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20. [Redacted] Received a call from Jim Kronfeld, Staff Counsel, House Government Operations Committee, Subcommittee on Foreign Operations and Government Information, advising me that the staffs of the House and Senate Government Operations Committees were meeting informally to review S. 3418 and H. R. 16373 (right of privacy bills), and to come up with a compromise version. I told him we had gotten word from another agency that the Agency's exemption had been overridden in the compromise version. Kronfeld assured me that this was incorrect. He stated that the privacy bill and the Freedom of Information Act are related and there are certain matters that have to be worked out. I asked if we would be permitted to review the compromise bill before it becomes final. Kronfeld felt sure that the compromise version would be coordinated by OMB with the departments and agencies.

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[Redacted] GEORGE L. CARY
Legislative Counsel

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cc:
O/DDCI

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[Redacted]

Ex. Sec.
DDA DDI DDS&T
Mr. Warner Mr. Thuermer
Mr. Lehman [Redacted]
EA/DDO
Compt

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17. [Redacted] Accompanied [Redacted] OCI, to a briefing of the House Foreign Affairs, Subcommittee on Africa. (See [Redacted] Memorandum for the Record.)

18. [Redacted] Attended a meeting of the Legislative Interdepartmental Group at the White House on the Foreign Assistance Legislation. The meeting consisted primarily of a review of the head count of members whose votes were doubtful and responses from the LIG members who were responsible for contacting them. There was a review of the critical problem areas in the bill which included aid to Korea, aid to Vietnam, military sales and the provision concerning intelligence activities. I reported that we had talked with Chairman Lucien N. Nedzi, Special Subcommittee on Intelligence, House Armed Services Committee, about this latter provision and he thought he would, at a minimum, engage in a colloquy with Chairman Thomas E. Morgan, House Foreign Affairs Committee, to assure that the intent of this provision was to restate the agreement reached in the Colby/Kissinger leadership meeting. I pointed out, however, that this was another instance (like the limitation of reporting requirements on military sales agreements) which were an erosion of Presidential prerogatives .

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11. [Redacted] Met with Chairman Lucien N. Nedzi (D. , Mich.), Intelligence Subcommittee, House Armed Services Committee, who told me that he has been in almost continuous meetings with House members during the day concerning section 660 of the Foreign Assistance Act. In his judgment, the best that can be hoped for is a colloquy on the floor concerning the section. He does not see any possibility of an amendment to the section and does not know of any way that the section itself could be removed from the bill. Since he had not talked to the Director during the day, I relayed a message to him.

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CONGRESSIONAL RECORD—Extensions of Remarks December 9, 1974

assumed the leadership in this ancient struggle during the last 50 years, and they have vowed, in the words of their first president, Padriac Pearse, that "Ireland unfree shall never be at peace." Frank McManus and the Provos are asking for the right of Irishmen to rule Ireland, and offer their assurance that "we are in no way opposed to the Unionist Party as a party of Ulstermen, governing Ulster. . . . In a new Ulster, the Provisionals would accept majority government controlled by the present Unionist Party."

"Ireland unfree shall never be at peace." The current proposal of the Provos for "regionalism" goes about as far as Irishmen can go without conceding to Britain control of their country, without surrendering their national freedom to a foreign power. If Protestant Unionists do not respond openly and soon to this offer, the responsibility for continued—and probably increased—warfare must be placed on their shoulders. Moderate voices, like that of Frank McManus, find support only from a people that does not feel that all-out war is its only recourse. "We want to create a new Ireland, free from domination, exploitation, discrimination. Without the consent of the Unionist people we cannot succeed." The man who writes that deserves from his Protestant co-citizens of Northern Ireland something better than another cry of "No Surrender!"

And, in fact, there has been some sign of movement in that direction. Desmond Boal, an ex-associate of Ian Paisley, recently offered a proposal for a federal Ireland which has been accepted by the Provos as close enough to their own *Eire Nua* to be the basis of a lasting peace. It just could be the light at the end of the tunnel—in contrast to further well-meaning British suggestions, which only add fuel to the fire.

a role of leadership—in our own interest and that of others—if the possibilities for conflict between nations are not to preempt the possibilities of cooperation.

