

MINUTES OF THE HOUSE COMMITTEE ON FEDERAL & STATE AFFAIRS

The meeting was called to order by Representative Robert H. Miller at
Chairperson

1:30 a.m./p.m. on February 18, 1985 in room 526S of the Capitol.

All members were present except:

Representative Peterson - E

Committee staff present:

Lynda Hutfles, Secretary
Russ Mills, Research
Raney Gilliland, Research

Conferees appearing before the committee:

Representative Sandy Duncan
Representative Charles Laird

The meeting was called to order by Chairman Miller. A revised agenda was distributed.

Representative Roenbaugh made a motion, seconded by Representative Long, to approve the minutes of the February 13 meeting. The motion carried.

HCR6002 - Requesting President and Congress to terminate economic aid to all Communist nations

Representative Laird explained the reasons for introducing the resolution. He introduced Richard Ward Fatherly, Ronald Hall, Mark Andrews, and Don Jesse who each gave a presentation in support of the resolution. See attachment A.

Hearings were concluded on HCR6002.

HB2278 - Legislative authority over rules and regulations and filing act.

Representative Duncan explained HB2278 and the reasons it was introduced.

Hearings on HB2278 were concluded.

It was announced that sub-committees would meet on Tuesday.

The meeting was adjourned.

Opening Remarks - Charles F. Laird (Rep. 59th)

Mr. Chairman: The testimony you're about to hear concerns House Resolution 6002 requesting President Reagan and the United States Congress to terminate economic aid to all Communist-occupied countries. Last year the language of this Resolution appeared under HR 6090. Testimony was not heard by this committee.

Several of those who will testify are known for their patriotic concerns.

Among those who will testify is Richard W. Fatherley.

Mr. Fatherley is a native of Connecticut and has resided in the mid-west since 1964. He is a prominent radio broadcaster whose assignments have taken him to St. Louis; Miami, Florida; Kansas City, Missouri; and, Topeka where, because of a family-related matter, he has lived since September of 1982. He is employed by Harris Enterprises, Inc., operators of KTOP radio where he serves as program director. Mr. Fatherley has been employed in the media business for 26 years and, in 1984, was judged by Billboard Magazine as one of the top radio personalities in the United States. He is a nationally known public speaker who has spoken on the subject of the media before audiences nationwide and in Alaska under the auspices of the American Opinion Speakers Bureau, an affiliate of The John Birch Society; founded in 1958 under the General Laws of Massachusetts as a non-profit educational corporation.

-more-

2/18/85
Attach. A!

You will hear the testimony of Ronald F. Hall of Topeka. Mr. Hall is a graduate of the University of Colorado and holds a degree in Civil Engineering. He is employed by the State of Kansas in the Department of Transportation as an equipment engineer. Ron is a Registered Professional Engineer in the State of Kansas. He holds a private pilot's license, and his wife Chris is a Registered Nurse who is expecting their second child.

Next, you'll hear from Mark Andrews. A Florida native, Mr. Andrews served as a Chaplain's assistant with the United States Army from 1975 to 1979. He was attached to the First Infantry Brigade at Ft. Riley, and attended Kansas State University as a non-graduate student. He later chose a career in the radio broadcasting business where he is employed by KTOP as host of its afternoon program. Mark Andrews resides in Topeka with his wife Regina and their three children. The Andrews are active in Topeka Bible Church.

Also on our agenda is Don Jesse, a Topeka resident since 1945. Mr. Jesse has spent 30 years in the financial planning business and served as Past President of the Topeka Association of Life Underwriters. He holds a private pilot's license and travels extensively. Mr. Jesse is President of Christian Broadcasting of Kansas, Inc., licensee of a new Topeka radio station not yet on the air.

Testimony of Richard Ward Fatherley
4420 SW 34th Street
Topeka, Kansas 66614

2/18/85

Re: HR 6002

Mr. Chairman and distinguished members of the House Federal and State Affairs Committee:

Surprisingly, Americans today know less about the aggressive and brutal behavior of the Communists than did our parents and grandparents.

Having been the 1960 recipient of a Freedom Foundation award for a WNHC radio (New Haven, Ct.) series on "How To Fight Communism and Preserve America", I have long asked myself why the American people have turned an apparent deaf ear towards the advances of international socialism.

In 1980, the American Opinion Speakers Bureau asked me to prepare a stand-up presentation about the American media. That speech took me to over 100 cities and towns across America from San Diego to Massachusetts; from Florida to Alaska.

Its preparation took some 250 hours of research, writing and production preparation. As a media-specialist who has spent 26 of his 44 years in the media business, it became necessary to step out of the that proverbial "forest" and look at current events from a distance.

I was stunned by my findings. I discovered that the media -- a collective noun for radio, television, and print -- are not the "enemy" --but, rather -- there are some "enemies" working

*Atch. A²
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in the media who are committed to omission, distortion, and outright "disinformation"; a Soviet term for "active measures" media campaign directed at their target countries to deceive public opinion.

Further, I discovered the existence of an American media elite who hold down strategic media position of national influence; an elite which has become remarkably effective at laundering news and information critical to the national interest, convenience and necessity.

You should know that:

The Federal budget was to be balanced by law beginning with Fiscal Year 1981 by authority of Public Law 95-435 signed by President Carter on October 10, 1978.

You should know that:

President Carter's National Security Advisor and founding Director of David Rockefeller's Trilateral Commission, a spawn of the Council on Foreign Relations in New York City, praises Marxism in the form of Communism, calls America "obsolete", and urges the formation of a world government framework at the expense of our nationhood. I'm speaking here of Zbigniew Brzezinski whose Marxist views have characterized the behavior of the top levels of U.S. foreign policy since the days of Wilson Administration and President Wilson's alter-ego Edward Mandell House who authored Wilson's "Fourteen Points" for the establishment of the League of Nations.

Mr. Brzezinski's view are explicitly expressed in his book Between Two Ages published in 1970 by Viking Press. Likewise, Mr. House's views are explicit in his book Philip Dru: Administrator in which he pressed for a Marist-style income tax and the establishment of central bank with a monopoly on the supply of money and credit. Both became the law of the land in 1913 through the imposition of the 16th Amendment and the establishment of the Federal Reserve System.

Since 1946, the United States taxpayer has been the major funding agent for the expansion of Communism throughout the world under the benign-sounding term "Foreign Aid". In short, the American taxpayers have become the unwitting accomplices in U.S. Government check-book diplomacy that's subverting the planet. According to the Congressional Record for May 18, 1982, the cost in foreign aid since its formal inception in 1946 through Fiscal Year 1981 is estimated at \$286,467,000,000. How much, including interest on the money borrowed by the U.S. Government, has this cost U.S. taxpayers? Hold on to your hats. That totals \$2,304,257,900,000. That's 2 trillion, 304 billion, 257 million, 900 thousand dollars of American taxpayers' money.

