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SENATE

REPORT
No. 92-823

FOREIGN ASSISTANCE ACT OF 1972

MAY 31, 1972.—Ordered to be printed

Mr. FULBRIGHT, from the Committee on Foreign Relations,
submitted the following

REPORT

together with

ADDITIONAL VIEWS

[To accompany S. 3390]

The Committee on Foreign Relations, to which was referred the bill (S. 3390) to amend the Foreign Assistance Act of 1961, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

I. PRINCIPAL PURPOSE OF THE BILL

The principal purpose of the bill is to authorize funds for FY 1973 for military and related assistance programs carried out under the authority of the Foreign Assistance Act of 1961 as amended and the Foreign Military Sales Act as amended. The bill also authorizes additional funds for relief activities in Bangladesh. The following table lists the various categories of assistance to be authorized by this bill and compares the Committee's recommendations with the amounts appropriated for FY 1972 and the Executive Branch's authorization request:

TABLE I.—FOREIGN ASSISTANCE—FISCAL YEAR 1972 APPROPRIATIONS, FISCAL YEAR 1973 AUTHORIZATION REQUEST, AND COMMITTEE ON FOREIGN RELATIONS RECOMMENDATIONS

[In thousands of dollars]

Program	Fiscal year 1972 appropriation	Fiscal year 1973 authorization request	Committee recommendation
I. Security assistance:			
1. Grant military assistance	500	780	600
2. Foreign military credit sales (Credit ceiling)	400	527	400
3. Security supporting assistance	¹ (550)	(629.0)	¹ (550)
Israel	550	844.0	650
	(50)		(50)
Total security assistance	1,480	2,151	1,650
II. Economic assistance:			
1. International narcotics control	(²)	42.5	(³)
2. Bangladesh relief assistance	200	100.0	50
Total for security and economic assistance programs in S. 3390	1,680	2,293.5	1,700

¹ Of which \$300,000,000 is earmarked for Israel.

² There was no specific appropriation for fiscal year 1972 for international narcotics control. A total of \$20,800,000, taken from other appropriation categories, is to be used for this work in fiscal year 1972, however.

³ The committee recommended that \$42,500,000 be included in S. 3526, the Foreign Relations Authorization Act of 1972, for this activity.

II. OTHER PURPOSES OF THE BILL

In addition to authorizing appropriations as detailed in Table I, the bill also does the following:

1. Prohibits (a) use of funds for maintenance of U.S. forces in South Vietnam after August 31, 1972, and (b) participation of U.S. forces in hostilities in or over Indochina upon the fulfillment of the following conditions:

(1) The reaching of a cease-fire agreement between the United States and the National Liberation Front and those allied with the N.L.F.;

(2) Release of all U.S. prisoners of war held by the government of North Vietnam and forces allied with it; and,

(3) The rendering of an accounting for all Americans missing in action who have been held by or known to North Vietnam and its allies.

2. Requires that certain future agreements relating to overseas military installations or the storage of nuclear weapons abroad be submitted to the Senate for its advice and consent.

3. Prohibits obligation or expenditure of funds to carry out military base agreements with Portugal and Bahrain until the agreements have been submitted to the Senate in treaty form.

4. Imposes a \$275 million ceiling for fiscal year 1973 on U.S. obligations in, for, or on behalf of Cambodia, excluding the cost of U.S. air operations and South Vietnamese operations in Cambodia.

5. Returns funding of military aid to Laos and South Vietnam to the regular foreign military assistance program beginning in FY 1974.

6. Requires specific authorization for the financing of foreign forces operating in Laos, Thailand, or North Vietnam.

7. Prohibits U.S. government military assistance or sales to the nations of South Asia.

8. Prohibits transfer of Agency for International Development development assistance or disaster relief funds for use for military or supporting assistance purposes.

9. Prohibits transfers of foreign assistance funds to other agencies except as reimbursement for services rendered.

III. COMMITTEE ACTION

On March 14, 1972, the President sent a message to Congress and transmitted draft legislation concerning funding of his foreign assistance program for FY 1973. That draft bill was introduced by the Chairman of the Committee, by request, on March 21, 1972. Public hearings were held on it on April 17, 18, and 19, 1972, at which the following witnesses were heard:

Robert Alpern, SANE, A Citizens' Organization for a Sane World
Timothy Butz, Vietnam Veterans Against the War
Dr. Richard Cash, The Bangladesh Information Center
Honorable Joseph S. Clark, Chairman, Coalition on National Priorities and Military Policy

Honorable Melvin R. Laird, Secretary of Defense; accompanied by Adm. Thomas H. Moorer, U.S. Navy, Chairman of the Joint Chiefs of Staff; Lt. Gen. George M. Scignious II, U.S. Army, Deputy Assistant Secretary of Defense (International Security Affairs) for Security Assistance and Director, Defense Security Assistance Agency; Rady A. Johnson, Assistant to the Secretary of Defense; Donald S. Floyd, Special Assistant for Congressional Relations, Office of the Assistant Secretary of Defense for International Security Affairs; Col. Robert M. Lucy, U.S. Marine Corps, Legal Adviser and Legislative Assistant to the Chairman, Joint Chiefs of Staff; and Christian A. Chapman, Director, Office of Military Assistance Sales, Bureau of Politico-Military Affairs, Department of State

Allard K. Lowenstein, National Chairman, Americans for Democratic action

Earl C. Ravenal, Federation of American Scientists

Honorable William P. Rogers, Secretary of State; accompanied by Dr. John A. Hannah, Administrator, Agency for International Development; George S. Newman, Acting Coordinator of Security Assistance; and Thomas R. Pickering, Deputy Director, Bureau of Politico-Military Affairs, Department of State

Rev. John Coventry Smith, General Assembly of the United Presbyterian Church in the United States

Michael Yarrow, Friends Committee on National Legislation

The bill was considered in two executive sessions on May 23, 1972, and ordered reported with amendments that day by a vote of 11 to 3. Those voting in favor of the motion to report the bill were: Senators Church, Symington, Pell, McGee, Muskie, Aiken, Case, Cooper, Javits, Scott, and Pearson. Those voting against were Senators Fulbright, Mansfield, and Spong.

IV. COMMITTEE COMMENTS

The Committee has for some years been concerned over the failure of the Executive Branch to bring together into one coherent picture

all of the bits and pieces in the total program of United States assistance to foreign countries. The Committee must consider individual foreign aid authorization requests, such as those in this bill, within the context of the nation's total foreign aid programs, overall foreign policy objectives, and sound national priorities for use of the taxpayers' money. The military aid programs recommended for authorization in this bill represent only about one-third of the total foreign military assistance package proposed for the 1973 fiscal year, \$1.65 billion out of \$4.7 billion. When government cash sales and commercial sales of military equipment and supplies are included, the estimated total flow abroad of United States arms and related material for fiscal year 1973 comes to \$7.6 billion as seen in the table below:

Table II. Military and related assistance and arms sales, fiscal year 1973

(Executive Branch estimates)

<i>Program</i>	<i>Amount</i>
1. Military assistance grants.....	\$819,700,000
2. Foreign military credit sales.....	629,000,000
3. Excess defense articles.....	1245,000,000
4. Ships loans.....	39,600,000
5. Security supporting assistance.....	879,418,000
6. Foreign military cash sales (DOD).....	2,200,000,000
7. Commercial sales.....	722,598,000
8. Military assistance—DOD funded.....	2,055,000,000
Total military and related assistance and sales.....	7,610,316,000

¹ Valued at one-third acquisition cost.

But even the amounts to be authorized for appropriation in this bill do not reflect the total military assistance contemplated under Foreign Assistance Act authority. It does not, for example, include the amount of surplus military equipment to be given away. For this program the Executive Branch asked for authority to give away \$245 million in arms and material, valued at one-third acquisition cost. The Committee has allowed a ceiling of \$150 million, which, in effect, adds an additional \$450 million in military aid to the new money authorized. Thus, the total military aid package to be authorized by this bill is really \$2,150 million.

The Committee discussed ways to bring about more effective control over the amount of arms flowing to individual countries and to regions. There was some sentiment for imposing specific all-inclusive ceilings on arms aid either on a country-by-country or a regional basis, as the Committee has done in the case of Cambodia. The Committee will give further consideration to this question next year.