In dealing with the urgent needs of our world—security needs, economic needs, emergency relief, development needs—we have a proven and highly flexible tool, namely foreign assistance. More than any other device, it can help to shape peaceful relationships in a world still plagued by hostilities, social unrest, critical shortages and turmoil. United States assistance is identified with humanitarian goals, with commonality of security interests and with the moral obligation of our democracy to support the political and economic interests of many of the world's peoples.

Foreign assistance can be a means of assuring not only stability but also progress. In both cases it can help assure peace. We risk much in reducing or restricting foreign assistance. We risk the moderation of our adversaries and the self-reliance of our friends. We risk a world which others shape to their own liking and to the possible detriment of our interests.

Two areas illustrate our dilemma and our opportunity very clearly: the Middle East and Southeast Asia.

In both areas our assistance programs support our peacemaking role. In both our aid will help keep alive the hope for negotiation. In both our aid will contribute to the security of countries whose needs are great and friendship firm. In both our past commitments are being tested in the eyes of a world which is gauging our reliability for the future. In both we are looking not just for a temporary truce but for reassuring social and economic progress.

In a broader context, nothing has demonstrated our interdependence with other countries and their reliance on American leadership and cooperation more than the shortages we are facing in food and energy. For many countries, without the help of our foreign assistance programs there would be starvation and sickness.

We must not neglect the needs of the very poor. We must not ignore the victims of famine and disasters. We must not slow the building of institutions of development in which cooperation—rather than rivalry—can spur planning and development.

This does not mean that we can be extravagant; quite the opposite is true. We must measure the resources which we apply to the attainment of foreign policy and national security objectives with the greatest care. We must not be generous at the expense of our own economy, or our critical domestic programs. But we must have legislation which will provide adequate resources to insure that United States interests abroad are protected, and which will also provide the President with sufficient flexibility to use those resources to the best advantage for America. To tie the hands of the President in countering unforeseen circumstances or in dealing with emergencies would thwart the Constitution we are all sworn to uphold.

I believe a continuing battle between the Executive and the Legislative Branches over the direction of our efforts in foreign policy and national security would be very detrimental to the national good. We must again look at our role as Americans, and work together to solve the problems that threaten our interests throughout the world and at home.

I know we share a deep concern for the protection of our national interests and our national security, and working closely together we can provide the tools in the Foreign Assistance Act to meet the challenges we face throughout the world.

I wanted you to have these thoughts as you prepare to consider this year's foreign aid authorization.

I hope that you can count on your support

and that of your colleagues in moving toward early enactment of this most vital piece of legislation.

Sincerely,

JERRY FORD.

INFORMATION AND THE GOVERNMENT

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 9, 1974

Mr. LANDGREBE. Mr. Speaker, last Wednesday during debate on the Holt amendment to the supplemental appropriations bill, the gentlewoman from New York made a remark that confirms my longstanding suspicion that the enemies of a free society understand the issues better than some of the friends of a free society. Mrs. ABZUG said, and I quote:

Without reliable data, it will be virtually impossible to determine whether discrimination does exist, or to what extent. It will be virtually impossible to establish whether schools or school systems are, in fact, complying with the provisions of title IX of the Education Amendments of 1972. It will be virtually impossible to enforce these provisions or to accomplish any of the goals that the gentlewoman and I have worked for together.

The gentlewoman from New York is quite correct. Information is the basis of all action, and if the Government can be prohibited from obtaining needed information, then it can be prohibited from acting, or at least acting in a sensible manner. Over 10 years ago the Foundation for Economic Education published a book entitled "Clichés of Socialism." That book contained an essay by Dr. Murray Rothbard in which he punctured the socialist cliché that "fact-finding is a proper function of Government." I urge all my colleagues to read this essay, particularly my colleagues who like to think of themselves as defending a free society, and then follow the lead of Mrs. HOLT and stymie the designs of the omnipotent state of preventing its omniscience:

CLICHÉS OF SOCIALISM

Ours is truly an Age of Statistics. In a country and an era that worships statistical data as super "scientific," as offering us the keys to all knowledge, a vast supply of data of all shapes and sizes pours forth upon us. Mostly, it pours forth from government. While private agencies and trade associations do gather an issue some statistics, they are limited to specific wants of specific industries. The vast bulk of statistics is gathered and disseminated by government. The overall statistics of the economy, the popular "gross national product" data that permit every economist to be a soothsayer of business conditions, come from government. Furthermore, many statistics are by-products of other governmental activities: from the Internal Revenue Bureau come tax data, from unemployment insurance departments come estimates of the unemployed, from customs offices come data on foreign trade, from the Federal Reserve flows statistics on banking, and so on. And as new statistical techniques are developed, new divisions of government departments are created to refine and use them.

The burgeoning of government statistics

PRESIDENT'S THOUGHTS ON FOREIGN AID AUTHORIZATION

HON. LESLIE C. ARENDS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 9, 1974

Mr. ARENDS. Mr. Speaker, this week the House will consider a highly important piece of legislation—H.R. 17234, the 1975 foreign aid authorization bill.

In today's mail I received a letter from the President, setting forth his thoughts on the importance of this measure and reasons why it is in our best national interests that it be approved by the Congress without delay.

The President's comments are worthy of careful study by all Members of this body regardless of party and, under leave to extend my remarks in the RECORD, Mr. Ford's letter follows:

THE WHITE HOUSE,

Washington, December 9, 1974.

HON. LESLIE C. ARENDS,
U.S. House of Representatives,
Washington, D.C.

DEAR LES: Recently, I completed my first visit abroad as President of the United States. In my talks with the leaders of each country visited, I was again impressed with the vital responsibility which the United States carries for building peace in the world and with the need for a strong, active American diplomacy to achieve this objective. It is clear that the continuity and strength of our political, economic, and social policies depends upon our purposeful and wise involvement in the international community. More than that, it is clear to me that we must fashion

missed the followup story a few days later (buried, it is true, in the back pages of the newspapers) in which an Irish Trotskyite group—definitely not associated with the Provos—admitted that it was responsible.

What other revolutionary anticolonial group in recent memory have the *Post* and the *Times* treated as "indiscriminate killers" and "vicious and cruel terrorists"? Before equating the Provos with Vietcong and Castroite types, conservatives should consider that the American Left does not see it that way at all. Reviewing Jimmy Breslin's *World without End, Amen* in *The New York Review of Books*, Conor Cruise O'Brien recently assured his left wing audience that they had nothing to worry about: Breslin was implausible in having his right wing New York cop fraternizing easily, during his visit to Ireland, with Irish Marxists of the Official IRA breed. American right wing types O'Brien noted, would feel much more at home with the Provos, whom he calls "plain, old-fashioned, nationalist, Catholic killers."

PROVOS AND SDLP

A good explanation of the nature and purposes of the Provos appears in a short, direct, hard-hitting, yet temperate pamphlet called simply "Ulster." (It is available at any of the American offices of Irish Northern Aid.) Its author is Frank McManus, an ex-member of the British Parliament from the Fermanagh/South Tyrone section of Northern Ireland. Like Bernadette Devlin and other candidates associated with a strong Republican stance, McManus had a rough go of it in the last election, since the SDLP (Social Democratic Labor Party) decided to run candidates against them, thus splitting the Catholic vote.

The SDLP is a predominantly Catholic party, which basically agrees with the Provos' long range goal of a United Ireland, but does not feel that military force can achieve anything constructive at this point in Irish history. Unlike the IRA, they were willing to go along with the recently aborted "Sunningdale Plan" (worked out between SDLP-type Catholics and moderate Protestants under the direction of British Secretary William Whitelaw) for a Council of Ireland whose ultimate purpose was the unification of the country. It would be wrong to suppose the SDLP supporters in the last election were anti-IRA; in fact, most observers would agree that they are the sea in which the IRA fish swim. They backed off from full support of the Provo combat teams principally because they are exhausted by violence, not because they favor indefinite association with Britain. Had Sunningdale worked, the SDLP would have been pictured in history as wise and cautious moderates who saw the possibility of working for unification through a slow, but steady, evolution. The Protestant workers' strike of this spring, however, has relegated the Sunningdale agreement to the footnotes of Irish history. The Council of Ireland is a dead issue.