In short, United States foreign aid has broken the bank and the backs of the American taxpayers.

Washington must receive the message from the States.

And, House Resolution 6002 is a rational, intelligent, and responsible way to do it.

I further announce that, if present and voting, the Senator from Hawaii (Mr. MATSUNAGA) and the Senator from Arkansas (Mr. PRYOR), would each vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 69, nays 27, as follows:

(Rollcall Vote No. 121 Leg. 1)

YEAS—69

Abdnor	East	Melcher
Andrews	Exon	Murkowski
Armstrong	Ford	Nickles
Baker	Garn	Nunn
Baucus	Glenn	Pressler
Bentsen	Grassley	Quayle
Boren	Hatch	Randolph
Boschwitz	Hatfield	Riegle
Brady	Hayakawa	Roth
Bumpers	Heflin	Rudman
Byrd	Helms	Sasser
Byrd, Jr.	Hollings	Schmitt
Byrd, Robert C.	Huddleston	Simpson
Cannon	Humphrey	Stafford
Chiles	Inouye	Stennis
Cochran	Jeppen	Stevens
D'Amato	Johnston	Symms
DeConcini	Kassebaum	Thurmond
Denton	Kasten	Tower
Dixon	Laxalt	Wallop
Dole	Leahy	Warner
Domenici	Levin	Zorinsky
Eagleton	Mattingly	
	McClure	

NAYS—27

Biden	Hart	Mitchell
Bradley	Hawkins	Moynihan
Chafee	Heinz	Packwood
Cohen	Jackson	Fell
Cranston	Kennedy	Proxmire
Danforth	Long	Sarbanes
Dodd	Lugar	Specter
Durenberger	Mathias	Tsongas
Gorton	Metzenbaum	Weicker

NOT VOTING—4

Goldwater	Percy
Matsunaga	Pryor

So the concurrent resolution (S. Con. Res. 60) was agreed to, as follows:

S. CON. RES. 60

Resolved by the Senate (the House of Representatives concurring), That the Congress disapproves the final rule promulgated by the Federal Trade Commission dealing with the matter of the trade regulation rule relating to the sale of used motor vehicles, which final rule was submitted to the Congress on January 28, 1982.

RECESS UNTIL 3 P.M.

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 3 p.m. today.

There being no objection, the Senate, at 2:26 p.m., recessed until 3 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HELMS).

The PRESIDING OFFICER. The Chair, in its capacity as a Senator from North Carolina, suggests the absence of a quorum.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. DURENBERGER). Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business, not to extend past 3:15 p.m., in which Senators may speak.

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

THE U.S. FOREIGN AID PROGRAM: CONGRESS HAS BROKEN THE BANK AND THE BACKS OF AMERICAN TAXPAYERS

Mr. HELMS. Mr. President, several months ago a friend in North Carolina asked a question I could not answer—but I promised that I would find the answer and report back to him.

Frankly, it did not occur to me at the time that nowhere in the Federal Government, with all of its experts, with all its computers, was the answer to his question to be found.

However, after months of research and computations, I finally have an answer.

The question: How much, including interest on the money borrowed by the U.S. Government to finance the program, has our foreign aid program cost the American taxpayers?

The answer—and I suggest that the distinguished Presiding Officer hold onto his hat—is: **\$2,304,257,900,000.**

Let me spell it out, Mr. President: 2 trillion, 304 billion, 257 million, 900 thousand dollars of the American taxpayers' money.

Mr. President, when I reached the end of literally months of inquiries, calculations, searching of official documents, up popped that total figure—one so enormous that I simply could not believe it. I sent it back to be checked again.

Bear in mind the precise question that was asked of me: How much, including interest on the money borrowed by the U.S. Government to finance the program, has our foreign aid program cost the taxpayers? My friend in North Carolina insisted, correctly, that any honest assessment of the cost would necessarily include the interest because the Federal Government was running a deficit almost every year, and therefore was in effect borrowing the money it was giving away to foreign countries.

To be very technical in the context in which an economist would put it—the present cost of past expenditures equals the nominal dollar amount plus the compound interest that would have been earned in the financial markets. Today's cost includes alternative uses of those funds over the intervening period.

Mr. President, my friend makes a point that should be remembered by

Members of Congress when they so freely vote to create and expand multi-billion dollar Federal programs of every type. The point is this: These programs would be expensive even if the Federal Government were operating on a balanced budget. But when Congress approves enormous deficits, and when interest on the borrowed money is compounded year after year, the real costs of Federal programs soars into the stratosphere.

And that, Mr. President, is why Congress is to blame for the trillion dollar national debt now smothering the U.S. economy. Think about it, Mr. President. This year, it will cost the U.S. taxpayers about \$115 billion just to pay the interest—1 year's interest—on money that the Federal Government has spent in excess of income. Would it not be delightful if we did not have to worry about that \$115 billion? The news media and President Reagan's other political critics—who falsely claim that Ronald Reagan is responsible for the huge Federal deficit—would not be able to mislead the American people, because the Federal budget would today be relatively easy to balance, inflation would be less of a problem, the U.S. economy would not be in distress, the unemployment level would be lower, and production would be setting new records.

So, Mr. President, the folly of foreign aid since 1946, the year the program began, is an alarming symptom of what is wrong with the Federal Government—and the country.

The total cost of the foreign aid program—since its inception in 1946 and including the estimated nearly \$10 billion cost for fiscal year 1981—the actual figures for fiscal year 1981 are not yet available—is **\$286,467,000,000.** This figure represents total Federal outlays in nominal dollars, that is, the dollars expended in each of the years specified.

More than \$286 billion, Mr. President. But that is before we factor in the equivalent interest on the money borrowed in the American taxpayers' name to spread this money across the face of the Earth.

As I said at the outset, the total cost of foreign aid, including interest, since 1946, is **\$2,304,257,900,000—2 trillion, 304 billion, 257 million, 900 thousand dollars.**

Mr. President, to which countries, and how much for each, has this enormous sum been devoted? I have a breakdown, country by country, and I ask unanimous consent that it be printed in the RECORD at this point.