Table III below provides country-by-country details concerning the major categories of military and related assistance. However, this bill does not contain an authorization for the Contingency Fund; \$30 million was authorized for FY 1973 in the Foreign Assistance Act of 1971.

TABLE III.—SECURITY ASSISTANCE—SUMMARY OF PROGRAMS, BY AREA AND COUNTRY, FOR FISCAL YEAR 1973
[IN THOUSANDS OF DOLLARS]

	Total	Grant military assistance	Foreign military credit sales	Security supporting assistance	Contingency fund and other
East Asia and Pacific:					
Cambodia.....	299,985	224,985		75,000	
China.....	69,968	14,968	55,000		
Indonesia.....	29,933	29,933			
Korea.....	259,982	234,982	25,000		
Laos.....	49,800			49,800	
Malaysia.....	181	181			
Philippines.....	21,968	21,968			
Thailand.....	85,554	59,954		25,600	
Vietnam.....	585,000			585,000	
Regional.....	21,275	375	12,500	8,400	
Total, East Asia.....	1,423,646	587,346	92,500	743,800	
Near East and South Asia:					
Afghanistan.....	215	215			
Ceylon.....	15	15			
Greece.....	72,966	14,966	58,000		
India.....	234	234			
Iran.....	492	492			
Israel.....	(9)		(9)	50,000	
Jordan.....	(9)	(9)		40,000	
Lebanon.....	(9)	(9)	(9)		
Nepal.....	29	29			
Pakistan.....	243	243			
Saudi Arabia.....	(9)	(9)			
Turkey.....	114,963	99,963	15,000		
Regional.....	99	99			
Total, Near East and South Asia.....	694,960	161,960	443,000	90,000	
Africa:					
Ethiopia.....	12,799	12,799			
Ghana.....	55	55			
Liberia.....	517	517			
Mali.....	50	50			
Morocco.....	(9)		(9)		
Senegal.....	25	25			
Tunisia.....	(9)	(9)			
Zaire.....	3,955	1,455	3,500		
Regional.....	93	93			
Total, Africa.....	37,483	18,983	18,500		
Latin America:					
Argentina.....	15,500	1,550	15,000		
Bolivia.....	8,873	4,873	4,000		
Brazil.....	15,988	1,988	15,000		
Chile.....	6,114	1,114	5,000		
Colombia.....	10,778	1,778	10,000		
Dominican Republic.....	1,435	1,435			
Ecuador.....	1,000	1,000			
El Salvador.....	805	805			
Guatemala.....	3,736	1,736	2,000		
Honduras.....	734	734			
Mexico.....	2,087	187	2,000		
Nicaragua.....	1,045	1,045			
Panama.....	527	527			
Paraguay.....	791	791			
Peru.....	5,820	1,820	5,000		
Uruguay.....	3,460	1,460	2,000		
Venezuela.....	15,870	1,870	15,000		
Regional.....	687	687			
Total, Latin America.....	95,360	20,300	75,000		
Europe:					
Austria.....	24	24			
Malta.....	9,500			9,500	
Portugal.....	991	991			
Spain.....	12,987	9,987		3,000	
Regional.....	109	109			
Total, Europe.....	23,611	11,111		12,500	

See footnotes at end of table, p. 6.

TABLE III.—SECURITY ASSISTANCE—SUMMARY OF PROGRAMS, BY AREA AND COUNTRY, FOR FISCAL YEAR 1973—Continued

[IN THOUSANDS OF DOLLARS]

	Total	Grant military assistance	Foreign military credit sales	Security supporting assistance	Contingency fund and other
Nonregional costs:					
Administrative expenses.....	24,775	20,000			4,775
Contingency requirements.....	30,300				30,300
U.N. forces, Cyprus (UNIFCYP).....	4,800			4,800	
Other.....	23,400			23,400	
Total, nonregional.....	83,275	20,000		28,200	35,075
Total obligational authority.....	2,358,275	819,700	629,000	874,500	35,075
Less:					
Recoupments/recoveries.....	-60,132	-30,000		-29,832	-300
Reimbursements.....	-6,545	-4,700		-1,845	
Net private credit.....	-102,000		-102,000		
Transfers.....	-3,823	-5,000		1,177	
New obligational authority.....	2,185,775	780,000	527,000	844,000	34,775

¹ United States and overseas training only.² U.S. training only.³ Classified.

Table IV gives information concerning foreign military aid programs proposed for FY 1973, both in this and other bills, as well as data on economic assistance programs. This table is included in order to give members of the Senate a more detailed picture of the major elements in the foreign aid program. But it should be noted that this table is not all inclusive. It does not, for example, contain the major costs of supporting military assistance missions abroad, support for international military headquarters, U.S. costs of the NATO infrastructure, the value of property transferred to South Vietnam, and other items adding up to hundreds of millions more in foreign assistance.

V. COST ESTIMATES

Section 252(a)(1) of the Legislative Reorganization Act of 1972 requires that committee reports on bills and joint resolutions contain: "(A) an estimate, made by such committee, of the costs which would be incurred in carrying out such bill or joint resolution in the fiscal year in which it is reported and in each of the five fiscal years following such fiscal year . . ." The Act also requires that the committee's cost estimate be compared with any estimate made by a Federal agency.

The Committee estimates that the cost of carrying out the provisions of S. 3390 during FY 1973 will be \$1,907,300,000, which is the total cost of the programs proposed less the reductions made by the Committee. The outlook for the military aid program over the following five years is murky at best. Based on a straight-line projection of the program levels recommended, not including military

aid for South Vietnam and Laos beginning in FY 1974, the costs for FY 1974-79 will total \$9,536,500,000. The Department of State has projected costs of foreign military aid, credit sales, and supporting assistance for the period FY 1974-78 within a range from \$8,384,000,000 to \$12,096,000,000, also excluding military aid to Laos and South Vietnam.

SECTION-BY-SECTION ANALYSIS

Section 2. Overseas Private Investment Corporation

This section amends Section 234(c) of the Foreign Assistance Act of 1961, relating to the Overseas Private Investment Corporation, to permit the Corporation to acquire its financing operations warrants and other rights to acquire stock. But such rights may not be exercised while held by OPIC.

Under present law, OPIC is prohibited from purchasing stock but it may acquire debt securities convertible to stock (for example, convertible debentures) and sell them to investors, but may not convert them to stock while they are held by OPIC. OPIC has found that rights to acquire stock are more flexible and more popular as a financing tool than convertible debt securities and that borrowers in less developed countries are often reluctant to issue convertible debt securities because of the legal technicalities associated with them. Rights to acquire stock may also spur private participation in OPIC-financed projects as potential purchasers could be offered a choice of an equity or debt position in a project. This would be especially attractive to small financial institutions which might be reluctant to purchase debt securities containing complex conversion features.

The amendment also would make it clear that the authority to receive convertible debt securities and rights to acquire stock applies to all of OPIC's financing operations, that is to investment guaranties as well as direct loans.

Section 3. Refugee Relief Assistance

This provision would authorize \$50,000,000 for FY 1973 for refugee relief assistance in Bangladesh. Last year Congress appropriated \$200,000,000 for relief activities resulting from the conflict in what was East Pakistan and is now Bangladesh. As of May 19, 1972, only \$71,000,000 of that has been obligated leaving \$129,000,000 available for obligation. In addition to the amounts provided under Foreign Assistance Act authority, the United States has provided \$72,600,000 in food assistance under Public Law 480. Additional food aid can—and no doubt will—be provided under P.L. 480. The Committee does not believe that a case has been made for the full \$100,000,000 requested by the Executive Branch.

The following table lists the contributions or commitments to Bangladesh relief on a country-by-country basis:

COMMITMENTS TO BANGLADESH, JANUARY-DECEMBER 1972

[Expressed in millions of U.S. dollars]

Country	Voluntary agencies			Multilateral			Total
	Bilateral	From Government	From private source	UNROD	UNICEF	UNHCR	
Argentina				0.24			0.24
Australia	5.50						5.50
Canada	34.40	0.25		1.00	2.00		37.65
Denmark	3.50			1.00			4.50
France	.60	.30					.90
Germany (Federal Republic)		2.40					2.40
India	156.60						156.60
Ireland				.09	.09		.18
Italy	.10						.10
Japan				9.00			9.00
New Zealand				.12			.12
Norway		.60					.60
Pakistan				5.90			5.90
Sweden	22.40			4.64			27.04
Switzerland	2.00			.75			2.75
United Arab Republic	1.00						1.00
United Kingdom	12.30	.50					12.80
United States		6.70		119.15	25.00		150.85
U.S.S.R.	51.60	.20					51.80
Other			65.30	1.50	11.31	6.30	84.41
Total	290.00	10.95	65.30	143.39	38.40	6.30	572.54

¹ Includes \$18,200,000 recently made available but not distributed between bilateral and multilateral activities.