If all of England's 1974 "deals" meet with this fate, and result in no more progress than the 1921 "deal," and if bands of Orange-shashed Protestants are still parading through Derry in 1994 shouting "No Surrender!" the SDLP will be seen as timid dupes—while the Provos will take their place in legend and song with the "Bold Fenian Men" of old.

THE SIX COUNTIES

Frank McManus is not a member of the Provisional IRA. The Provos are still an illegal, underground organization in both the North and South of Ireland. But he is close to Provisional Sinn Fein, the legal, political arm of the Provos, and to its *uachtaran* (president), Ruairi O'Bradaigh; his line of argument runs parallel to that found in *Eire Nua* (New Ireland), Sinn Fein's current social and political program for Ireland. McManus does not apologize for the current

military campaign. He unlike the *New York Times*, does not find it "terrorist."

In order to understand why the Provos resort to "terrorism," and why McManus, in turn, writes suspiciously of so-called democratic procedures in Northern Ireland, a brief review of some Irish history is necessary. First of all, the section of Ireland that the world calls Ulster is not really Ulster at all. When the rest of Ireland won home rule in 1921, England insisted on keeping six—but only six—of the ancient nine counties of Ulster within the British Empire.

These six counties were "partitioned" by careful gerrymandering to ensure that the Protestant population would never have to fear that their Catholic neighbors would form a majority and democratically move Ulster into the Republic of Ireland to the South. The three counties of Ulster that were solidly Catholic, and solidly in favor of union—Donegal, Cavan, and Monaghan—were thus excluded from this new British territory of Northern Ireland. As Sir James Craig, first prime minister of the Six Counties, put it so well, the inclusion of these counties would "reduce our majority to such a level that no sane man would undertake to carry on Parliament with it." Gerrymandering within the Six Counties further reduced the power of the Catholic minority.

Consequently, the cards are stacked, as McManus puts it, "to perpetuate the eternal present of Orange Supremacy. It is antidemocratic. . . . The state [Ulster] was designed to give permanent power to the Unionist Party. Where there is such an artificially built-in majority, normal democracy can never function. We cannot accept a 'democratic right' to perpetuate this antidemocratic state."

In 1918, in the only election in which the question of a united and sovereign Ireland was put before the Irish people, 80 per cent voted for unification. The partitioning of the country made the 20 per cent minority a majority in one of the two states thus created. That minority had the strength—about 2 to 1—to prevent the unification clearly mandated by the people of the country.

It would not be surprising, then, and not very condemnable by earthly standards, if Irish nationalists, demanding an end to the foreign control of their country, insisted that a 20 per cent minority, professing loyalty to that same foreign power, submit themselves to the wishes—without qualification on this issue—of the 80 per cent. But, as a matter of fact, those unreasonable IRA terrorists do not. And even if they did, they would not compare unfavorably with Abraham Lincoln, who chose bloody civil war rather than allow a much larger minority to divide America into two states.

REGIONALISM

McManus' proposal for Ireland, the Provos' *Eire Nua*, call instead for an answer based on "regionalism." He advocates not a Dublin-based, Irish Catholic domination of Ulster, but a solution designed to provide for the diversity of backgrounds in Ireland, including Scots-heritage Protestantism. "The only system with which Republicanism is not compatible is a system of domination. No Republican could consent to be dominated by London. But, and Unionists should think deeply about this, no Ulster Republican could ever consent to be dominated by Dublin." He goes on: "Republicans are suggesting a regional government for the whole of Ireland. There would be four (maybe more, maybe less) regional parliaments and a central parliament. The regional parliament would enjoy great autonomy in the administration of regional affairs." Donegal, Cavan, and Monaghan would be returned to Ulster under this system (and this can hardly be thought to be Dublin's desire).