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

Aid given by the United States for the years 1946-80

Country:	Total aid given
Afghanistan.....	\$542,331,000
Albania.....	20,400,000
Algeria.....	203,282,000
Andorra.....	0
Angola.....	8,898,000

Antigua.....	0	Korea (North).....	0	U.S.S.R.....	186,400,000
Argentina.....	462,826,000	Korea (South).....	13,625,486,000	Vanuatu.....	0
Australia.....	123,586,000	Kuwait.....	0	Venezuela.....	353,568,000
Austria.....	1,256,769,000	Laos.....	2,509,312,000	Vietnam.....	23,361,456,000
Bahamas.....	301,000	Lebanon.....	299,756,000	Wallis and Futuna.....	0
Bahrain.....	2,408,000	Lesotho.....	78,824,000	Western Sahara.....	0
Bangladesh.....	1,503,924,000	Liberia.....	329,935,000	Western Samoa.....	9,841,000
Barbados.....	3,324,000	Libya.....	230,115,000	Yemen (North).....	125,000,000
Belgium.....	1,867,491,000	Liechtenstein.....	0	Yemen (South).....	4,500,000
Belize.....	10,246,000	Luxembourg.....	0	Yugoslavia.....	2,831,962,000
Benin.....	48,516,000	Macao.....	0	Zaire.....	784,558,000
Bermuda.....	0	Madagascar.....	21,185,000	Zambia.....	182,527,000
Bhutan.....	816,000	Malawi.....	64,260,000	Zimbabwe.....	29,905,000
Bolivia.....	888,077,000	Malaysia.....	237,366,000	Central Treaty Organi- zation.....	39,624,000
Botswana.....	119,040,000	Maldives.....	0	Near East and South Asia Regional.....	566,043,000
Brazil.....	3,066,430,000	Mali.....	148,938,000	WestIndes-Caribbean Regional.....	182,143,000
Brunei.....	0	Malta.....	84,409,000	ROCAP (Regional Office, Central Amer- ica and Panama).....	285,116,000
Bulgaria.....	0	Martinique.....	0	Latin America Regional..	667,102,000
Burma.....	197,000,000	Mauritania.....	61,283,000	Indochina Associated States.....	1,557,067,000
Burundi.....	24,742,000	Mauritius.....	23,532,000	East Asia Regional.....	356,520,000
Cambodia (Kampuchea).....	2,169,645,000	Mexico.....	341,867,000	Entente States.....	38,262,000
Cameroun.....	39,713,000	Monaco.....	0	Portuguese States in Africa.....	3,350,000
Canada.....	30,500,000	Mongolia.....	0	Central and West Africa Regional.....	114,452,000
Cape Verde.....	37,326,000	Morocco.....	1,322,612,000	East Africa Regional.....	33,332,000
Central African Repub- lic.....	15,829,000	Mozambique.....	62,038,000	Southern Africa Region- al.....	90,929,000
Chad.....	65,249,000	Namibia.....	0	Africa Regional.....	466,711,000
Chile.....	1,388,662,000	Nauru.....	0	West Berlin.....	131,881,000
China.....	455,000	Nepal.....	260,924,000	European Regional.....	623,976,000
Colombia.....	1,603,319,000	Netherlands.....	2,312,211,000	Pacific Islands (Trust Territories of the United States).....	824,151,000
Comoros.....	269,000	Netherlands Antilles.....	0	Oceania Regional.....	40,158,000
Congo.....	10,427,000	New Caledonia.....	0	Interregional.....	29,830,000
Cook Islands.....	0	New Zealand.....	8,592,000	Total U.S. foreign aid for the period 1946 through 1980.....	229,105,000,000
Costa Rica.....	271,994,000	Nicaragua.....	370,060,000	Total other U.S. loans and grants for the period 1946 through 1980.....	47,476,000,000
Cuba.....	20,130,000	Niger.....	119,642,000	Total foreign aid for fiscal year 1981 (esti- mate).....	9,886,000,000
Cyprus.....	149,259,000	Nigeria.....	408,414,000	Grand total.....	286,467,000,000
Czechoslovakia.....	193,001,000	Norway.....	1,245,549,000		
Denmark.....	921,970,000	Oman.....	32,841,000		
Djibouti.....	4,716,000	Pakistan.....	5,684,567,000		
Dominican Republic.....	691,962,000	Panama.....	439,547,000		
Ecuador.....	430,714,000	Papua New Guinea.....	322,000		
Egypt.....	7,874,519,000	Paraguay.....	211,767,000		
El Salvador.....	284,571,000	Peru.....	903,809,000		
Equatorial Guinea.....	0	Philippines.....	3,131,494,000		
Ethiopia.....	667,704,000	Poland.....	539,300,000		
Falkland Islands.....	0	Portugal.....	1,326,246,000		
Faroe Islands.....	0	Qatar.....	0		
Fiji.....	0	Reunion.....	0		
Finland.....	57,088,000	Romania.....	22,435,000		
France.....	8,466,639,000	Rwanda.....	29,772,000		
French Antilles and Guiana.....	0	Ryukyu Islands.....	413,725,000		
French Polynesia.....	0	St. Christopher-Nevis- Anguilla.....	0		
Gabon.....	18,414,000	St. Lucia.....	0		
The Gambia.....	22,625,000	St. Vincent and the Gen- adines.....	0		
German Democratic Re- public.....	800,000	San Marino.....	0		
Germany, Federal Re- public of.....	4,980,422,000	Sao Tome and Principe...	566,000		
Ghana.....	391,312,000	Saudi Arabia.....	324,036,000		
Gibraltar.....	0	Senegal.....	163,180,000		
Greece.....	5,542,454,000	Seychelles.....	3,151,000		
Greenland.....	0	Sierra Leone.....	82,978,000		
Grenada.....	0	Singapore.....	21,962,000		
Guadeloupe.....	0	Solomon Islands.....	0		
Guatemala.....	492,562,000	Somalia.....	219,292,000		
Guinea.....	162,001,000	South Africa.....	1,300,000		
Guinea-Bissau.....	14,958,000	Spain.....	2,537,406,000		
Guyana.....	126,806,000	Sri Lanka.....	508,887,000		
Haiti.....	279,167,000	Sudan.....	296,238,000		
Honduras.....	356,690,000	Surinam.....	5,831,000		
Hong Kong.....	43,800,000	Swaziland.....	43,641,000		
Hungary.....	32,700,000	Sweden.....	109,037,000		
Iceland.....	82,184,000	Switzerland.....	0		
India.....	10,268,489,000	Syria.....	586,015,000		
Indonesia.....	3,188,872,000	Taiwan.....	6,567,227,000		
Iran.....	2,170,628,000	Tanzania.....	271,446,000		
Iraq.....	95,584,000	Thailand.....	2,407,318,000		
Ireland.....	146,524,000	Togo.....	50,152,000		
Israel.....	18,490,073,000	Tonga.....	0		
Italy.....	5,884,190,000	Trinidad and Tobago.....	40,864,000		
Ivory Coast.....	46,863,000	Tunisia.....	1,071,312,000		
Jamaica.....	192,591,000	Turkey.....	8,361,345,000		
Japan.....	3,950,707,000	Tuvalu.....	0		
Jordan.....	2,417,897,000	Uganda.....	53,474,000		
Kenya.....	394,459,000	United Arab Emirates.....	0		
Kiribati.....	0	United Kingdom.....	8,779,506,000		
		Upper Volta.....	139,045,000		
		Uruguay.....	248,659,000		

Mr. HELMS. Mr. President, \$286 billion—what a massive sum. The total budget of the U.S. Government in 1974 was \$267.9 billion.