The Committee expects that every effort will be made to insure that the United States does not get itself in the position of assuming primary responsibility for the relief program. As the Committee report last year stated: "This is an international disaster and the responsibility must be shared by the entire world community under the leadership of the United Nations."

Section 4. Military Assistance

Subsection (1)—Authorization

Subsection (1) authorizes the appropriation for FY 1973 of \$600,000,000 for military assistance grants. With recoupments, reimbursements, and reappropriations of \$39,700,000 this will finance a total military grant aid program of \$639,700,000 in FY 1973. Congress appropriated \$500,000,000 for this program for FY 1972.

Following is a list of the proposed country-by-country allocation of the fiscal year 1973 military grant aid request (the figures for certain countries in the Middle East and North Africa are still classified):

Countries	Grant aid program		
	Fiscal year 1971	Estimated, fiscal year 1972	Proposed, fiscal year 1973
East Asia and Pacific:			
Burma.....	50		
Cambodia.....	182,967	179,719	209,541
China.....	20,012	10,931	9,642
Indonesia.....	16,822	18,000	28,745
Korea.....	288,233	150,000	215,710
Malaysia.....	228	134	1,181
Philippines.....	16,999	14,043	20,780
Thailand.....			59,954
Regional program.....	92	79	375
Regional total.....	525,403	372,906	542,928
Near East and South Asia:			
Afghanistan.....	204	250	215
Ceylon.....	3,000		15
Greece.....	19,999	9,883	9,554
India.....	167	300	234
Iran.....	2,310	935	1,492
Israel.....			
Jordan.....	30,164	(³)	(³)
Lebanon.....	5,071	(³)	(³)
Nepal.....	12	26	29
Pakistan.....	174	85	243
Saudi Arabia.....	672	510	(³)
Turkey.....	99,616	60,000	88,611
Regional program.....	19	19	99
Regional total.....	161,408	110,228	142,952
Europe:			
Austria.....		13	24
Portugal.....	1,035	1,010	905
Spain.....	25,001	11,190	9,261
Regional program.....	99	171	109
Regional total.....	26,135	12,384	10,299
Africa:			
Ethiopia.....	12,031	9,000	12,139
Ghana.....	53	48	55
Liberia.....	513	316	499
Mali.....	1	52	50
Morocco.....	804	(³)	(³)
Nigeria.....	213	107	
Senegal.....		25	25
Tunisia.....	4,481	(³)	(³)
Zaire.....	429	457	1,455
Regional program.....	43	100	93
Regional total.....	18,573	12,807	17,975
Latin America:			
Argentina.....	532	798	1,550
Bolivia.....	1,774	3,352	4,873
Brazil.....	929	895	1,988
Chile.....	754	856	1,114
Colombia.....	924	738	1,778
Dominican Republic.....	1,258	829	1,435
Ecuador.....	441	527	1,000
El Salvador.....	413	302	805
Guatemala.....	2,613	1,449	1,736
Honduras.....	579	550	734
Mexico.....	90	117	187
Nicaragua.....	887	761	1,045
Panama.....	541	462	527
Paraguay.....	951	834	791
Peru.....	558	879	1,020
Uruguay.....	1,186	767	1,460
Venezuela.....	986	722	1,870
Regional program.....	295	231	687
Regional total.....	15,711	15,068	20,300
General costs.....	22,382	21,607	85,246
Excess defense articles reserve.....	18,400		
Worldwide total (TOA).....	788,012	545,000	819,700

¹ United States and overseas training only.
² U.S. training only.
³ Classified.

The following table lists military aid funded through the Department of Defense budget for allied forces in Southeast Asia:

[In millions of dollars]

	Fiscal year—		
	1971	1972	1973
South Vietnam.....	1,848.9	1,824.1	1,561.5
Korea.....	208.2	188.9	133.5
Laos.....	155.8	240.3	360.0
Thailand.....	113.0	66.1	(1)
Total.....	2,325.9	2,339.4	2,055.0

¹ Military aid for Thailand to be funded from the MAP program.

Subsection (2)—Special Authority

This subsection amends section 506(a) of the Act to extend through fiscal year 1973 the President's special authority to order defense articles and defense services subject to subsequent reimbursement.

Subsection (3)—Military Assistance for Laos and Thailand

This subsection requires that, beginning with fiscal year 1974, all military grant aid to South Vietnam and Laos be funded out of the regular military assistance program, as authorized under the Foreign Assistance Act of 1961, as amended.

Military aid to these countries is currently being funded from the Department of Defense budget, an interim procedure which the Congress approved in 1966 in the case of South Vietnam and in 1967 in the case of Laos and Thailand. This was done at a time when the realities of Southeast Asia were not unlike those that accompanied the Korean war buildup in 1950, which occasioned a similar funding transfer for military aid for Korea from the Mutual Security Act to the Defense Department budget. Funding of military aid to Thailand was returned to the regular MAP program by the Foreign Assistance Act of 1971.

The realities of the 1970's in Southeast Asia are not those of 1966 and 1967: United States involvement in the war is being wound down and our ground forces are being withdrawn. Restoration of South Vietnam and Laos to regular MAP funding will help complete the winding-down process.

Return of funding for military aid programs in South Vietnam and Laos to the regular foreign assistance program will permit the appropriate committees of Congress to judge our military aid programs in these countries in a foreign policy context. Military assistance to Cambodia and Thailand is now being judged in this way, through funding from the regular military assistance program. This change will ensure that all U.S. military assistance to the four principal Southeast Asian recipients is judged against security assistance needs elsewhere—all of which have a direct bearing on this country's overseas commitments and its foreign policy in general.

The shift of funding of military assistance to South Vietnam to the Department of Defense budget symbolized the American assumption of the war from the Vietnamese. A return of funding from the regular military aid program will symbolize the reverse of that process, turning the war back to the Vietnamese.

Subsection (4)—Partial Payment in Foreign Currency for Military Assistance

Subsection (4) increases from 10% to 25% the partial payment in foreign currency that must be made by certain recipients of military aid in order to help offset the cost of official United States expenses within the country and the costs of educational and cultural exchanges with that country.

Section 514 of the Foreign Assistance Act, initiated in the Committee last year, requires a foreign country which received military grant aid or excess defense articles to pay, in its own currency, 10% of the amount of the grant aid or, in the case of excess articles, an amount equal to 10% of the fair market value. The foreign currency obtained in payment is available to meet U.S. obligations in the country and to finance educational and cultural exchange programs. It does not apply to a country where military aid is given in payment for base rights. And, if the President decides, the payment requirement can be waived if, without it, the United States does not need to make dollar purchases of the local currency for financing U.S. operations in that country. In practical effect, the payment requirement is not applied unless it actually results in dollar savings.

There is no valid reason why recipient of military aid should not be required to pay at least one-fourth the value of the materials we give them, especially if we have to buy their currency with dollars to pay for the cost of U.S. operations in the country. This will help to implement the Nixon Doctrine principle of requiring other nations to shoulder a greater share of the burden for their own defense needs. Having additional foreign currencies available will also lessen the drain on our dollar resources and have a favorable impact on our escalating balance-of-payments deficit.

As of May 18, 1972, agreements for local currency payments had been signed, or agreed to in principle, with 26 countries. On the basis of the 10% requirement in existing law the Department of State estimates that for the five months covered in FY 1972 there will be collections, and, thus, savings to the taxpayers, of \$6.6 million. The Department estimated that \$11.8 million would be collected in FY 1973 at the 10% rate. The Committee's action to increase payment to 25% effective July 1, 1972, will increase that amount substantially.

