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more stringent than those imposed under this Act, marking”.

**SENATE RESOLUTION 407—SUBMISSION OF A RESOLUTION AUTHORIZING THE PRINTING OF A COMPILATION ENTITLED “ESTABLISHMENT OF THE SELECT COMMITTEE ON EQUAL EDUCATIONAL OPPORTUNITY, UNITED STATES SENATE” AS A SENATE DOCUMENT**

Mr. MONDALE submitted the following resolution (S. Res. 407); which was referred to the Committee on Rules and Administration:

S. RES. 407

*Resolved*, That a compilation of materials entitled “Establishment of the Select Committee on Equal Educational Opportunity, United States Senate”, be printed as a Senate document, and that there be printed one thousand eight hundred additional copies of such document for the use of the Select Committee on Equal Educational Opportunity.

**AMENDMENT OF FOREIGN MILITARY SALES ACT**

AMENDMENT NO. 622

Mr. DOLE submitted an amendment, intended to be proposed by him, to the bill (H.R. 15628) to amend the Foreign Military Sales Act, which was ordered to lie on the table and to be printed.

(The remarks of Mr. DOLE when he submitted the amendment appear later in the RECORD under the appropriate heading.)

AMENDMENT NO. 623

Mr. MONDALE. Mr. President, when the President sent American troops into Cambodia, he did more than widen the war. He pointed up, for all the American people to see, the broad constitutional issue of the control of U.S. foreign policy, particularly as it involves the matter of making war.

The American people have seen, and they do not like what they see. They see our military men apparently having the President's ear, giving him the same bad advice they gave his predecessors. They see the mistakes of the past repeated all over again. They demand action from their elected representatives to regain control over military policymaking.

The actions of the Defense Department, no less than those of any other Cabinet department or any administrative agency, must be limited to the authority granted by law. Neither the Defense Department, nor any other segment of the executive branch of Government, can be permitted to disregard those limits with impunity. If the American system of government is to work, our sprawling bureaucracy must be accountable for its actions.

Since the end of World War II, we have seen a pattern of congressional acquiescence in matters of military policy. Our past history of blanket acceptance of the Executive's actions involving both military and foreign policy is not only in sharp contrast to our close scrutiny of domestic programs; it also amounts to

an abdication of clearly defined constitutional responsibilities.

Last year, Congress took the first important step toward a more careful review of the military budget. It is obvious that this effort will be continued.

But there is another area of Pentagon activity which has received far less publicity, and hence has had far less of an impact on public consciousness than excessive military spending. I refer specifically to military aid, and to a most particular kind of military aid—that by which equipment and material in excess of the needs of our Armed Forces is transferred to foreign governments.

The Defense Department and the State Department find the legal authority for this surplus arms program in sections 503(a) and 644(g) of the Foreign Assistance Act of 1961, as amended. These provisions authorize the President to furnish military assistance by loan or grant, and define the term “excess defense articles.”

But the existence of legal authority is no guarantee of legislative control. For what we are dealing with in this transfer of surplus military supplies is something above and beyond the ordinary military assistance appropriations which Congress makes every year. It is military assistance which is not charged against appropriations. It can be disposed of either by sale or gift; the bulk of this equipment, however, is given away.

By relying on this program for the disposal of surplus arms abroad, the Pentagon needs no congressional authorization. Furthermore, there is no dollar limitation on the quantity of arms which can be transferred under this program.

While the Defense Department does report its various surplus arms transactions when it comes before Congress requesting its annual military assistance appropriation, there is nothing to prevent a report being submitted after the fact of transfer—well after some transaction that can be both embarrassing and even dangerous. And under present law, there is little Congress can do to regulate such transactions even if we were fully informed in advance of what the Pentagon planned to do.

The lack of congressional power to control this program is in sharp contrast to other types of military assistance programs. For example, direct military grant assistance under the traditional foreign aid program requires annual authorizations and appropriations by Congress. Thus, Congress can limit the amount of military aid available to foreign governments under this program.

Another method of transferring arms to foreign governments is under the military sales program.

It was not too long ago that the Pentagon had complete latitude with respect to military sales. In the summer of 1967, it was revealed that the Export-Import Bank was opening lines of credit by which the Pentagon was able to sell arms to countries without revealing the names of these countries to the Bank. This unbusiness like way of doing things was nevertheless quite acceptable to the Export-Import Bank, because its so-called country loans were guaranteed by the

Pentagon up to 25 percent through a revolving fund maintained for that purpose. Over \$600 million worth of arms loans were made to underdeveloped countries through this program.

