginnings to 1801* (P. Freund, ed. 1971) at 240 ("exceptions clause" in Article III grants of appellate

jurisdiction must be interpreted in light of contemporary state practice in which "regulations had been confined largely to such details as setting appealable minima or periods of limitation, and 'exceptions' of certain proceedings where neither error nor certiorari has been traditionally available."); see also Merry, *Scope of the Supreme Court's Appellate Jurisdiction: Historical Basis*, 47 Minn. L. Rev. 53 (1962).

¹⁰Note (a) to 2 U.S. (2 Dall. at 410 explains:

"As the reasons assigned by the judges, for declining to execute the first act of Congress, involve a great constitutional question, it will not be thought improper to subjoin them, in illustration of Hayburn's case."

¹¹The decisions reported in the margin of *Hayburn's Case* have been approved and relied on as a correct interpretation of the Constitution in subsequent cases, including, e.g., *Muskrat v. United States*, 219 U.S. 346, 352-53 (1911), and *United States v. Ferreira*, 54 U.S. (13 How.) 40 (1852) (Taney, J.) (see especially *id.* at 52-53—"Note by the Chief Justice, inserted by Order of the Court").

¹²*Cf. Sterling v. Constantin*, 287 U.S. 378, 403 (1932) (Hughes, C.J.): "If the matter is one of judicial cognizance, it is because of an alleged invasion of a right, and the judicial power necessarily extends to the granting of the relief found to be appropriate according to the circumstances of the case."

¹³*Swann v. Charlotte-Mecklenburg Board of Education*, 402 U.S. 1, 16 (1971); *Deal v. Cincinnati Board of Education*, 369 F.2d 55, 62 (6th Cir. 1966); *Bell v. School City of Gary*, 324 F.2d 209 (7th Cir. 1963), cert. denied 377 U.S. 924 (1964); *U.S. v. School District 151 of Cook County, Illinois*, 286 F. Supp. 786, 797 (N.D. Ill. 1968); *aff'd* 404 F.2d 1125 (1968); *Taylor v. Board of Education of City of New Rochelle*, 191 F. Supp. 181, 182-83 (S.D.N.Y. 1961), *aff'd* 294 F.2d 36 (2d Cir. 1961), cert. denied 368 U.S. 940 (1961).

¹⁴In this case a unanimous court, speaking through Mr. Chief Justice Burger, struck down a North Carolina statute banning involuntary busing.

¹⁵Section 803, 86 Stat. 372, provides: "Notwithstanding any other law or provision of law, in the case of any order on the part of any United States district court which requires the transfer or transportation of any student or students from any school attendance area prescribed by competent State or local authority for the purposes of achieving a balance among students with respect to race, sex, religion, or socioeconomic status, the effectiveness of such order shall be postponed until all appeals in connection with such order have been exhausted or, in the event no appeals are taken, until the time for such appeals has expired. This section shall expire at midnight on January 1, 1974."

¹⁶Indeed, far from enforcing the provisions of the Fourteenth Amendment, the Act—by encouraging delay, resistance, and intransigence to constitutionally required desegregation—may involve the Federal Government in unconstitutional denials of equal protection. As the Supreme Court held in *Reitman v. Mulkey*, 387 U.S. 369 (1967), even government action which is otherwise permissible may be unconstitutional if, after examination of its "immediate objective," its "ultimate effect" and its "historical context and the conditions existing prior to its enactment," it appears that the action "encourages" discrimination.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. FISH) and to revise and extend their remarks and include extraneous matter:)

Mr. HANSEN of Idaho, for 30 minutes, today.

Mr. McDADE, for 5 minutes, today.

Mr. EDWARDS of Alabama, for 5 minutes, today.

Mr. HARVEY, for 15 minutes, today.

(The following Members (at the request of Mr. CORMAN) and to revise and extend their remarks and include extraneous matter:)

Mr. GONZALEZ, for 5 minutes, today.

Mr. ASPIN, for 5 minutes, today.