Subsection (5)—Limitation on Availability of Funds for Military Operations

Subsection (5), sponsored by Senator Case, adds a new section 515 to the Foreign Assistance Act which would require specific Congressional authorization before funds from any U.S. Government agency or official could be made available "for the purpose of financing any military operations by foreign forces in Laos, North Vietnam, or Thailand, outside the borders of the country of the government or person receiving such funds. . ." In addition, the amendment would require the President to make available to the Congress copies of any agreements and other information bearing on such military operations. The amendment is not intended, however, to infringe or restrict military operations and exercises outside Southeast Asia which are required for self-defense purposes or which are pursuant to regional defense arrangements, such as NATO, or other arrangements, such as U.N. peacekeeping operations.

This amendment is an outgrowth of the "crazy quilt" financing arrangements that have emerged from U.S. involvement in Indochina and the conduct of cross-border military operations in that part of the world. It is the same as a provision approved by the Senate in last year's foreign aid bill, a provision which was deleted in conference. The Committee still believes that this problem should be corrected and the door closed to possible repeat in the future of the type of questionable activity that has occurred with the financing of Thai forces in Laos.

Staff members of the Subcommittee on U.S. Security Agreements and Commitments Abroad were in Laos and Thailand earlier this year. Following are the sections of their report, severely censored by the State Department, describing their findings concerning the Thai irregulars in Laos, financed by the United States:

B. THE THAI IRREGULARS

The program of Thai irregulars in Laos (known as the SGU program for Special Guerrilla Units) provides for U.S. support of up to [deleted] battalions this fiscal year. That remains the goal, but because of difficulties in recruitment in this fiscal year only [deleted] battalions at the most will be raised. Each battalion is supposed to have a strength of 550 men, but the infantry battalions, when deployed, are running at about [deleted] each and the artillery battalions at about [deleted].

"At the time of our visit, there were [deleted] Thai irregular infantry battalions in Laos and [deleted] on leave in Thailand. Of the [deleted] in Laos, [deleted] were in [deleted], [deleted] in the [deleted] and [deleted] at [deleted]. There were also [deleted] artillery battalions deployed. The total force level of Thai irregulars present for duty in Laos was [deleted]. A total of [deleted] other Thai were either on leave, AWOL, wounded, missing in action or on temporary duty. When we were in Laos there were [deleted] additional Thai irregulars in training in Thailand.

The Thai Government continues to treat the program as a sensitive subject, insisting that the numbers involved be kept secret. The United States cites the Thai attitude as the reason it, too, refuses to permit disclosure of the details of the program. The Royal Lao Government, however, has a different approach. In a Voice of America interview with Prime Minister Souvanna Phouma on January 14, the following exchange took place:

The reporter: "Mr. Prime Minister, we know that there are roughly 6,000 Thai troops in direct support of the Meos, mainly artillery. Have you asked for more Thai troops to come in and support these people?"

Souvanna Phouma: "They are volunteers, not regular troops."

The reporter: "I understand that sir . . . we understand that an estimated 6,000 additional Thai are preparing to come to Laos."

Souvanna Phouma: "We have fixed a limit of 25 or 26 battalions of volunteers. Actually, I think we have only 15 or 16 battalions. Therefore, it is necessary to add more . . . that is to say in concurrence with the Americans we have planned for 25 to 26 battalions . . . up to the present time we have only been able to form 15 or 16 battalions. It's the complement to this group that will be coming."

The reporter: "Can you tell me how many volunteer Thai troops you expect to be operating in Laos by May 1?"

Souvanna Phouma: "In addition to the 16 battalions, we will have about 5 or 6 more . . . they can't be called Thai battalions. We must call them volunteer battalions."

The irregulars are recruited by the Royal Thai Army from all over Thailand. The Army is also supposed to recruit cadre of officers and noncommissioned officers on a volunteer basis. Each Thai irregular infantry battalion is supposed to have [deleted] cadre from the regular Thai Army, [deleted] officers and [deleted] noncommissioned officers, and each artillery battalion is supposed to have [deleted] cadre from the regular army.

When we visited one of the Thai irregular training camps with the Thai Army General from the Thai [deleted] Headquarters at Udorn, we interviewed two Thai irregulars through an interpreter. One was a private, and he told us that he had volunteered because [deleted]. The other was a non-commissioned officer. He told us that [deleted]. At the camp, we asked whether the officer and NCO cadre in the program were volunteers. We were told that [deleted], that they served for a year, that they were then rotated out of the program and [deleted], and that no special effort was made to recruit ethnic Lao as distinct from other Thai.

We were told subsequently in Bangkok that [deleted].

U.S. officials who work with the program are well aware of the importance of the distinction between volunteers and nonvolunteers [deleted] because of the legislative prohibition against U.S. support of third-country forces in Laos. They thus emphasize that the Thai personnel including cadre from the regular Army serve in Laos under the overall command and control of the Royal Lao Government. They also contend that the regular Army cadre resign from the Army when they join the program, although [deleted].

The Thai irregulars are paid in Thai baht. The payment is made by the CIA in Udorn to officers of the Thai liaison unit on the basis of strength figures submitted by Thai S-4's at battalion level. In the case of the trainees in Thailand, the money is paid to them at the camp by the Thai liaison unit. After the trainees depart for Laos, there is a system whereby the Thai liaison office can send allotment checks to the families of soldiers or to personal accounts.

Thai irregular privates are paid 1500 Baht a month (\$75) while regular Thai Army privates are paid 530 Baht (\$26) a month. Lieutenants in the program are paid 2500 Baht (\$125). In addition, irregulars receive a bonus of 2400

Baht (\$120) at the end of their tours. If they reenlist, they are paid a bonus of 1200 Baht (\$60) and are given 200 Baht (\$10) a month in additional pay during their second tours. The cost of a battalion per year is estimated by CIA officials in Washington at about \$4 million. Thus, based on Souvanna's estimate of 25 battalions, the cost of maintaining the present Thai irregular force for a year will be approximately \$100 million.

Like the Thai General, all Thai officers in irregular units are given Lao names and Lao identity cards during their service in Laos. They go to Laos in separate Thai units—not individually—and serve in these units as long as they remain in Laos. Because the enlisted men in the units are volunteers, they are not subject to the same military discipline as those in the regular Thai army. Hence, there is nothing that can be done to force them to remain with their units either in training or after they are sent to Laos. Many of them do leave, a total of [deleted] since the program began or about 30%. (Thailand, Laos and Cambodia, January 1972, A Staff Report Prepared for the Use of the Subcommittee on U.S. Security Agreements and Commitments Abroad of the Committee on Foreign Relations, United States Senate, pages 18-20.)

It is virtually impossible for the Congress to know how much of the taxpayers' money is being used to support these activities, as well as others where the U.S. may be footing the bill for military operations ostensibly initiated and controlled by another government. In this connection, it will be recalled that only long after the fact did the Congress discover that Philippine and Thai troops in Vietnam were being paid at considerably higher rates by the U.S. Government than were American soldiers for comparable combat service.

The carrying out of such clandestine activities by the Executive Branch—without the knowledge, let alone the approval of the Congress—makes a mockery of our system of separation of powers.

This amendment will serve to restore a more proper balance between the Legislative and Executive Branches in such matters.

Sec. 5. Authorization of Security Supporting Assistance

This section amends section 532 of the Act to authorize the appropriation of \$650,000,000 for security supporting assistance for fiscal year 1973, of which \$50,000,000 is earmarked for Israel.

The United States provides security supporting assistance to selected countries or international organizations to promote or maintain economic or political stability. In general, recipient countries face actual or threatened aggression which compels them to strengthen their capacity to meet the resultant challenge to their security. The use of Supporting Assistance funds in a given country depends on the degree of importance of that country to U.S. foreign policy objectives, particularly in terms of potential impact on U.S. national security interests.

Supporting Assistance funds normally contribute to some degree to the economic growth or to the developmental goals of the recipient country, but the current U.S. motive in programming these funds is neither economic growth nor development *per se*; rather, the specific

purpose is to stabilize the economic or political situation vis-a-vis a given security situation. Supporting Assistance seeks, therefore, to assist the recipient nation to overcome an immediate security threat while avoiding simultaneous deterioration of the national economy as much as possible.