This “country X” program was not a secret, but it was not exactly a household word. Once it surfaced, however, there was fast action. The Pentagon's loan guarantee program was abolished, and the Export-Import Bank was forbidden to make any more loans to finance arms purchases. The Defense Department can still sell arms on credit, but it must first obtain congressional authorization; and Congress sets an annual ceiling on the amount of such sales.

In addition, Congress has forbidden the use of military aid to furnish sophisticated weapons systems to underdeveloped countries. It has imposed restrictions on military aid to Latin America and to Africa. It has stipulated that the sale of military equipment to less developed countries shall be cut off if those countries divert either economic assistance of Public Law 480 assistance to military expenditures, or if they divert their own resources to unnecessary military expenditures.

All of these restrictions were imposed with one end in view—congressional control of U.S. military assistance. All were designed to plug any leak in the dike and to make the policies of the Congress perfectly clear to the Executive.

Yet, despite the best efforts of the House and the Senate, we now find another leak in the dike—the disposal of military hardware and equipment that has been declared in excess of U.S. needs. And it is a leak which is becoming larger every day.

Several weeks ago, the State Department disclosed that surplus U.S. military equipment originally costing \$3.4 billion had been given to foreign governments under this program over the past 19 years. But the important point is that within the last 2 years, the Pentagon has begun to rely on this program to a much greater extent than in the past. Since other types of military assistance have been brought under congressional control and thereby reduced in scope, the Pentagon views the surplus arms program as the primary means of getting back into the business of military assistance on a grand scale.

The best example of this trend was revealed by the probing of Representative SILVIO CONTE, a member of the House Appropriations Committee. His investigation disclosed some interesting and unknown facts about the transfer of arms to Nationalist China—the same country which caused such a great controversy during the debate over the fiscal year 1970 foreign aid appropriations bill.

This bill was blocked during the last session of Congress because the Senate conferees would not agree to providing \$54.5 million for an extra Phantom jet fighter squadron for Nationalist China. When that item was finally deleted, the appropriations bill went through, with Nationalist China receiving approximately \$25 million in direct military assistance.

Yet, while all this was going on, Congressman CONTE obtained information from the Defense Department which revealed that the Pentagon had secretly supplied the Nationalist Chinese with some \$157 million worth of weapons and equipment under this excess disposal program—over six times the amount approved by Congress in direct military assistance to that country. Included in this little package were four 20-year-old destroyers, equipment for a Nike-Hercules battery, more than 35 F-100 Super Sabre jets, more than 20 F-104 Starfighters, more than 30 C-119 Flying Boxcars, some 50 medium tanks, about 120 howitzers, and thousands of M-14 rifles. While the Pentagon declined to confirm or deny the truth of this story, the State Department confirmed it the very next day.

According to John Finney's story in the New York Times of March 29, 1970, the State Department described the transaction "as part of a general program of using surplus arms to bolster the defenses of such 'forward defense' countries as South Korea, Turkey, and Taiwan." It was noted that in recent months, the Defense Department has transferred under this program some 790,000 used rifles, carbines, and submachineguns to South Korea.

It has also been disclosed that about 73 percent of all surplus equipment is now going to Taiwan, Turkey, South Korea, and Greece. While aid to Greece has apparently consisted only of trucks, ammunition, and small arms because of the embargo of heavy military supplies imposed against that country after the military coup in 1967, the question can be raised as to whether Congress would have approved any military aid to Greece during this period. Because of the complete Executive discretion under this program, Congress never had the opportunity to approve or disapprove.

It is interesting that the State Department was willing to confirm Congressman CONTE's report about the recent arms transfer to Nationalist China, while the Defense Department remained silent. We may speculate that the State Department, which is supposed to clear the disposal of any surplus military item, acceded to this transfer with reluctance. Certainly State does not exercise the tight control over the disposal of surplus weapons that it manages to maintain over military sales.

The fact is that this surplus arms program is being used to supplement a reduced and congressionally regulated foreign assistance program. Indeed, according to the New York Times, the principal justification offered by State Department officials for the recent shipment of surplus arms to Nationalist China was the sharp reduction in the military assistance program.

Unless something is done, Congress may soon lose control over the transfer of arms to foreign governments. The leak in the dike must be plugged.

That is why I am today submitting an amendment to H.R. 15628, the Foreign Military Sales Act, which is now before the Senate Judiciary Committee. It is in-

tended as an amendment to the Foreign Assistance Act of 1961, and it is designed to recapture control of the surplus arms disposal program from the Department of Defense—vesting it in the Congress, where it rightfully belongs.