Mr. HARRINGTON, for 5 minutes, today.

Mr. METCALFE, for 5 minutes, today.

Mr. PATMAN, for 5 minutes, today.

Mr. DANIELSON, for 5 minutes, today.

Mr. DENT, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. ROUSH, during debate on H.R. 16029, and to include certain charts, tables, and other extraneous matter.

Mr. DIGGS, notwithstanding it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost \$1,900.

Mr. ASPINALL, to extend his remarks following concurrence with Senate amendments to H.R. 14106 and H.R. 9545.

Mr. CELLER, notwithstanding it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost \$892.50.

Mr. DELLUMS and to include extraneous matter with remarks made in the committee on H.R. 16029.

(The following Members (at the request of Mr. FISH) and to revise and extend their remarks and include additional matter:)

Mr. SCHERLE.

Mr. THOMPSON of Georgia.

Mr. BELL.

Mr. HANSEN of Idaho.

Mr. WYMAN in two instances.

Mr. COLLINS of Texas in two instances.

Mr. SPRINGER in three instances.

Mr. STEIGER of Arizona.

Mr. WIGGINS.

Mr. McCLORY.

Mr. WHITEHURST.

(The following Members (at the request of Mr. CORMAN) and to revise and extend their remarks and include additional matter:)

Mr. EDWARDS of California.

Mr. MURPHY of New York.

Mr. GONZALEZ in three instances.

Mr. RARICK in three instances.

Mr. HANNA in two instances.

Mr. BADILLO in three instances.

Mr. BROOKS.

Mr. RANGEL.

Mr. ANDERSON of California in two instances.

Mr. GALIFIANAKIS.

Mr. PATEN.

Mr. PIKE.

Mr. MAHON.

Mr. DOW.

Mr. RODINO.

Mr. HARRINGTON in two instances.

Mr. ECKHARDT.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1729. An act to increase the supply of railroad rolling stock and to improve its utilization to meet the needs of commerce, users, shippers, national defense, and the consuming public; to the committee on Interstate and Foreign Commerce.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 2499. An act to provide for the striking of medals commemorating the 175th anniversary of the launching of the U.S. frigate *Constellation*; and

S. 3645. An act to further amend the U.S. Information and Educational Exchange Act of 1948.

ADJOURNMENT

Mr. CORMAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 38 minutes p.m.), the House adjourned until tomorrow, Wednesday, August 9, 1972, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2234. A letter from the Secretary, Export-Import Bank of the United States, transmitting a report on the amount of Export-Import Bank loans, insurance, and guarantees issued in February-June 1972, in connection with U.S. exports to Yugoslavia, pursuant to the Export-Import Bank Act of 1945, as amended; to the Committee on Foreign Affairs.

2235. A letter from the Deputy Assistant Secretary of the Interior, transmitting a report for the 6 months ended June 30, 1972, on Geological Survey examinations conducted in areas outside the national domain, pursuant to 43 U.S.C. 31(c); to the Committee on Interior and Insular Affairs.

2236. A letter from the Executive Director, Federal Communications Commission, transmitting a report on the backlog of pending applications and hearing cases in the Commission as of June 30, 1972, pursuant to section 5(e) of the Communications Act, as amended; to the Committee on Interstate and Foreign Commerce.

2237. A letter from the Chairman, Commission on Highway Beautification, transmitting an interim report of the Commission, pursuant to section 123 of the Federal-Aid Highway Act of 1970 (Public Law 91-605); to the Committee on Public Works.

RECEIVED FROM THE COMPTROLLER GENERAL

2238. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released in July 1972, by the General Accounting Office, pursuant to section 234 of the Legislative Reorganization Act of 1970 (Public Law 91-510); to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. EVINS of Tennessee: Select Committee on Small Business. Report on the concentration by competing raw fuel industries in the energy market and its impact on small business, volume 2, Tennessee Valley area (Rept. No. 92-1313). Referred to the Committee of the Whole House on the State of the Union.