Following is the Executive Branch's proposed allocation of the FY 1973 request for supporting assistance:

SECURITY SUPPORTING ASSISTANCE—SUMMARY OF PROGRAMS BY AREA AND COUNTRY, FISCAL YEARS 1971, 1972, AND 1973

[In thousands of dollars]

	Fiscal year 1971 actual supporting assistance	Fiscal year 1972 estimated, supporting assistance	Fiscal year 1973 proposed supporting assistance
Summary, all programs.....	572, 971	583, 100	874, 500
Asia, total.....	510, 318	564, 400	833, 800
Cambodia.....	70, 000	37, 100	75, 000
Israel.....	5, 000	50, 000	50, 000
Jordan.....	41, 450	30, 000	40, 000
Laos.....	16, 996	47, 000	49, 800
Thailand.....	376, 656	15, 000	25, 600
Vietnam ¹	216	385, 000	585, 000
East Asia regional programs.....		300	8, 400
Africa, total.....	18, 383	3, 700	
Nigeria.....	18, 163	3, 400	
Southern Africa Regional.....	220	300	
Europe, total.....			12, 500
Malta.....			9, 500
Spain.....			3, 000
Latin America, total.....	2, 827		
Guatemala.....	45		
Haiti.....	2, 782		
Nonregional programs.....	41, 443	15, 000	28, 200
U.N. force in Cyprus.....	4, 800	2, 400	4, 800
U.N. Relief and Works Agency.....	13, 300		
Program support and interregional activities.....	23, 343	12, 600	23, 400

¹ Excludes administrative and program support costs resulting from the expanded Vietnam program.

Since the criteria for providing military assistance and Supporting Assistance are similar, countries which are principal recipients of Supporting Assistance are also as a rule significant recipients of military assistance through Military Assistance Service Funded programs (Vietnam, Laos and Thailand in FY 1972; Vietnam and Laos only in FY 1973), the Military Assistance Program (Cambodia, Jordan, and, beginning in FY 1973, Thailand) or Foreign Military Sales (Israel).

Section 6. Transfer Between Accounts

Section 6 amends section 610(a) of the Foreign Assistance Act of 1961 to prohibit the use of development assistance or disaster relief funds for military aid or supporting assistance purposes. Last year following the defeat of the House passed foreign aid bill H.R. 9910, the Committee on Foreign Relations reported two bills to the Senate which separated authorizations for economic or development aid from military aid programs. The Committee has approved this

provision in order to give further implementation to its strong view that military and economic aid matters should be dealt with separately. The law now permits transfer of technical assistance funds, for example to be used for military aid or supporting assistance, a tempting loophole which could be used to augment military aid or supporting assistance in circumvention of Congressional actions on authorization and appropriation legislation. The Committee recommends that this loophole be closed.

Section 7. Prohibition on Military Assistance or Sales to the Nations of South Asia

Section 7 prohibits military grant assistance or sales under the Foreign Military Sales Act to the governments of Pakistan, India (including Sikkim), Bangladesh, Nepal, Ceylon, the Maldivian Islands, or Bhutan. It would not prohibit commercial sales of either weapons, supplies, or training by private industry.

The Committee approved this restriction in order to insure that the U.S. government does not become any more deeply involved in the military affairs of the nations of South Asia.

The following is a list of the military aid programs planned for countries in this region in FY 1973:

1. Ceylon—\$15,000 in grant aid for training
2. India—\$2,000,000 in cash FMS sales and \$234,000 in grant aid for training
3. Nepal—\$1,000,000 in cash FMS sales and \$29,000 in grant aid for training
4. Pakistan—\$3,600,000 in cash FMS sales and \$243,000 in grant aid for training.

Section 8. Repeal of Authority Allowing Transfers of Foreign Aid Funds to Other Agencies

Section 632(a) of the Foreign Assistance Act permits the transfer of foreign assistance funds to other agencies as long as the funds are used "for the purposes for which authorized." Using this authority the Agency for International Development on April 1, 1972, transferred to ACTION \$2,600,000 in technical assistance funds to finance Peace Corps operations abroad, after Congress had appropriated \$10,000,000 less for Peace Corps operations than the amount requested. The transfer was a deliberate effort to nullify Congress' action in cutting the Peace Corps request. The change in law recommended by the Committee will prevent such circumvention of the Congress in the future. The repeal of this subsection will still leave ample authority for reimbursement by A.I.D. to other agencies for services rendered, or for commodities procured.

Section 9. Limitation on Assistance for Cambodia

The Foreign Assistance Act of 1971 imposes a ceiling of \$341,000,000 for FY 1972 on United States obligations in, for, or on behalf of Cambodia. This section sets a ceiling of \$275,000,000 on such obligations for FY 1973. The purpose of such a ceiling was described by the Committee last year as follows:

The purpose of section 655 is to establish a ceiling on overall U.S. expenditures, exclusive of air combat operations, in, for, or on behalf of Cambodia during the current fiscal year and to put the Congress in position to know in the future, when money is being requested for Cambodia, how much is actually being spent and for what purposes. In the past, the cost of United States Government operations in some countries has far exceeded the amounts which have been requested and then authorized and appropriated. It is the Committee's intention to see that this escalation of costs, not only unauthorized by the Congress but also unknown to it, does not occur in Cambodia. Section 655 is intended, therefore, to return to the Congress some measure of control over what is actually spent by setting an absolute ceiling on expenditures, a ceiling which applies to all Executive Branch departments and agencies.

The ceiling recommended by the Committee and approved by the Senate was all-inclusive, with the exception of the cost of combat air operations over Cambodia. The report stated:

By setting an absolute ceiling on expenditures in Cambodia, the Committee means to include all Executive Branch expenditures except those relating to combat air operations. The limitations would thus apply to the military assistance program, supporting assistance, excess defense articles, P.L. 480, CIA operations, the administrative costs of the various United States Government departments and agencies who engage in activities to, in, for or on behalf of Cambodia and, as in the similar provision relating to Laos included in the Defense Authorization bill, H.R. 8687, the costs to the United States of South Vietnamese ground operations in Cambodia.

Later, the conference committee agreed to exclude the U.S. cost of Vietnamese operations in Cambodia for FY 1972. But both the Senate and House conferees agreed that such costs should be included in the ceiling for future years and that the Executive Branch should furnish estimates on this and all other expenditures expected to be made in Cambodia's behalf. The State Department has advised the Committee that the Department of Defense is not able to estimate the cost of future Vietnamese operations in Cambodia. The Committee is not satisfied with this response. It will turn to the General Accounting Office in a further attempt to obtain this information. The table below gives data on estimated spending for certain programs in and for Cambodia in FY 1972 and FY 1973:

CAMBODIA CEILING DATA

[In thousands]

Program	Fiscal year 1972 estimate	Fiscal year 1973 request
1. Military grant aid.....	\$179.7	\$225.0
2. Excess defense articles.....	15.0	15.5
3. Supporting assistance.....	37.1	75.0
4. Public Law 480.....	14.6	30.0
5. Military aid mission costs.....	2.8	2.5
6. Economic aid mission costs.....	(1)	(1)
7. Costs of Vietnamese operations in Cambodia.....	(2)	(2)
Total.....	\$ 249.2	348.0

¹ Not yet received.² The Defense Department states that it cannot provide a realistic estimate of the costs of Vietnamese operations in Cambodia.³ The fiscal year 1972 ceiling was \$341,000,000, excluding combat air operations in Cambodia and the cost to the United States of South Vietnamese military operations in Cambodia.

The FY 1972 ceiling was set at the amount requested. Actual spending is now estimated to be \$92 million less than the amounts presented to Congress. The Committee believes that the estimate for FY 1973 is inflated also. It has allowed a ceiling of \$275 million.

Section 10. Foreign Military Sales

Subsection (1) authorizes an appropriation of \$400,000,000 for financing the foreign military credit sales in FY 1973. This is the same amount Congress authorized and appropriated for FY 1972. The Executive Branch requested an authorization of \$527,000,000. The Committee does not believe that an appropriation of this size has been justified.

The military credit sales program is carried out under the authority of the Foreign Military Sales Act. Its purpose is to make credit available to developing countries to enable them to purchase military material and services from the United States, with up to ten years for repayment.

Subsection (2) authorizes a ceiling of \$550,000,000 for foreign military credit sales in FY 1973, the same amount that Congress approved for FY 1972. Of the \$550,000,000 ceiling, \$300,000,000 is earmarked for Israel, as it was in FY 1972.

