

I remember several years ago the Jensen amendment, which I thought was an excellent one. It simply said for every four vacancies that occurred in the normal turnover in Federal employment you could only fill one. This perhaps is a crude way of getting total employment down, but it is also possible through productivity increase, if the Government would ever think of it in these terms, to reduce the Federal payroll, but the Federal payroll has continued to expand. Since there is Federal payroll in almost every area, I don't regard this as an uncontrollable item.

Mr. SCHULTZE. Look at the table on the last page of my statement. You will find personnel compensation classified under "relatively controllable." What I did indicate in my text was that it is much more difficult to reduce expenditures in this area than it is in the remaining controllable expenditures, but I have personnel compensation down under "controllable."

Mr. CURTIS. I again point out in defense I don't think the figure cited can be the entire saving, because if we will move in this area, I think probably we will get more military dollars. Foreign aid is a clear area for cutbacks in these times even though I happen to favor the theory of foreign aid. The interest equalization tax is restricting private investment abroad, and this administration has asked for increased soft loans, from the development loan banks, which are not really loans in my judgment. I voted for the Asiatic Bank because I think properly disciplined this is a better way. But the point I am trying to make is that this is not an area where there has been a cutback. It has increased.

Mr. SCHULTZE. Again let's go back to 1965 to compare it and take foreign economic assistance administered by AID. Two things have happened. Expenditures in Vietnam by AID have risen, admittedly, some \$500 million plus.

In all areas other than Vietnam, AID expenditures have decreased by about \$150 million. In addition they are much more closely tied than they were previously to U.S. exports. This is not fully effective, we realize that, but it is as effective as we can make it.

Mr. CURTIS. And also there is a great misconception deliberately perpetrated on the American public by AID that this aid is actually tied, the specific project, to build a school or a road with purchases from the United States.

This is tied to what that country would be buying in the United States whether there were an AID program or not. That doesn't mean I object necessarily to the tying, but I just want to make it clear, in any rate, in foreign aid, AID is only part.

There is the Development Loan Fund, and I again say the soft loans are thinly disguised grants, and Public Law 480 grants, and disposal of military surplus.

Mr. SCHULTZE. May I make two points on that, Mr. Curtis?

Mr. CURTIS. Yes.

Mr. SCHULTZE. The Development Loan Fund is in AID and is included in the numbers I cited.

Mr. CURTIS. On Development Loan Fund bank and the Asiatic Bank.

Mr. SCHULTZE. I know of no Development Loan Fund bank. I think you may be talking about IDB, the Inter-American Development Bank.