Mr. FRASER: Committee on Foreign Affairs. House Joint Resolution 1211. Joint resolution to amend the joint resolution providing for membership and participation by the United States in the South Pacific Commission. (Rept. No. 92-1314). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'NEILL: Committee on Rules. House Resolution 1084. Resolution providing for the consideration of H.R. 15375, a bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to authorize appropriations for fiscal year 1973. (Rept. No. 92-1315). Referred to the House Calendar.

Mr. DELANEY: Committee on Rules. House Resolution 1085. Resolution providing for the consideration of H.R. 15927, a bill to amend the Railroad Retirement Act of 1937 to provide a temporary 20 percent increase in annuities, and for other purposes. (Rept. No. 92-1316). Referred to the House Calendar.

Mr. MATSUNAGA: Committee on Rules. House Resolution 1086. Resolution providing for the consideration of S. 3824, an act to authorize appropriations for the fiscal year 1973 for the Corporation for Public Broadcasting and for making grants for construction of noncommercial educational television or radio broadcasting facilities. (Rept. No. 92-1317). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BELL (for himself, Mr. CORMAN, Mr. WALDIE, Mr. DANIELSON, Mr. BOLAND, Mr. BOB WILSON, Mr. DERWINSKI, Mr. FRENZEL, Mr. WINN, Mr. HALPERN, Mr. MAILLIARD, Mr. HANNA, and Mr. ANDERSON of California):

H.R. 16231. A bill to amend the joint resolution establishing the American Revolution Bicentennial Commission, as amended, to create the bicentennial film program; to the Committee on the Judiciary.

By Mr. HANSEN of Idaho:

H.R. 16232. A bill to amend the Manpower Development and Training Act of 1962 to provide financial assistance for special manpower training and employment program for criminal offenders and for persons charged with crimes, and for other purposes; to the Committee on Education and Labor.

By Mr. BIAGGI (for himself, Mr. TERRY, Mr. FISHER, Mr. BRAY, Mr. STRATTON, Mr. PIRNIE, Mr. CLANCY, Mr. LENNON, Mr. HAGAN, Mr. DANIEL of Virginia, Mr. MONTGOMERY, and Mr. POWELL):

H.R. 16233. A bill to amend the Maritime Academy Act of 1958 in order to authorize the Secretary of the Navy to appoint students at State maritime academies and colleges as Reserve midshipmen in the U.S. Navy, and for other purposes; to the Committee on Armed Services.

By Mr. CELLER (for himself and Mr. McCULLOCH):

H.R. 16234. A bill to amend Section 215, title 18, United States Code, Receipt of Commissions or Gifts for Procuring Loans, to expand the institutions covered; to encompass indirect payments to bank officials; to make violation of the section a felony; and to specifically include offerors and givers of the proscribed payments; and for other related purposes; to the Committee on the Judiciary.

By Mr. DANIELS of New Jersey:

H.R. 16235. A bill to provide financial assistance to the States for improved educational services for handicapped children; to the Committee on Education and Labor.

By Mr. DOW:

H.R. 16236. A bill to protect confidential sources of the news media; to the Committee on the Judiciary.

H.R. 16237. A bill to amend title 38 of the United States Code to prevent loss of veteran compensation and pension benefits as a result of increases in social security benefit payments under Public Law 92-336; to the Committee on Veterans' Affairs.

By Mr. GONZALEZ:

H.R. 16238. A bill to provide financial assistance to the States for improved educational services for handicapped children; to the Committee on Education and Labor.

H.R. 16239. A bill to amend the Education of the Handicapped Act to provide for improved opportunities for handicapped persons, and for other purposes; to the Committee on Education and Labor.

By Mr. HALPERN:

H.R. 16240. A bill to provide a program of pollution control in the river basins and waterways of the United States through comprehensive planning and financial assistance to local governments and regional water basin management associations for the construction of waste treatment facilities; to the Committee on Public Works.