A ceiling is necessary because military credit sales can be financed under the Foreign Military Sales Act by both direct credit extended by the U.S. government and through U.S. government guaranty of credit extended by private banking institutions. Under the guaranty program 25% of the amount of the guaranty is set aside in a reserve account. Thus, unless an overall credit ceiling were imposed the \$400,000,000 appropriation recommended could, theoretically, be used to finance \$1,600,000,000 in credit sales to foreign countries. The Executive Branch estimates that it will guarantee \$102,000,000 in private credit in FY 1973.

Following is the Executive Branch's proposed military credit sales program for FY 1973:

Countries	FMS credit sales		
	Fiscal year 1971	Estimated, fiscal year 1972	Proposed fiscal year 1973
East Asia and Pacific:			
China.....	41,000	45,000	55,000
Korea.....	15,000	15,000	25,000
Malaysia.....	2,200		
Regional program.....		8,000	12,500
Regional total.....	58,200	68,000	92,500
Near East and South Asia:			
Greece.....	18,000	45,000	55,000
Israel.....	(1)	(1)	(1)
Jordan.....	(1)	(1)	(1)
Lebanon.....	(1)	(1)	(1)
Saudi Arabia.....	(1)	15,000	15,000
Turkey.....			3,000
Regional program.....			
Regional total.....	606,200	402,000	443,000
Africa:			
Morocco.....	(1)	(1)	(1)
Zaire.....	13,200	2,000	3,500
Regional total.....	28,200	17,000	18,500
Latin America:			
Argentina.....	16,000	15,000	15,000
Bolivia.....			4,000
Brazil.....	9,400	20,000	15,000
Chile.....	5,000	5,000	5,000
Colombia.....	5,000	6,000	10,000
Guatemala.....	4,000		2,000
Mexico.....			2,000
Peru.....			5,000
Uruguay.....	4,000	2,000	2,000
Venezuela.....	7,400	10,000	15,000
Regional program.....		5,000	
Regional total.....	50,800	63,000	75,000
General costs.....			
Excess defense articles reserve.....			
Worldwide total (TOA).....	743,400	550,000	629,000

¹ Classified.

The following table gives data on the entire Foreign Military Sales Program, cash and credit:

FOREIGN MILITARY SALES PROGRAM DATA, DEVELOPED VERSUS LESS DEVELOPED COUNTRIES (DOES NOT INCLUDE COMMERCIAL SALES)

(In thousands of dollars)

Distribution	Fiscal years—					Estimated		
	1967	1968	1969	1970	1971	Fiscal year 1971	Fiscal year 1972	Fiscal year 1973
Developed countries:								
FMS cash.....	707,554	572,657	1,000,685	688,787	1,003,202	3,952,885	2,023,700	1,845,000
FMS credit.....	246,400	130,021	104,260		13,211	483,892	22,000	45,000
DOD direct.....	46,742	37,000	75,000			158,742		
DOD guarantee.....	199,658	93,021	29,260		13,211	335,150		
Total.....	953,954	702,678	1,014,945	688,787	1,016,413	4,446,777	2,045,700	1,890,000
Less developed countries:								
FMS cash.....	70,692	169,575	104,497	133,641	307,777	786,182	238,400	336,860
FMS credit.....	76,843	133,312	176,900	70,000	730,201	1,187,256	528,000	584,000
DOD direct.....	41,445	67,307	150,900	70,000	687,833	1,017,485		
DOD guarantee.....	35,398	66,005	26,000		42,368	169,771		
Total.....	147,535	302,887	281,397	203,641	1,073,978	1,973,438	766,400	920,800
International organizations:								
FMS cash.....	30,107	19,931	23,033	41,501	18,460	133,032	17,900	18,200
FMS credit, DOD direct.....		52				52		
Total.....	30,107	19,983	23,033	41,501	18,460	133,084	17,900	18,200
Worldwide:								
FMS cash.....	808,353	762,163	1,128,215	843,929	1,329,439	4,872,099	2,280,000	2,200,000
FMS credit.....	323,243	283,385	281,160	70,000	743,412	1,681,200	550,000	629,000
DOD direct.....	88,187	104,359	225,900	70,000	687,833	1,176,279		
DOD guarantee.....	235,056	195,026	55,260		55,579	504,921		
Total.....	1,131,596	1,025,548	1,409,375	913,929	2,072,851	6,553,299	2,830,000	2,829,000

1 As listed by Executive order for interest equalization tax purposes.

Section 11. Excess Defense Articles

This section lowers the annual ceiling on the amount of excess defense articles, valued at not less than one-third acquisition cost, that may be given to foreign countries as grant aid without deducting the value of the excess material from appropriations for military grant aid. This ceiling enables Congress to keep some degree of control over how much surplus military equipment can be given away to foreign countries. The Committee recommends a ceiling of \$150,000,000 for fiscal year 1973, which, under present valuation practice, will allow \$450,000,000 in surplus material to be given away without any deduction from appropriations for grant aid. The annual ceiling was set initially in 1971 at \$100,000,000. At Executive Branch urging the Committee last year recommended that the ceiling be increased to \$150,000,000, after first broadening its scope to cover all agencies. In conference this amount was increased to \$185,000,000. The Committee recommends that the ceiling be lowered to the amount it recommended last year. There is no limit on the amount that can be given away as long as the amounts over \$150,000,000 in value are deducted from grant aid money.

The Committee is concerned about the prevailing practice of the Executive Branch to value all excess material given away at one-third of acquisition cost, regardless of condition. This is not what the Committee intended when it initiated this requirement. It intended that the actual value of the article be counted, but in no case shall that value be less than one-third of acquisition cost. The current practice is not in keeping with the statutory requirement and the Committee expects that appropriate remedial action will be taken. The Committee has also noted that the Congressional presentation materials do not contain any information as to what articles are to be given to each country, only a dollar amount. It expects that this problem, too, will be remedied in next year's presentation materials.

The following table lists the proposed country-by-country grants of excess defense articles:

[Dollars in thousands] 1

Country/region	Actual fiscal year 1971	Undelivered balance, June 30, 1971	Estimate, fiscal year 1972	Estimate, fiscal year 1973
East Asia and Pacific:				
Burma		13		
Cambodia	7,075	3,941	15,000	15,500
China	21,454	14,039	44,500	46,500
Indonesia	987	689	3,500	4,500
Korea	16,375	7,232	30,000	33,600
Laos			2,500	2,000
Philippines	394	208	3,000	3,000
Thailand			4,500	4,500
Vietnam	(2)	(2)	(2)	53,400
Total, East Asia and Pacific	46,285	26,122	103,000	163,000
Near East and South Asia:				
Greece	20,557	14,727	25,500	25,500
Iran				
Jordan	(2)	(1)	(2)	(2)
Saudi Arabia	(2)			
Turkey	38,514	23,216	40,000	40,000
Total, Near East and South Asia	59,379	37,946	68,000	68,000
Europe:				
Portugal			2,000	2,000
Spain	125	2,206	6,000	6,000
Total, Europe	125	2,206	8,000	8,000
Africa:				
Ethiopia	355	258	1,000	1,000
Liberia	40	38	500	500
Tunisia	1,052	1,175	(2)	(2)
Zaire	8			
Total, Africa	1,455	1,471	3,500	3,500
Latin America:				
Bolivia	196	69	800	500
Chile				200
Colombia	256	35		100
Dominican Republic	34	4	100	100
Ecuador	52	51		300
El Salvador	32			100
Guatemala	232	144	300	200
Honduras	112	56		100
Nicaragua	154	107	100	100
Panama			200	100
Paraguay	905	762	300	200
Uruguay	518	310	700	500
Total, Latin America	2,491	1,538	2,500	2,500
DOD undistributed	8,665	8,665		
Worldwide total	118,400	77,948	185,000	245,000

1 At 1/2 acquisition value.
 - Not available.
 † Classified.

Section 12. Termination of United States Involvement in Hostilities in Indochina

This provision, initiated by Senator Mansfield, is designed to end United States involvement in the war in Indochina, obtain the release of American prisoners of war and an accounting for Americans missing in action.

Last year the Senate went on record three times in favor of complete withdrawal of all United States forces from Indochina within a fixed time, conditioned only on the release of American prisoners of war. It approved the Mansfield Amendment as an amendment to the Draft Extension Act by a vote of 61 to 28, as an amendment to the Defense Authorization Act by a vote of 57 to 38, and as a provision

in the foreign assistance bill. The House of Representatives was never permitted to have a straight up-or-down vote on the proposal.