My amendment has two parts: First, it sets a ceiling, an absolute annual ceiling, of \$50 million on the amount of arms and equipment that may be disposed of as military surplus. Furthermore, that \$50 million valuation is based on the acquisition value of the items—what they cost the Government when they were originally purchased. At present, the Pentagon sets a "utility" value on this surplus of 30 percent of its original cost. My amendment would do away with this arbitrary valuation, which carries with it an obvious opportunity for manipulation.

Second, under this amendment, the Executive would be required to submit to Congress annually a schedule of the countries to which it proposes to transfer military surplus, as well as the items to be transferred to each country. The approval of this schedule would rest with Congress. Once the schedule is approved, if the Executive wants to add a new country to the original list, or to increase the cost of surplus arms to be transferred to any country by more than 10 percent, it would have to come back to Congress for additional approval.

It is my hope and belief that through this amendment, we can bring surplus military assistance back under the foreign aid program, and hence under the control of Congress in law and in fact.

It is vitally important to do so at this time. For as John Finney noted in the New York Times:

With the reduction of the United States military forces and withdrawal of troops from South Vietnam, billions of dollars' worth of weapons are being declared surplus by the military services. A study by the staff of the Senate Foreign Relations Committee suggest that the total may come to \$10 billion, although State Department officials believe this estimate is too high.

Thus, given the increased availability of surplus arms and given the increased reliance by the Pentagon on this program, the time is ripe for congressional action. If this program is not brought under congressional control, I fear that we could become involved in other military adventures as unsound, as unpopular, and as unrelated to our vital national interests as the endless conflict in which we are now bogged down in Indochina.

In order to put a stop to the independent foreign policy of the Pentagon, to prevent the use of military assistance for unapproved purposes, and to insure that every transfer of military arms and equipment is undertaken only with congressional sanction, we must change the surplus arms program. The amendment which I have proposed makes this possible.

Mr. President, I ask unanimous consent that the text of this amendment be printed at this point in the RECORD.

The PRESIDING OFFICER (Mr. TALMADGE). The amendment will be received and printed, and will lie on the

table; and, without objection, the amendment will be printed in the RECORD.

The amendment (No. 623) is as follows:

#### AMENDMENT NO. 623

At the end of the bill, add the following new section:

SEC. 7. The Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 652. EXCESS DEFENSE ARTICLES.—(a) The total cost of excess defense articles that may be transferred to all foreign countries and international organizations shall never exceed \$50,000,000 during any fiscal year. The President shall transmit annually to the Committee on Foreign Relations of the Senate and to the Committee on Foreign Affairs of the House of Representatives a report enumerating each excess defense article to be transferred during the succeeding fiscal year and the foreign country or international organization to which each such article is to be transferred.

"(b) There shall be authorized by law for each fiscal year the total cost of excess defense articles that may be transferred to each foreign country and each international organization. No excess defense article may be transferred to any such country or organization (1) if there is no authorization for any transfer to that country or organization for that fiscal year, or (2) when there exists such an authorization for that country or organization, if the cost of that article, when added to the total of the costs of all such articles already transferred to that country or organization during the same fiscal year (if any), exceeds the total of the costs of all excess defense articles so authorized to be transferred to such country or organization during that fiscal year plus 10 per centum.

"(c) For purposes of this section, the cost of each excess defense article is the cost to the United States of acquiring that article."

#### NOTICE OF HEARINGS ON S. 3678, FOREIGN BANKING SECRECY

Mr. PROXMIRE. Mr. President, I wish to announce that the Subcommittee on Financial Institutions of the Committee on Banking and Currency will hold hearings on S. 3678, a bill to amend the Federal Deposit Insurance Act to require insured banks to maintain certain records, to require that certain transactions in U.S. currency be reported to the Department of the Treasury and for other purposes.

The hearings will be held on Monday through Thursday, June 1, 2, 3, and 4, 1970, and will begin at 10 a.m. in room 5302, New Senate Office Building.

Persons desiring to testify or to submit written statements in connection with these hearings should notify Mr. Kenneth A. McLean, Senate Committee on Banking and Currency, room 5300, New Senate Office Building, Washington, D.C. 20510; telephone 225-7391.

#### ANNOUNCEMENT OF HEARINGS ON OIL SHALE RESERVES

Mr. MOSS. Mr. President, on behalf of the Subcommittee on Minerals, Materials, and Fuels of the Senate Interior Committee, I announce that public hearings have been scheduled for next Thursday, May 14, on the situation with re-