By Mr. HARRINGTON:

H.R. 16241. A bill to authorize the Secretary of Labor to provide financial and other assistance to certain workers and small business firms to assist compliance with State or Federal pollution abatement requirements; to the Committee on Banking and Currency.

H.R. 16242. A bill to establish a New England Regional Power and Environmental Protection Agency for the purpose of assuring adequate and reliable low-cost electric power to the people of New England, protecting and enhancing the environment, and providing a vehicle for research and development programs; to the Committee on Interstate and Foreign Commerce.

By Mr. HARVEY:

H.R. 16243. A bill to provide that the determination of a State "off" indicator for purposes of the emergency and extended unemployment compensation benefit programs shall be made on the basis of whether the unemployment rate in each county in that State has fallen below the level prescribed for that State "off" indicator; to the Committee on Ways and Means.

By Mr. KEMP:

H.R. 16244. A bill to provide additional relief to the victims of Hurricane and tropical storm Agnes, and to the victims of the South Dakota flood disaster, and for other purposes; to the Committee on Banking and Currency.

By Mr. MOSS (for himself, Mr. ECKHARDT, Mr. CARNEY, Mr. BROYHILL of North Carolina, and Mr. WARE):

H.R. 16245. A bill to regulate commerce to protect health and the environment against toxic chemical substances; to the Committee on Interstate and Foreign Commerce.

By Mr. PATMAN:

H.R. 16246. A bill to prescribe procedures with respect to the disclosure of financial in-

formation by financial institutions concerning their clients, and for other purposes; to the Committee on Banking and Currency.

By Mr. ROE:

H.R. 16247. A bill to provide for the striking of medals in commemoration of the 500th anniversary of the birth of Nicolaus Copernicus (Mikolaj Kopernik), the founder of modern astronomy; to the Committee on Banking and Currency.

H.R. 16248. A bill to provide for the issuance of a commemorative postage stamp in commemoration of the 500th anniversary of the birth of Nicolaus Copernicus (Mikolaj Kopernik), the founder of modern astronomy; to the Committee on Post Office and Civil Service.

By Mr. SCHNEEBELI (for himself and Mr. GREEN of Pennsylvania):

H.R. 16249. A bill to amend the Internal Revenue Code of 1954 to provide a special rule for industrial development bonds issued for reconstruction of certain disaster area losses; to the Committee on Ways and Means.

By Mr. THOMPSON of Georgia:

H.R. 16250. A bill to amend chapter 23 of title 38, United States Code, in order to authorize the Administrator of Veterans' Affairs to provide, under certain circumstances, a casket or urn for the burial of certain eligible veterans; to the Committee on Veterans' Affairs.

By Mr. TEAGUE of Texas:

H.J. Res. 1277. Joint resolution to amend the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, to extend under certain circumstances, the expiration date specified in a power of attorney executed by a member of the armed forces who is in a missing status; to the Committee on Veterans' Affairs.

By Mr. GUDE:

H. Con. Res. 680. Concurrent resolution calling on the President to seek an international agreement prohibiting environmental warfare; to the Committee on Foreign Affairs.

By Mr. BROOKS:

H. Res. 1087. Resolution to provide for the printing of a committee print entitled "Court Proceedings and Actions of Vital Interest to the Congress"; to the Committee on House Administration.

By Mr. COLMER:

H. Res. 1088. Resolution authorizing the Speaker to recognize for motions to suspend the rules on Monday, August 14 and Friday, August 18, 1972; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of Tennessee:

H.R. 16251. A bill to release the conditions in a deed with respect to certain property heretofore conveyed by the United States to the Columbia Military Academy and its successors; to the Committee on Armed Services.

By Mr. CRANE:

H.R. 16252. A bill for the relief of Jack T. Arnold; to the Committee on the Judiciary.

By Mr. REES:

H.R. 16253. A bill for the relief of Stephanie Kahn and Barbara Heyman; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

268. The SPEAKER presented petition of Richard W. Bowman, Graterford, Pa., relative to redress of grievances; to the Committee on the Judiciary.