Mr. President, I now offer a table showing how much money, on an annual basis, the U.S. Government has provided for all forms of foreign assistance—including foreign economic assistance, foreign military aid, and other forms of grants and loans. This information was supplied by the Library of Congress, which obtained it from the annual appropriations bills passed by Congress, and I ask unanimous consent that it be printed in the RECORD at this point.

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

U.S. FOREIGN ASSISTANCE—1946-80

(In millions of dollars)

Year	Military/economic assistance	Multilateral development banks ¹	Export-Import Bank loans	Total
1946	2,092.0	3,504.3	1,712.3	7,308.6
1947	6,326.9	141.9	214.1	6,682.9
1948	2,961.0	127.0	78.9	3,166.9
1949	8,037.0	170.6	148.6	8,356.2
1950	4,775.2	70.4	330.1	5,175.7
1951	4,181.9	30.8	142.5	4,355.3
1952	4,009.3	—	110.5	4,119.9
1953	6,394.8	—	382.2	6,777.0
1954	5,814.1	—	35.8	5,849.9
1955	4,831.7	—	354.9	5,186.6
1956	5,407.9	—	192.1	5,600.0
1957	4,996.7	35.2	469.0	5,500.9
1958	4,659.9	—	540.3	5,210.2
1959	4,975.3	1,375.0	660.0	7,011.1
1960	4,833.0	80.0	305.0	5,218.0
1961	4,814.0	74.0	962.0	5,850.0
1962	6,862.0	172.0	277.0	7,311.0
1963	7,238.0	122.0	290.0	7,640.0
1964	5,109.0	112.0	352.0	5,573.0
1965	4,224.0	312.0	358.0	4,894.0
1966	6,240.0	572.0	282.0	7,094.0
1967	6,220.0	572.0	151.0	6,943.0
1968	6,220.0	572.0	73.0	6,865.0
1969	6,220.0	572.0	67.0	6,859.0
1970	6,220.0	572.0	67.0	6,859.0
1971	6,220.0	572.0	67.0	6,859.0
1972	6,220.0	572.0	67.0	6,859.0
1973	6,220.0	572.0	67.0	6,859.0
1974	6,220.0	572.0	67.0	6,859.0
1975	6,220.0	572.0	67.0	6,859.0
1976	6,220.0	572.0	67.0	6,859.0
1977	6,220.0	572.0	67.0	6,859.0
1978	6,220.0	572.0	67.0	6,859.0
1979	12,213.0	1,632.0	3,688.0	17,533.0
1980	8,217.0	1,478.0	3,236.0	12,931.0

¹ Data excludes callable capital.

Mr. HELMS. Mr. President, I then asked the Library of Congress to specify the interest rate at which the Federal Government borrowed money during each year from 1946 through 1980. I ask unanimous consent that the Record include that information at this point. This information, I stress, was provided by the Library of Congress as obtained from Historical Statistics of the United States and the Statistical Index to the Annual Report of the Secretary of Treasury.

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

Year	Total U.S. foreign aid appropriated that year ¹	Interest rate at which U.S. Government borrowed money in that year (percent) ²
1946	\$7,308,600,000	1.996
1947	6,682,900,000	2.107
1948	3,166,900,000	2.182
1949	8,356,200,000	2.236
1950	5,175,700,000	2.270
1951	4,355,300,000	2.270
1952	4,119,900,000	2.329
1953	6,777,600,000	2.438
1954	5,849,900,000	2.342
1955	5,188,600,000	2.351
1956	5,600,000,000	2.576
1957	5,500,000,000	2.730
1958	5,210,000,000	2.638
1959	7,011,100,000	2.867
1960	5,218,000,000	3.297

INTEREST AND PRINCIPLE ASSOCIATED WITH DEBT FINANCING A SERIES OF EXPENDITURES

[Dollar amounts in millions]

Year	Current expenditures	Rolled-over debt obligation	Interest payment due on outstanding bonds	Total bonds issued	Interest rate (percent)	Total outstanding bonds
1946	\$7,308.6	0.0	0.0	7,308.6	1.996	7,308.6
1947	6,632.9	0.0	\$145.9	6,828.8	2.107	14,137.4
1948	3,166.9	0.0	289.8	3,456.7	2.182	17,594.0
1949	8,356.2	\$7,308.6	365.2	16,030.0	2.236	33,624.0

Year	Total U.S. foreign aid appropriated that year ¹	Interest rate at which U.S. Government borrowed money in that year (percent) ²
1961	5,850,000,000	3.072
1962	7,311,000,000	3.239
1963	7,640,000,000	3.360
1964	5,573,000,000	3.560
1965	5,688,000,000	3.678
1966	7,634,000,000	3.988
1967	8,443,000,000	4.039
1968	8,065,000,000	4.449
1969	7,814,000,000	4.891
1970	8,166,000,000	5.557
1971	9,516,000,000	5.141
1972	11,480,000,000	5.093
1973	12,256,000,000	5.872
1974	12,809,000,000	6.560
1975	9,807,000,000	6.352
1976	8,824,000,000	6.457
1977	8,503,000,000	6.424
1978	11,881,000,000	7.126
1979	17,533,000,000	8.057
1980	12,931,000,000	9.032

¹ Statistical information provided by the Library of Congress Congressional Research Service and based on U.S. Government documents, including Agency for International Development Statistics and Reports Division records.
² Interest figures from Historical Statistics of the United States and Statistical Index to the Annual Report of the Secretary of the Treasury.

Mr. HELMS. Mr. President, I then sought to ascertain the effect of such a large annual expenditure of Federal funds over a period of 35 years—in other words, its effect on the national debt. I sought to determine, as precisely as possible, the effect of spending more than \$286 billion in foreign aid.

At this point, I asked the Library of Congress to develop a set of assumptions so that the cost of foreign aid—in terms of 1982 dollars—and its effect on the Federal debt could be reasonably assessed.

Mr. President, here are the assumptions that the Library of Congress took into account in complying with my request:

First, my request was for a tabulation of the interest payments and outstanding debt obligations associated with a series of expenditures. The annual expenditures and interest rates are based on information contained in the preceding tables, which were prepared with the assistance of the Agency for International Development, the Appropriations Committee of the U.S. Senate, and the Library of Congress.

Second, to calculate the interest payments, the Library of Congress assumed that the U.S. Government issued bonds of 3 year term to finance the full amount of the rolled-over debt in each year.

Third, thus, the total amount of interest associated with a given bond issue equals the face value of the bonds, multiplied by the interest rate of the bond, and compounded to the present date.