This new Ulster (which is really historic Ulster) would then make decisions by majority rule for its own development, as would the other regional governments.

What is most interesting about this proposal is that Ulster Protestants would still be a majority by 2 to 1 in the new Ulster. And the new, nine-county Ulster would have nearly 40 per cent of the population of all Ireland. When you keep this in mind, it seems more realistic for Dublin to fear the South's domination by industrialized Ulster than for the Orangemen to go on cringing at some phony nightmare of "Rome rule." In *Eire Nua* Ulster Protestants, as the majority in Ulster, would be fully entitled to be the ruling party there and thus a truly formidable voice in Ireland as a whole. The only qualification would be that they must exert this influence as citizens of Ireland, not as a foreign power's army of occupation, not as conquerors.

Orangemen who claim to be incensed by the antidemocratic methods of the IRA simply cannot go on basing their own claim to power in Ireland on the forced submission of the Irish people to English armies over 300 years ago. If living in Ireland for four centuries does not make an Orangeman an Irishman, then Orangemen are, by self-definition, a military garrison of a foreign power and aggressors, and are, by all legal and moral standards, subject to the defensive use of military force by the victims of that aggression. The Orangemen's slogan of "No Surrender!" is an ongoing declaration of war on the Irish people.

The key factor in all these proposals, then, is the end of the British presence in Ireland. To be sure, the nightmare of a vast and bloody civil war, often invoked to discredit such a demand, cannot be dismissed as an impossibility. (No healthy nation, of course, has ever surrendered its nationhood rather than face such a challenge—certainly not the U.S.) It is possible—but not inevitable, or even likely. The IRA does not want the British troops removed tomorrow. They demand only a declaration of intention to withdraw at some specified future date. UN forces could replace them if sectarian violence erupted. And the Provos welcome the idea that disputes arising after the British withdrawal be submitted to the authority of the European Court at Strasbourg. The hope is, however, that the specified withdrawal date will force the Protestants to see that they must begin to work with their fellow Irish citizens in a spirit of compromise and conciliation—will force them to see that it is possible to shout "No Surrender!" only if they know that the British army is waiting in the wings.

MODERATE VOICES

This regionalist plan represents an extreme compromise on the part of the IRA. You can bet your last dollar that many old IRA diehards did not give in willingly to a proposal which would allow the Protestant minority in Ireland to remain in control of Ulster. If the Protestants had been willing to bend even half as much as the IRA, genuine reconciliation rather than apparently endless violence would be the order of the day in Ulster.

But, until the British army withdraws, there is no reason for the Protestants to compromise. As long as they can count on British troops being around to handle Catholic-Nationalist demands, there is just no reason for them to look inward, away from England and toward their fellow Irish citizens, in order to define their nationhood. Instead of keeping the peace, the continued British presence creates a political situation so unnatural as to ensure continued hostility.

Irish nationalists have been rebelling against English control of Ireland as long as England has been in Ireland. The IRA has

launched from KSC. Land must be reserved in NASA's control to accommodate these current and future needs. We have already launched from KSC the Apollo manned launches to the moon and the Skylab launches for that experimental manned earth orbital laboratory. We are preparing for the 1975 launch of an Apollo command module for the Apollo-Soyuz test project. And construction has begun on the runway for the Shuttle program. Other follow-on programs are already in various stages of planning and definition.

Kennedy Space Center, which has the responsibility for the integration, test, checkout, and launch of NASA's launch vehicles and spacecraft, is divided into areas carefully established in relation to the potential hazards inherent in those activities. The areas at KSC and all other activities there are, and must continue to be, subject to closure and curtailment as safety and security requirements dictate.

As a reminder of some of the considerations which went into the selection of the area as the Nation's spaceport, it may be helpful to outline some of the details surrounding the original selection and acquisition for the lunar landing program of the Kennedy Center for NASA and Department of Defense programs. Until President Kennedy gave the go-ahead on the lunar landing program in May 1961, there was no official need for a launch area of the magnitude required by the Saturn boosters.