There is no doubt that the Senate as a body wants the nation to disengage itself from the tragic morass of Southeast Asia. The Senate has a responsibility for helping to determine and set the policy of this government on the broad issues of national importance. In 1970 the Senate initiated the repeal of the Gulf of Tonkin Resolution. That resolution was cited by the Executive Branch during the previous Administration as the functional equivalent of a Congressional declaration of war and a justification and endorsement of a policy of escalation in Vietnam. Many members of the Committee have objected to the broad interpretation put on that resolution. Whatever it was—functional or otherwise—it has been repealed. But with its demise has gone the only expressed government policy—openly participated in by the Congress—with respect to U.S. involvement in Indochina. There is no longer a joint policy.

The Mansfield amendment fills that void. It declares a clear national policy for Indochina.

It provides:

(1) that without preconditions, no funds can be used to support or maintain any American forces in South Vietnam after August 31, 1972.

(2) that United States forces cannot further participate in hostilities in or over Indochina after the following conditions are met:

(a) an agreement is reached for a verified cease-fire between United States forces and the National Liberation Front and those allied with the National Liberation Front, and

(b) all United States prisoners of war held by the Government of North Vietnam and forces allied with such Government are released, and

(c) an accounting is rendered for all Americans missing in action who have been held by or known to North Vietnam and its allies.

This provision for the first time provides a legislative mandate that without preconditions assures the total extrication of all United States military forces from South Vietnam by August 31, 1972. This, in effect, continues the President's troop withdrawal policy and places legislative force behind that policy. The participation of United States forces in the air and naval action in Indochina could continue from outside South Vietnam until the three provisions listed are met. It should be noted that the cease-fire required would involve only U.S. and enemy forces; it would not be subject to veto by the South Vietnamese.

Leverage would remain to obtain return of our POWs and MIAs by continued American participation in the air and naval war after our forces are withdrawn from South Vietnam. That participation would cease, however, upon an agreement with the U.S. for a cease-fire, release of the prisoners, and an accounting for the missing known to the enemy. What is most significant is that the Mansfield amendment for the first time treats as separate questions the withdrawal of U.S. ground forces from South Vietnam and the participation of U.S. forces in air and naval warfare.

As of May 20, 1972, the war in Indochina has cost our nation 55,934 dead, 303,031 wounded, and incalculable sums of tax dollars. But the costs of the war cannot be measured in blood and money alone.

There is no way to calculate in mathematical terms the damage this war has caused to our society, our democratic institutions, our sense of values as human beings, or the tragic consequences for the people of Indochina whose land has been the cockpit of conflict for over a quarter century.

Perhaps the war will continue indefinitely after United States forces leave. No one can foresee the final military or political outcome in the area. But the Committee is convinced that the continued presence of our forces works to prevent the operation of natural political factors that might result in a settlement between the parties and assures the continued imprisonment of captured Americans. There is much evidence that the overwhelming sentiment of the American people is for total withdrawal as soon as possible. Enactment of the Mansfield amendment should end the stalemate, effect the return of our fighting men, the release of our prisoners and, hopefully, set the stage for the rebuilding process that is needed for the American spirit.

Section 13. Azores and Bahrain Agreements

Section 13, initiated by Senator Case, provides that thirty days after enactment no funds shall be obligated or expended to carry out the agreements with Portugal and Bahrain, relating to United States base rights in the Azores and Bahrain respectively, until the agreements have been submitted to the Senate as treaties for its advice and consent.

On December 9, 1971, the Executive Branch entered into an executive agreement with Portugal concerning use by the United States of Lajes Field in the Azores Islands, the agreement made retroactive to cover the five-year period from February 3, 1969, to February 3, 1974. On December 23, through an exchange of notes, the United States and Bahrain concluded an agreement for lease of certain naval facilities in Bahrain.

Before the Bahrain agreement was signed, Senator Case introduced S. Res. 214 to put the Senate on record as calling on the Administration to submit the Azores agreement as a treaty. Detailed hearings were held on that resolution by the Committee.

Testifying in support of S. Res. 214 at those hearings, Senator Harry F. Byrd, Jr., said:

I believe that important principles are involved in this resolution, principles concerning the American system of checks and balances and the constitutional role of the Senate in foreign policy.

The issue, as I understand it, is where should the line be drawn as to whether agreements with foreign nations should be executive agreement, which does not require Senate action, or by treaty, which does require Senate approval.

I am frank to say that I find difficulty in delineating a precise formula.

Some issues are clear cut, others are borderline.

The agreements governing U.S. bases in the Azores and Bahrain possibly fall in the latter category. But, in my

view, the doubt should be resolved in favor of the legislative process.

S. Res. 214 was reported, in amended form to cover the Bahrain agreement as well, to the Senate on February 17, 1972. On March 3, 1972, it was adopted by the Senate by a vote of 50-6. The text of the resolution follows:

SENATE RESOLUTION 214

(Adopted by the Senate March 3, 1972)

Whereas the Constitution states that the President of the United States must have the advice and consent of the Senate in order to make treaties;

Whereas an agreement with Portugal, which would provide for the stationing of American troops overseas and which would furnish Portugal with large amounts of foreign aid, is clearly a matter of sufficient importance to necessitate its submission to the Senate as a treaty;

Whereas an agreement with Bahrain, which would provide for the establishment of a new American military base on foreign territory and the stationing of American troops overseas, is clearly a matter of sufficient importance to necessitate its submission to the Senate as a treaty: Now, therefore, be it

Resolved, That any agreement with Portugal or Bahrain for military bases or foreign assistance should be submitted as a treaty to the Senate for advice and consent.

Despite the overwhelming Senate vote in favor of S. Res. 214, the Administration chose only to "note" it and did not comply with the sense of the Senate that the Portuguese and Bahrain agreements be submitted to the Senate as treaties.

Shortly thereafter Senator Case introduced S. 3447 in order to implement the principle endorsed so overwhelmingly by the Senate. Section 13 is a revised version of that bill.

In his testimony before the Committee on S. Res. 214 the Under Secretary of State for Political Affairs, U. Alexis Johnson, described in detail the State Department's procedure—known as the Circular 175 procedure—for determining whether the executive agreement form is to be used in lieu of a treaty or some other legislative instrument. One key element in the process is the question of whether the subject matters "falls solely within the President's constitutional authority . . ." Through this procedure the Executive Branch unilaterally attempts to determine the extent of the Chief Executive's powers and, as one might suspect, the deliberation is weighted in favor of the Executive Branch. Yet, at the same time, it is admitted that no precise formula is available because it would involve definition of the ". . . entire scope of the President's authority in the field of foreign affairs . . ." The position of the Executive Branch appears to be that efforts to define that authority necessarily diminish it, and that the President is free to act unilaterally under the Constitution whenever any sort of precedent can be discovered and unless there is an express constitutional or congressional prohibition against such action. It is precisely that "inherent powers" doctrine which the Congress increasingly has been forced to challenge in recent years in the public interest.

In order to avoid this kind of head-on confrontation, it would seem that the Circular 175 procedure—as at least a minimum step—should include prior consultation with the appropriate committees of the Congress as a necessary element in determining the form of any negotiated agreement with a foreign country. The wisdom of such a course should have been evident to the Executive Branch as a result of the experience with the Spanish Base Agreement in 1970. In July of 1970 the chairman of the Committee on Foreign Relations asked the State Department to consider submitting that agreement to the Senate as a treaty so that it might have received the required advice and consent of the Senate. The response was hasty action to conclude the arrangements as an executive agreement, on the grounds that no commitment by the United States was involved. Because of this country's experience with gradually inflating interpretations of executive agreements, Senator Church submitted a resolution:

. . . to make it absolutely clear that the executive agreement between the United States and Spain cannot be construed as a national commitment to Spain on the part of the United States.

That resolution was approved by the Senate in December 1970 without a dissenting vote. In large measure because no lesson was drawn from that episode, the Foreign Relations Committee, as a result of the initiative of Senator Case, believes it necessary for the Senate to implement its earlier decision that the current agreements with Portugal and Bahrain be submitted as treaties requiring its advice and consent to ratification.