Fourth, The Library assumed that the interest payments were also financed by borrowing.

Fifth, it was also assumed, at my suggestion, that all bonds were rolled over at maturity into new debt obligations. Thus, for example, in 1946, 7.3 billion dollars' worth of 3-year bonds are assumed to have been issued at an interest rate of 1.996 percent. Since bonds would have matured in 1949, it was further assumed that they would be paid off by issuing 7.3 billion dollars' worth of new bonds at the 1949 interest rate of 2.236 percent. Thus, together with bonds to finance the 1949 expenditures of \$8.3 billion and bonds to finance the payments due in 1949, the total amounts of new bonds issued in 1949 would be \$16 billion.

It was on this basis, and at my suggestion, Mr. President, that the Library of Congress proceeded to make its calculations. In a moment I will offer for the RECORD a table disclosing this information, but first, Mr. President, perhaps an explanation of the table would be in order:

Column 1 of the table shows the current expenditure in each year.

Column 2 shows the rolled-over debt obligation.

Column 3 identifies the amount of interest due in a given year.

Column 4 discloses the total amount of bonds issued each year.

Column 5 contains the interest rate applicable each year, based on the rate at which the U.S. Government borrowed money during that year.

Finally, the total amount of outstanding bonds insuing from these expenditures is contained in column 6.

Mr. President, I emphasize that I requested that the Library of Congress assume, in its calculations, that the expenditures made in a given year were financed exclusively by borrowing—and that, had those expenditures not been made, the Federal Government would have borrowed that much less.

The hypothetical assumption was made that there would have been no changes in spending on other Federal programs, or in tax rates; and that in the very few years when the deficit was less than the Federal Government's expenditures on foreign aid, none of the relatively small savings made would have been used to retire the national debt.

Mr. President, I ask unanimous consent that these computations by the Library of Congress be printed in the RECORD at this point.

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

Year	Current expenditures	Rollled-over debt obligation	Interest payment due on outstanding bonds	Total bonds issued	Interest rate (percent)	Total outstanding bonds
1950	5,175.7	6,828.8	577.7	12,582.2	2.000	46,206.2
1951	4,355.3	3,456.7	685.5	8,497.5	2.270	54,703.7
1952	4,199.9	16,030.0	803.0	21,032.9	2.329	75,736.6
1953	6,777.6	12,582.2	934.4	20,294.2	2.438	96,030.8
1954	5,849.9	8,497.5	1,177.5	15,524.9	2.340	111,557.7
1955	5,188.6	21,032.9	1,347.9	27,569.4	2.351	139,112.0
1956	5,600.0	20,294.2	1,506.2	27,400.4	2.576	166,325.4
1957	5,500.0	15,524.9	1,717.3	22,742.2	2.730	189,367.6
1958	5,210.0	27,569.4	1,974.9	34,754.2	2.638	224,021.8
1959	7,011.1	27,400.4	2,243.5	35,555.0	2.967	250,575.3
1960	5,218.0	22,742.2	2,588.6	30,548.7	3.297	291,225.6
1961	5,850.0	34,754.2	2,974.9	43,579.1	3.072	334,804.7
1962	7,311.0	36,655.0	3,396.8	47,362.9	3.239	392,167.6
1963	7,640.0	30,548.7	3,880.0	42,058.8	3.350	424,236.3
1964	5,573.0	43,579.1	4,286.3	53,438.5	3.560	477,674.8
1965	5,668.0	47,362.9	4,850.0	57,880.9	3.678	535,555.7
1966	7,634.0	42,068.8	5,444.8	55,147.5	3.980	590,705.2
1967	8,443.0	53,438.5	6,730.6	66,112.0	4.039	652,315.2
1968	8,065.0	57,860.9	7,079.2	73,025.1	4.449	731,643.3
1969	7,814.0	55,147.5	8,199.2	71,160.7	4.891	803,201.0
1970	8,166.0	68,112.0	9,480.4	85,758.4	5.557	888,759.4
1971	9,516.0	73,025.1	11,495.0	94,036.0	5.141	982,795.5
1972	11,480.0	71,160.7	13,080.5	95,721.2	5.093	1,078,516.7
1973	12,256.0	85,758.4	14,475.1	112,489.5	5.872	1,191,005.2
1974	12,809.0	94,036.0	16,314.9	123,159.9	6.560	1,314,166.0
1975	9,807.0	95,721.2	19,559.8	125,068.0	6.352	1,439,254.0
1976	8,824.0	112,489.5	22,630.3	143,943.7	6.457	1,583,197.7
1977	8,503.0	123,159.9	25,319.3	156,982.2	6.424	1,740,179.9
1978	11,881.0	125,088.0	27,324.6	164,293.5	7.126	1,904,473.5
1979	17,533.0	143,943.7	31,086.5	192,562.3	8.057	2,097,036.7
1980	12,931.0	156,982.2	37,306.9	207,220.1	9.032	2,304,256.9

Mr. HELMS. Mr. President, when I first examined these figures, I was dumb-founded. But the Library's computations are correct, based on the assumptions that the Library made, and predicated upon my specific request.

So, Mr. President, to reiterate, the Library of Congress has computed that the net cost of foreign aid, in 1982 dollars, has been \$2,304,257,900,000.00, more than twice the existing national debt of the United States, and just short of the latest estimates of our Nation's gross national product for the year.

This is an astounding figure.

There may be some, Mr. President, who will choose to find fault with this computation. I do not believe their complaints, if any, will be valid. But if it will comfort them I am willing to halve the total figure, if it will satisfy their concerns.

It is true that some countries have repaid a portion of their debt to the United States over the years—something like \$30 billion has been repaid since 1946. So, we should allow for that, of course. In addition, no one knows what effect on taxes, or on other Federal programs, might have derived from a budget with no foreign aid expenditures. That would be sheer speculation. Would there be a decline in tax revenues or lower taxes as a result of cutting foreign aid? What effect would cuts in foreign aid have had on Government borrowing?

It is, however, fair to say that the funds spent on foreign aid, had they been spent in the United States, would have resulted in a far higher gross national product today for the United States. A higher GNP would have meant higher revenues with the same tax rates we have today and thus a smaller deficit and fewer of the problems that are crippling our economy. It is, however, impossible to predict

with certainty the effects of reallocated resources, but I think it is fair to say that the return on an investment anywhere in the United States would have been better than in the "investments" we have made with our foreign aid program.

But, Mr. President, what I do know—and every other American knows it—is this: The American people are being stifled by a huge Federal deficit, high interest rates, and a national debt of more than a trillion dollars.

No longer is there confidence in the stock market as a place for long-term investment. In 1966, the stock market peaked at 1,000 and has not seen that level since. Today the market fluctuates in the 800's. But in terms of 1982 dollars, a 1,000 Dow Jones 1966 average would equal about 3,000 today.