Preliminary master planning data available in early 1961 indicated a great deal of land was needed for launch pads, safety zones between pads, industrial areas, ground support areas, range instrumentation sites, and for "buffer" areas to protect the general public. Two Saturn I complexes—pads 34 and 37—had used all the pad space available at Cape Canaveral by the end of 1961, and a new area had to be found for the manned lunar landing program. Site selection was a joint NASA/DOD effort. On July 21, 1961, the NASA/DOD planning groups published a report entitled "Joint Report on Facilities and Resources Required at Launch Site to Support NASA Manned Lunar Landing Program." This report investigated eight potential launch sites and provided a tentative master plan site layout of launch pads and support facilities at each site.

Cumberland Island on the Georgia coast and the northern portion of Merritt Island adjoining Cape Canaveral were considered the most feasible sites. Cumberland Island was slightly more isolated than the Cape area. The proximity of Merritt Island to the tracking network of the Atlantic missile range and lower development costs were the major reasons for selecting Merritt Island as the launch site for the manned lunar landing program. When the Congress authorized the NASA appropriations for fiscal year 1963 for acquiring the land needed for the launch site, it specifically considered the future control of the Nation's spaceport. That law requires that the launch site remain under the control and jurisdiction of NASA unless it is no

longer needed for the country's space activity at all. I am opposed to changing that congressional mandate.

In the bill that was reported by the committee and passed by the House, this long established policy of Congress is appropriately recognized in section 7. That section provides: First, that any lands within the seashore which the Administrator of NASA considers excess to the needs of NASA may be transferred directly to the Secretary of the Interior, but, second, that any NASA lands not so transferred shall remain under the control and jurisdiction of the Administrator. This is entirely consistent with the 1963 intent of Congress in authorizing NASA to acquire the lands which make up KSC.

More recently, of course, the Kennedy Space Center was selected as the initial launch and recovery site for the Space Shuttle. The selection of KSC for that purpose followed an extensive review by NASA and the Air Force of other candidate sites around the Nation. Certainly the gentlemen from Florida know perhaps better than I that the extent of NASA's landholdings at KSC, and the fact that NASA had and would retain control over those holdings, were key to its selection for shuttle launches and landings. I know that those gentlemen appreciate fully the importance of that decision.

NASA has an excellent record of working with the Interior Department to establish feasible joint usage of parts of the Kennedy Space Center as a wildlife refuge. This bill will make it clear that NASA is to continue this good work looking toward more recreational use, but with the clear decision from Congress for the NASA Administrator to see to it that this country's prime spaceport is protected as a critically important national asset.

TAX BILL AIDS SMALL SAVERS, HOUSING INDUSTRY

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, December 9, 1974

Mr. LONG of Maryland. Mr. Speaker, the low- and middle-income saver has been hard hit by our growing inflation, savings and thrift institutions have been plagued by massive withdrawals, and the Nation's housing industry has been troubled by a shortage of funds for construction and mortgage loans.

In September, I introduced a bill to help alleviate these problems by providing a tax exemption for the first \$500—\$1,000 for a joint return—earned by an individual from savings institutions. Thirty-one of my colleagues joined me in sponsoring this legislation.

Average taxpayers have borne a major burden because the tax benefits that are generally available to wealthy individuals—such as tax-exempt bonds or capital gains—are often beyond the means of the average taxpayer. My proposal adds balance to our tax laws on

behalf of the small saver, while adding to the pool of funds available for home construction at the same time.

I am pleased that the Ways and Means Committee has reported favorably on H.R. 16994, which is identical in its terms to the bill which I introduced earlier this year. I urge my colleagues to act favorably on H.R. 16994.

OPPOSITION TO H.R. 16994

HON. GUNN MCKAY

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Monday, December 9, 1974

Mr. MCKAY. Mr. Speaker, I rise in opposition to the bill H.R. 16994, to exclude interest on savings accounts from gross income, for income tax purposes. Initially, I favored this legislation as a means of benefiting the small saver, encouraging saving, and creating mortgage funds for the ailing housing industry. All of these goals remain desirable. However, I have become convinced that this bill would not, in fact, attain them.