In the 1970's people moved from stocks into tangible commodities as a safe haven for investment as public confidence in financial markets waned. Thus, real estate, gold, antiques, and other tangible collectibles became the focus of much public investment.

Today, gold prices have fallen from a high of more than \$800 to the low \$300's. High interest rates have all but destroyed investment in real estate. Tangibles have gone the way of stocks as stable forms of investment.

The long-term bond market today is minimal. Industry is financing capital expenditures, to the extent they exist, from the short-term market.

The American people are today investing mostly in money market funds, an asset which is more liquid than most others, and more accessible to the investor. Put another way, the store of value that is most attractive today is the one with the shortest future.

What has happened to erode public confidence in the future of our Na-

tion's economy? Why do most citizens feel comfortable in investing only in short-term money market funds?

I submit that the incredible Federal debt is one of the most important reasons for this Nation's economic woes.

That exact Federal debt on May 11 was \$1,060,237,928,516.01.

That is one trillion, sixty billion, two hundred thirty seven million, nine hundred twenty eight thousand, five hundred sixteen dollars and one cent.

Thus, the national debt is one-third of the gross national product of the United States; in the first quarter of 1982, the GNP of the United States, annualized by the Treasury, was \$2.995 trillion.

Mr. President, this fiscal year, it will require more than \$115 billion just to pay the interest on the Federal debt. This is a figure which exceeds the entire budget of the United States just 20 years ago; \$115 billion is more than three times the budget outlays for defense of Great Britain, our NATO ally. Is there any wonder that the economy is in turmoil?

Without the burden of such interest payments, not only could the President balance the current Federal budget—there would be a surplus to return to the taxpayers.

How did we get into such a state?

Congress after Congress voted irresponsibly to approve grotesque deficits. President after President, of both parties, proposed such budgets, and Congress went along.

Programs having no place in the Federal budget were proposed and became law: Food stamps, a variety of ill-conceived transfer payment programs, and many others. Among the most costly of those has been foreign aid.

Mr. President, have we learned a lesson?

Testimony of: Ronald F. Hall
2324 SE 21 St., Terr.
Topeka, Kansas 66605

2/18/85

Re: H.R. 6002

Mr. Chairman and distinguished members of the House Federal and State Affairs Committee:

The question of aid and trade by the United States to the announced enemies of the United States is of great concern to me. My young children have a stake in our national future. As a young American citizen, I should like to approach my concern by asking you this question: Would it have been wise for the United States to have established aid and trade ties with the National Socialists of Germany? Would it have been wise to give them our grain, our high technology, our oil, and industrial knowhow? After all, Adolf Hitler had successfully tricked the German people into electing him as Chancellor by promising them everything.

as recorded in the New York Sun for Wednesday, May 17, 1933, tell us that Chancellor Hitler wanted to "Cooperate With America"; that he "gratefully indorsed President Roosevelt's plan for relieving the international crisis and promised cooperation with Mr. Roosevelt's efforts."

Five years later, the New York Sun for Friday, September 30, 1938, headlined "Peace Forever Is Pledged by Germany and Britain."

On June 14, 1940, the Sun headlined "Nazis Take Paris and Sweep South".

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Meanwhile, Nazi Germany and Communist-occupied Russia had collaborated with the infamous Hitler-Stalin pact of 1939 which resulted in carving up eastern Europe with the Nazis on one flank and the Soviets on the other flank. Incredibly, under the terms of the June 11, 1942 Lend-Lease agreement with the United States government, the Soviet Union was supplied with billions of American dollars worth of equipment. So massive was this assistance that it helped build the U.S.S.R. into the military-industrial power it is today. That agreement included 400 combat vessels, 90 dry-cargo vessels and 10 ocean-going tankers. The terms of the agreement required the Soviets to return those vessels, but, the Soviets kept them. We shipped the Soviets 14,018 aircraft; 466,968 vehicles including 6,196 tanks and 182,938 2½ ton trucks; 325,784 tons of explosives; 1,966 train locomotives, and over 4,200,000 tons of foodstuffs. The total price tag for these and other Lend-Lease supplies was set at \$11.1 billion. The Soviets never made good on this debt. They did pay \$36 million, or 0.3% of the total amount. But, in 1975, they refused to make any additional payments whatsoever. In short: the U.S. taxpayers got stuck with the tab. It is no exaggeration to say that the Soviet Union was built by the West -- especially by the United States.

While the Swastika of National Socialism is a thing of the past, the Hammer and Sickle of International Socialism marches on and with the help of the United States Government.

On October 18, 1972, President Nixon ordered the Export-Import Bank of the United States to guarantee, insure, extend credit and participate in the extension of credit in connection with the purchase or lease of any product or service by, for use in, or for sale or lease to the Soviet Union.

And so it has gone from Administration to Administration -- Republican or Democratic -- since the establishment of the Export-Import Bank in 1945.

More recently, President Reagan signed a Presidential Determination to extend credit through the Export-Import Bank to Communist-occupied China for steel-making equipment in the amount of \$68,425,000.

U.S. subsidy of the Red Chinese includes a \$60.4 million loan from the Export-Import Bank at 11% interest. The first ten semi-annual payments on this loan is scheduled for November of 1986. The remaining \$8 million involves private funds that our government has promised to repay if the Reds fail to do so. Of course, the U.S. taxpayers will pay if the Communist Chinese prove to be as unreliable as the Soviets were with Lend-Lease, or Poland with its recent obligations to major banks.

There are those people in the United States who are obsessed with a "Global" perspective. They see themselves as world citizens and ridicule their American heritage by referring it as "narrow notions of national sovereignty".

While I agree with free access to international markets, I disagree that we have to deal through governments to accomplish it.

Only 5% of the Chinese are Communists -- but -- that 5% represents 100% of governmental authority. Likewise in Communist-occupied Russia and elsewhere in the Communist world. One cannot deal with the people of a Communist state without dealing with its brutal government.

The Communists in China have murdered as many as 64 million of their countrymen, according to Dr. Richard Walker's study titled "The Human Cost of Communism In China" -- U.S. Senate Subcommittee Report for 1971.

The Guinness Book of Records tells us that the Communist Chinese have murdered more people than any other government in recorded history. The Soviets are ranked second in mass murder. The Nazis rank third, according to Guinness.

And, the American people have been the principal source of subverting the planet through so-called "Foreign Aid" appropriations mandated by the Congress. The time has come to tell the Congress "enough is enough". Your support of H.R. 6002 will send that message to our nation's leaders.

As Industrial Research and Development magazine for July 1980 put it, "U.S. Builds Soviet War Machine". This has got to stop.

EDITORIAL

Is the U.S. the arsenal of Communism?