The Treasury estimates that the bill will generate a one-time shift of about \$10 billion presently invested in other sources. Of this, only about one-third will go into housing mortgages, conferring only a small benefit on the housing industry. This \$3.5 billion will finance only about 100,000 housing starts—a very small contribution to the needs of the housing industry, at a very great price. As my able colleagues, Mr. CORMAN, Mr. GIBBONS, Mrs. GRIFFITHS, and Mr. KARTH have pointed out in their dissenting views, after the initial flow of money into savings institutions, additional saving will cease as interest rates on competing assets rise to adjust for the tax exclusion. Thus, for a one-time shift of \$3.5 billion in mortgage funds to the housing industry, the Treasury will lose \$2 billion annually in revenue. We cannot afford an additional \$2 billion deficit in the Federal Treasury. Such a deficit will fuel the fires of inflation still further and could lead to a tax increase, as well.

The bill is illusory. While appearing to aid the average taxpayer, it pays great dividends to the wealthy high income bracket taxpayer. The bill will serve as an additional loophole for the rich—at a time when we are trying to do away with tax loopholes. In allowing tax exemptions on the first \$500 of interest from savings accounts, each family member could have tax-free interest income each year on up to \$10,000 in savings. For those in the 70-percent tax bracket, this is an extremely significant tax break. For those with lower tax brackets, and smaller savings accounts, the benefit is far less significant. In addition, this tax exemption is not limited to interest from passbook savings accounts. Investors who can afford higher interest savings certificates also will be exempted from the obligation to pay a tax on that income.

I favor legislation to encourage saving and to aid the housing industry. I believe such legislation can be enacted.

However, I do not believe this bill will accomplish its purpose. It will serve merely as a panacea creating the illusion that some economic ills are being cured. I would urge my colleagues to join me in opposing the bill.

on on this issue. It is not enough that we are continually maneuvered and misled by the executive branch as to the realities of this program. We are deceiving ourselves about it as well.

would generally support. What we are not told, however, is that the fiscal year 1975 authorization is in reality an increase of \$1.351 billion over the total amount appropriated for foreign assistance in fiscal year 1974. Moreover, as the attached table indicates, the foreign aid authorization has substantial increases in all nine of the foreign aid categories over the levels appropriated for fiscal year 1974, with especially large increases in the military and security assistance areas.

SOME FACTS YOU SHOULD KNOW BEFORE VOTING ON FOREIGN AID

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, December 9, 1974

Mr. OBEY. Mr. Speaker, today, we will be voting on a foreign aid bill for fiscal year 1975. Our foreign assistance program suffers from many deficiencies, but one of the most unfortunate is the lack of candor about what is really going

I point, for example, to the first page of the report on the Foreign Assistance Act (H.R. 17234) which we will be discussing on Tuesday. On this page we are informed that the bill authorizes a total of \$2.643 billion for foreign assistance for fiscal year 1975. However, if we wade through the report we discover that the real total for fiscal year 1975, including amounts previously authorized for fiscal year 1975, is \$3.248 billion, plus \$250 million more in "special drawdown authority" for military equipment for Defense Department stocks.

On the following page there is a table which indicates that the bill reduces administration requests for foreign assistance programs by \$609 million—a move I

Thus, while we are ostensibly being told that this bill slashes an administration request, what this bill really does is authorize a 71-percent increase over amounts appropriated for foreign aid last year and dramatically expands our military and security assistance programs.

I attach the following table for the benefit of my colleagues to review before our debate on this bill.