ON DECEMBER 29, 1940, in one of his famous "Fireside Chats" with the people of the United States, President Franklin D. Roosevelt told his radio audience that "We must become the arsenal of democracy." At that time the Nazi war machine had overrun most of Europe, and Nazi leaders looked hungrily eastward while Japan's war lords turned from the conquest of China to eye the Philippines, Hawaii, and Australia. France had been devastated. England was reeling. The U.S. defenses had been weakened by years of isolationism. The Tokyo-Rome-Berlin "Axis" was at full-scale war production when Franklin Roosevelt nudged this barely-stirring nation with his call for action to save democracy. A year later the U.S., too, was reeling and in the midst of full-scale war.

Today, things are different. The people of this nation, having fought in two world wars and in several other major wars in this century, know full well the dangers of military confrontation, the horrors of war. Then why, we ask — why are we letting this nation export technology with military potential to the East. Why be the arsenal of Communism?

After three months of investigation, this magazine has documented proof of the frequent failure if not total disarray of U.S. government efforts to control or prevent the export of high technology with strategic value or war-making potential to Communist nations. Not only does the U.S. program have intentionally-built-in loopholes, it is operated in part by bureaucrats who don't care about the problem while many of the others are being prevented from doing their jobs by Congress and the White House.

Among the consequences of this bungling are Russian Army trucks carrying invading troops and supplies into Afghanistan — trucks fresh out of factories that were supplied by Western firms, using the latest Western technology. How can this happen? Our government did it, we are told, in the interest of detente. The same sort of situation was uncovered by our investigation in computers, lasers, machine tools, and instruments.

In addition to government failures, militarily-useful high technology has been knowingly diverted to Soviet-Bloc countries by exporters using third parties. Some has been stolen from gullible U.S. marketers.

We don't think you'll enjoy reading the findings of this R&D investigation into the dark side of technology export. We didn't do it to entertain. Instead, we ask you to read and to think carefully about this situation. (Our in-depth report of the problem as we uncovered it begins on page 51.) Then ask yourself, "Do we want the U.S. to be the arsenal of Communism?"


editor

Testimony of: Mark Andrews
1104 Taylor # 1
Topeka, Kansas 66612

2/18/85

Re: H.R. 6002

This Resolution may raise some eyebrows amongst uninformed or misinformed Kansas farmers. Stop and reflect on the latest of many U.S.-U.S.S.R. grain deals. There are a number of striking abnormalities about which Kansas farmers are in the dark. If they knew the truth, they'd be up in arms.

The five-year agreement signed on August 25, 1983 in Moscow by John R. Block, Secretary of Agriculture, contains the following provision:

"During the term of this Agreement, except as otherwise agreed by the Parties, the government of the U.S.A. shall not exercise any discretionary authority authority available to it under United States law to control exports of commodities purchased for supply to the U.S.S.R. ..."

So, you may forget any possibility that H.R. 6002 would in any way compromise the August 25, 1983 grain steal. American farmers will continue to feed the Soviet Union regardless of Soviet behavior.

This agreement signed less than a week before the cold-blooded murder of 269 passengers aboard Flight 007 is iron-clad. Moscow can duplicate another Afghanistan invasion elsewhere; repeat it Polish-style repression, purge native dissidents, persecute Christians and Jews for trying to practice their religion,

Mark Andrews
2/18/85

step up arms shipments to puppets in the Middle East or Latin America, shoot down any number of unarmed jumbo-jets, attempt to again assassinate the Pope, and do virtually anything else short of invading the United States. No worry, American farmers will supply the grain.

This agreement contains no provision allowing the United States to curtail shipments in the event of a shortage here. Severe drought in 1983 left U.S. corn production down 35-50%. Amazingly, the Soviet Union's needs will get top priority. In the meantime, Soviet ships have been busily unloading American wheat on Nicaragua's docks. Earlier, American taxpayers -- farmers included -- were forced to pay Poland's indebtedness to U.S. banks. Those debts resulted from the Polish government's purchase of U.S. agricultural products. So, we not only supplied food for the totalitarian Polish government, we even paid for it. How we get paid by the heavily indebted U.S.S.R. is anyone's guess.

And, finally, do you believe that the Soviet Union would sign such an agreement if it did not benefit the Soviet Union? The larger question is: Why does our government continue to aid the Soviet Union?

And, that is the question raised by H.R. 6002.

It's time to let our national leaders and the Congress know that we want to know why.

Text of American-Soviet Grain Pact

Special to The New York Times

MOSCOW, Aug. 25 — Following is the text of the American-Soviet grain agreement signed today by Agriculture Secretary John R. Block of the United States and Foreign Trade Minister Nikolai S. Patolichev of the Soviet Union:

The Government of the United States of America and the Government of the Union of Soviet Socialist Republics, recalling the "basic principles of relations between the United States of America and the Union of Soviet Socialist Republics" of May 29, 1972, and other relevant agreements between them, desiring to strengthen long-term cooperation between the two countries on the basis of mutual benefit and equality, mindful of the importance which the production of food, particularly grain, has for the peoples of both countries, recognizing the need to stabilize trade in grain between the two countries and affirming their conviction that cooperation in the field of trade will contribute to overall improvement of relations between the two countries, have agreed as follows:

ARTICLE I

The Government of the U.S.A. and the Government of the U.S.S.R. hereby enter into an Agreement for the purchase and sale of wheat and corn for supply to the U.S.S.R. To this end, during the period that this Agreement is in force, except as otherwise agreed by the Parties, the Soviet foreign trade organizations shall purchase from private commercial sources, for shipment in each 12-month period beginning Oct. 1, 1983, nine million metric tons of wheat and corn grown in the U.S.A. In doing so, the Soviet foreign trade organizations, if interested, may purchase, on account of the said quantity, soybeans and/or soybean meal produced in the U.S.A., in the proportion of one ton of soybeans and/or soybean meal for two tons of grain. In

any case, the minimum annual quantities of wheat and corn shall be no less than four million metric tons each.

The Soviet foreign trade organizations may increase the nine million metric ton quantity above without consultations by as much as three million metric tons of wheat and/or corn for shipment in each 12-month period beginning Oct. 1, 1983.

The Government of the U.S.A. shall employ its good offices to facilitate and encourage such sales by private commercial sources.

Purchases/sales of commodities under this Agreement will be made at the market price prevailing for these products at the time of purchase/sale and in accordance with normal commercial terms.

ARTICLE II

During the term of this Agreement, except as otherwise agreed by the Parties, the Government of the U.S.A. shall not exercise any discretionary authority available to it under United States law to control exports of commodities purchased for supply to the U.S.S.R. in accordance with Article I.

ARTICLE III

In carrying out their obligations under this Agreement, the Soviet foreign trade organizations shall endeavor to space their purchases in the U.S.A. and shipments to the U.S.S.R. as evenly as possible over each 12-month period.

ARTICLE IV

The Government of the U.S.S.R. shall assure that, except as the Parties may otherwise agree, all commodities grown in the U.S.A. and purchased by Soviet foreign trade organizations under this Agreement shall be supplied for consumption in the U.S.S.R.

ARTICLE V

Whenever the Government of the U.S.S.R. wishes the Soviet foreign trade organizations to be able to pur-

chase more wheat or corn grown in the U.S.A. than the amounts specified in Article I, it shall notify the Government of the U.S.A.

Whenever the Government of the U.S.A. wishes private commercial sources to be able to sell to the U.S.S.R. more wheat or corn grown in the U.S.A. than the amounts specified in Article I, it shall notify the Government of the U.S.S.R.

In both instances, the parties will consult as soon as possible in order to reach agreement on possible quantities of grain to be supplied to the U.S.S.R. prior to purchase/sale or conclusion of contracts for the purchase/sale of grain in amounts above those specified in Article I.

ARTICLE VI

The Government of the U.S.A. is prepared to use its good offices, as appropriate and within the laws in force in the U.S.A., to be of assistance on questions of the appropriate quality of the grain to be supplied from the U.S.A. to the U.S.S.R.

ARTICLE VII

It is understood that the shipment of commodities from the U.S.A. to the U.S.S.R. under this Agreement shall be in accord with the provisions of the American-Soviet Agreement on Maritime Matters which is in force during the period of shipments hereunder.

ARTICLE VIII

The Parties shall hold consultations concerning the implementation of this Agreement and related matters at intervals of six months and at any other time at the request of either Party.

ARTICLE IX

This Agreement shall enter into force on execution and shall remain in force until Sept. 30, 1988, unless extended by the Parties for a mutually agreed period.

Done at Moscow this 25th of August, 1983, in duplicate, each in the English and Russian languages, both texts being equally authentic.

INFORMATION ABOUT THE SUKHOI 15 FLAGON (SU 15) STANDARD B-52 INTERCEPTORUSED TO SHOOT DOWN KOREAN AIRLINER 7 ON 9/1/83

(Source: Stephen V. Cole, Editor of *For Your Eyes Only*, P.O. Box 3012, Amarillo, Texas 79106.)

SU-15 CAN CARRY TWO KINDS OF MISSILES:

1. Two AA7 Air-to-Air APEX -- 18', 700 lb. with a range of 25 miles. Radar-guided.
2. Two AA8 APHID -- 7', 120 lb. with a range of 3 - 3 1/2 miles. 12 - 13 lb. heat-seeking warhead.

Both are dependent on U.S. micro-chip technology.

The radar involved may depend on U.S. micro-chip technology.

THE LATEST VERSION OF THE (SU-15) IS EQUIPPED WITH A FOXFIRE RADAR WHICH IS A COPY OF A U.S. RADAR SYSTEM.

STATEMENT BY SECRETARY OF THE NAVY TO THE 1983 GRADUATING CLASS OF ANAPOLIS

John Lehman, the Secretary of the Navy on May 25th, 1983, said in his address to the graduating class of Annapolis:

"Within weeks many of you will be looking across just hundreds of feet of water at some of the most modern technology every invented in in America. Unfortunately, it is on Soviet ships."

-Proceedings of the Naval Institute, August 1983, pp. 73, 74.

Testimony of: Don Jesse
3824 SE 30th Pk.
Topeka, Kansas

2/18/85

Re: H.R. 6002

There are some serious moral questions we must consider in the matter of our lending aid and comfort to the announced enemies of the United States. But, we must look at our own government -- at the highest levels of government -- to really understand what has been happening both here and abroad.

The aid and trade question is not necessarily the cause of our national condition, but, rather, the effect of a shift of morality from the fundamental Judeo-Christian precepts upon which the United States was built to an amoral, destructive philosophy which seeks to bankrupt the citizens of the United States, build up its announced enemies, and place our nation in a position of being unable to defend itself.

Let's bring this destrutive philosophy closer to home and you'll begin to see how evil it really is.

Clay Center, Kansas, is the home of Frigon, Inc.

Writing in Kansas Business News for September 1984, Phil Frigon boasts of his relationship with the Communist Chinese in the manufacture of Red Chinese model shot-gun. In building his relationship with Robert Yung's Great Eastern Development of Connecticut and Frigon's Clayco Sports, Ltd, Frigon declares that he told the Red Chinese, "...we'll give you the technology and we'll show you how to make it like we want it."

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He goes on to explain how the Chinese laborers "are programmed to do one thing" and, how that is an obstacle to overcome. He observes that the "Chinese people are quite regimented." And, he observes that "With so many people, though, they probably have to be, or the country would be out of control." Let us hope that one day soon Communist-occupied China is out of control; that the oppressed people there seize control of their sad country and let freedom ring.

Mr. Frigon is really telling us that he buys his Model 6 Over/Under shotgun from the Red Chinese through NORINCO, or China North Industries Corporation, the only "source of firearms in (Red) China". He says, "It's government run, of course". And, he observes that for the Chinese "everything is getting better every day. They have money in their pockets now -- maybe only \$50 a month, but they have food and place to live and some money."

Mr. Frigon is talking about the slave-labor economy of Communist China. And, he sells shot-guns made to his specifications which are manufactured by Chinese slave labor. And, he sells them to American consumers for "\$100 to \$125 less than for other comparable guns." And, he informs us that "China's trade status has been upgraded and import duties run from 3 to 11 percent." Who gets the 3 to 11% import duties? The U.S. Government, of course.

As you may know, it is a capital crime to own firearms in a totalitarian country. Hitler confiscated weapons after first registering them.

Chinese slave labor is manufacturing guns for Frigon; guns they cannot own.

Would you trust a gun made by slave labor?

Phil Frigon describes as a "good seller" his semi-automatic version of a Russian AK-47. He says the (Red) Chinese call it the Type 56. He goes on to say, "Thousands of Vietnam vets looked down the barrels of these Chinese-made guns."

Is Mr. Frigon telling us something? He certainly is.

He's telling us that the Red Chinese Type 56 is the Russian AK-47 from which he manufactures his own semi-automatic version in Communist-occupied China for sale in the United States.

And, he's telling us that Type 56 is the AK-47 that our Vietnam-era GIs confronted in Vietnam.

That means that the Soviets provided the Red Chinese with AK-47s they call Type 56.

And, we were told that the Soviets and the Red Chinese are enemies; that the Soviets were not supplying arms to the Viet Cong via Red China.

Get the drift?

Don Jesse

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We can't put Mr. Frigon out of business.

But, we can demand an end to slave-labor manufacturing.

It's cruel. It's evil.

Let's hope Mr. Frigon's guns manufactured in Red China don't work.

Maybe the slave-labor there is sending us a message.