FOREIGN ASSISTANCE
(In millions of dollars)

Category	Authorized for fiscal year 1974	Appropriated for fiscal year 1974	Recommended for fiscal year 1975	Difference: fiscal year 1974 appropriation—fiscal year 1975 recommendation	Category	Authorized for fiscal year 1974	Appropriated for fiscal year 1974	Recommended for fiscal year 1975	Difference: fiscal year 1974 appropriation—fiscal year 1975 recommendation
Development assistance:									
Food and nutrition.....	\$291.0	\$284.0	\$471.3	-\$187.3	Security supporting assistance.....	\$125.0	\$112.5	\$585.0	-\$472.5
Population and health.....	145.0	135.0	165.0	30.0	Military assistance programs.....	512.5	450.0	745.0	295.0
International organizations and programs.....	127.8	125.0	154.4	29.4	Foreign military credit sales.....	325.0	325.0	405.0	80.0
Contingency fund.....	30.0	15.0	20.0	5.0	International control commission.....	0	0	27.7	27.7
Middle East special requirements.....	0	0	100.0	100.0	Gorgas memorial.....	.5	.5	2.0	1.5
Indochina postwar reconstruction.....	504.0	450.0	573.4	123.4	Total.....	2,060.8	1,897.0	3,248.8	+1,351.8

GOV. OTIS R. BOWEN'S VIEWS ON H.R. 16204, HEALTH POLICY, PLANNING AND RESOURCES DEVELOPMENT ACT

HON. WILLIAM H. HUDNUT III

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 9, 1974

Mr. HUDNUT. Mr. Speaker, the House Interstate and Foreign Commerce Committee, on which I serve, has reported out H.R. 16204, the Health Policy, Planning and Resources Act, and it is on the whip notice for floor consideration this week.

The Governor of my State, the Honorable Otis R. Bowen, has written to me expressing his objections to certain features of this legislation. I insert Governor Bowen's letter herewith. In my view, the points he has made are very good and I hope they will be given serious consideration when H.R. 16204 is brought before us.

The letter follows:

OFFICE OF THE GOVERNOR,
Indianapolis, Ind., December 4, 1974.

HON. WILLIAM HUDNUT,
Longworth Office Building,
Washington, D.C.

DEAR BILL: As Governor of the State of Indiana, I share with the Congress and your committee deep concerns for the future of the nation's health delivery system. The legislation currently under consideration, H.R. 16204, manifests a significant effort to deal with a major portion of our mutual concerns.

After extensive consultation with the health leadership in Indiana, it is apparent that while substantial portions of the bill are commendable, there are significant areas requiring further consideration.

I am compelled to address the following as objectionable features of the bill:

1. Substitution of federal for existing state and local authority.
2. Substitution of decision making by the Secretary of H.P.W. for existing decision making power of State Governors.
3. Substitution of a state-wide "health commission" for several well-functioning state-wide agencies, and assigning to it functions now handled by such agencies, especially those having to do with regulation.

If H.R. 16204 is passed in its present form, I would urge that the above undesirable elements be corrected by the conference committee.

Kindest personal regards,
OTIS R. BOWEN, M.D.,
Governor.

COMPETITIVE CORPORATIVE CITIZENSHIP

HON. FRANK E. DENHOLM

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 9, 1974

Mr. DENHOLM. Mr. Speaker, competition is the spirit of success and victory in America. We all sense the esprit de corps of competition in the challenge of life. We have known it from the outset in game play at marbles to the Halls of

Congress. But never have we exchanged fair play for foul play without resistance. The corporate citizen is no exception. We ask of the corporate citizen nothing more than fair play, fair practices, and an honest recognition of the rules of the game.

Marbles for money or money for marbles does not change the basic principles of fair play in the competitive games of life. We each have an ethical duty and a moral responsibility for participation in any venture of competition above the minimum level of conduct required by the rules of the game. However, it has become commonplace to proceed with all haste to success and victory on the barebones concept of the minimum requirements of the rules—and not to be caught in violation of the law. Is that the test of duty, of honor, of success, and of victory?

Mr. Speaker, the "game play" of our time demands more of every citizen, including the corporate citizen. The freedom to participate demands much of us all. What participation and what victory is worthy of respect if "foul play" becomes the rule that produced the result of success and victory?

I do not seek to oversimplify the complexities of life—but are the principles reduced in proportion to the obligation whatever the venture?

Mr. Speaker, the obligations for fair-play attach to all whatever and wherever and I am saddened that our economic, political, and social experiences are