The United States since 1951 has had rent-free use in peacetime of Lajes Field in the Azores Islands belonging to Portugal, although no bilateral treaty has ever existed. The original defense agreement on the use of the base facilities was put into effect with an exchange of diplomatic notes and was renewed in 1957 for a further 5-year period. Negotiations for its extension broke down during 1962 over the issue of U.S. support for the principle of self-determination for the peoples of the Portuguese African territories. Nevertheless, from that year until the end of 1971 the United States was permitted to use Lajes Base on the original terms without any formal agreement but solely on the basis of a de facto understanding with the Portuguese Foreign Minister. During this period of the sixties it was generally believed that the military significance of the Azores base to the United States and NATO, originally deriving largely from its use as a transatlantic refueling station, was declining with the increasing range of aircraft and the development of in-flight refueling techniques. At the same time, with the increasing activity and range of Soviet submarines and other vessels, the military justification for the base shifted to emphasize submarine tracking and air rescue work.

In January 1969 the new Portuguese government formally requested resumption of the suspended negotiations. By November of 1970 the broad outlines of an agreement were taking form but discussions continued throughout 1971 until agreement was reached on December 9. At no point in these proceedings was there consultation with the Senate Committee on Foreign Relations. According to the Department of State, the negotiating process was greatly accelerated in November in order to conclude an agreement before President Nixon's Azores

meeting with the President of France. This factor was represented as the reason why the Committee was not consulted or given adequate advance notification.

In fiscal year 1971 slightly over 2,000 Americans and over 1,000 local nationals were employed by the United States at the Lajes facilities; American dependents are not included in this tabulation. Annual operating costs to the United States are in the neighborhood of \$20 million, not including major procurement or military construction costs, or indirect logistic and administrative costs for support from outside the area.

The New Agreement—The executive agreement concluded on December 9, 1971, covers a period of five years retroactively commencing on February 3, 1969. The expiration date of February 3, 1974, may be extended for a further six months for a negotiating period if requested. Moreover, the defense agreement of 1951 (still operative in this respect) could give an additional period of 6 to 12 months for evacuation of U.S. forces after termination of the renewed agreement. There is no U.S. commitment in the agreement to station Armed Forces in the Azores, and those already there could be withdrawn at the convenience of the United States.

The U.S. quid pro quo for the base rights—apparently in lieu of any formal rental payment—consists mainly of the following items: (1) Public Law 480 credits of \$30 million, equally divided between fiscal years 1972 and 1973, at 4½ percent interest and with 15-year repayment periods; (2) Export-Import Bank financing, under usual terms, for unspecified development projects in metropolitan Portugal valued at \$400 million; (3) the loan of a U.S. hydrographic vessel to Portugal on a no-cost basis; (4) a grant of \$1 million for educational projects, to be funded by the Department of Defense; and (5) \$5 million in drawing rights of non-military Pentagon excess equipment—which figure may be exceeded if desired. The Executive Branch has programmed for Portugal in FY 1973 \$905,000 in military grant aid and \$2,000,000 in excess defense articles valued at one-third acquisition cost, under the foreign assistance program.

Bahrain has long been an independent sheikdom on the Persian Gulf, although under British protection for over a century until last year. Prior to mid-1971 the United Kingdom under a special treaty relationship acted as the agent for Bahrain in foreign affairs and used its facilities at Jufair as the base for British naval strength in the Persian Gulf. Several U.S. naval vessels, designated as the Middle East Force, have been deployed in the area since 1949 as a subsidiary to the British position in the region. That force shared in the use of the base facilities at Bahrain under informal arrangements with the United Kingdom. However, in August of 1971 the United Kingdom decided to withdraw completely from the area, ending its special treaty relationship as Bahrain became fully independent. At some points in time unknown to the Foreign Relations Committee, the U.S. executive branch decided to keep the Middle East Force in the Gulf and to negotiate an agreement directly with the Bahrain Government. The committee was notified in November that an executive agreement was contemplated. Such an agreement was concluded on December 23, 1971, through an exchange of notes between United States and Bahraini officials.

The agreement provides for annual leasing by the United States, at a relatively small rental payment, of certain facilities at Bahrain, covering roughly 10 percent of the area formerly occupied by the British base. According to the executive branch, this continuing logistic support—

Includes access to a commercial pier on those occasions when the Middle East Force Commander's flagship or one of the two destroyers normally assigned to him is in port in Bahrain. It also includes warehousing, cold storage, communications, and recreation facilities comparable to those which the Middle East Force has used over the years.

The arrangements are renewable on the same terms annually for a period up to 20 years in duration, with one year allowed for evacuation of U.S. forces should either Government decide at any stage to terminate the agreement. Bahrain will exercise civil jurisdiction over members of the U.S. force, except for those matters arising from the performance of their official duties. The U.S. Government will exercise criminal jurisdiction. Other provisions relate to customs regulations, taxation, and civil claims. Any substantial change in the composition of the U.S. force or its personnel would require consultation with the Bahraini Government before being effected.

Both the Bahraini Government and the executive branch of the U.S. Government state that no political or military security commitment is involved in the agreement, that it does not have the aspects of a treaty, and that the facilities do not constitute a U.S. naval base in Bahrain.

The executive branch argument for concluding an arrangement with Bahrain as an executive agreement also relies on the point that the United States would only continue doing what it has been doing for over two decades. It denies any implication that the United States is intending to fill a vacuum created by the withdrawal of the permanent British presence in the Persian Gulf, and it states that the agreement "reflects no change in our Navy's scope or mission" in the gulf. While the executive agreement creates the first direct relationship between this country and Bahrain, the executive branch believes that point should not be given undue importance through submitting the arrangements in treaty form. It admits being influenced in this decision "* * * by the general aversion of Arab States to entering into treaty arrangements with Western powers" (quoted from a December 17, 1971, letter to Senator Fulbright from Assistant Secretary of State Abshire). The possibility of U.S. embroilment in local controversies and the possible hostility of Bahrain's neighbors to the agreement accordingly are given little credence or attention.

At the same time, the executive branch did not contest reporting in the press that the planned substitution of a new flagship for the Middle East Force would probably double the number of U.S. personnel, and presumably dependents, based at Bahrain. Nor was there any denial of Iran's publicly stated opposition to the agreement, a factor which gains additional importance in view of Iran's takeover of several islands which control the mouth of the Persian Gulf. Moreover, the implications of this new agreement concerning U.S. policy with respect to the Indian Ocean remains largely unexamined. Again, it was stated by the executive branch that the costs of the use of facilities at Bah-

rain—a rental payment in this instance—will be subject to congressional authorization and appropriation. However, these costs would form a virtually imperceptible part of the overall U.S. defense budget, and accordingly are unlikely to be considered from the point of view of U.S. foreign policy interests in the Middle East and the Indian Ocean.

The Committee on Foreign Relations believes that the two executive agreements, with Portugal and Bahrain respectively, raise important foreign policy questions which deserve the closest possible scrutiny by the U.S. Congress. It further believes that the submission of these agreements as treaties subject to the advice and consent of the Senate is the best and most appropriate way of obtaining that objective in consonance with our long-established constitutional procedures.

Section 13 should be seen as an element, and an important one, in the continuing effort of the Senate to remedy the imbalance in the respective roles of the Legislative and Executive Branches in the formulation of U.S. foreign policy. This provision would prohibit the obligation or expenditure of any funds to carry out the agreements with Portugal and Bahrain thirty days after the enactment of this bill until the agreements are submitted to the Senate in treaty form for its advice and consent. The Executive Branch is given a period of thirty days within which it can convert the agreements to treaty form before the fund cut-off takes effect. If the treaties are submitted after the fund cut-off becomes effective, obligations and expenditures pursuant to the agreements can be resumed once the treaties have been submitted to the Senate.

The Committee intends that the prohibition shall apply to all commitments undertaken by the United States directly pursuant to the agreements which require the spending of public monies. In the case of the Export-Import Bank, the Committee intends that the prohibition would apply to any commitments of loans undertaken pursuant to the agreement on the Azores. But it is not intended to prohibit regular Export-Import Bank loan operations relating to projects in metropolitan Portugal which are not directly related to the agreement. The Bank's normal operations concerning projects in Portugal are not meant to be impaired by this provision.

Section 14. Prohibiting obligation or expenditure of funds for certain agreements to which the Senate has not given its advice and consent

This provision, introduced by Senator Case as S. 3637, would prohibit the obligation or expenditure of funds to carry out any agreement, entered into after this bill becomes law, between the United States and a foreign government which:

(a) provides for the establishment of a military installation in that country at which U.S. combat units are to be assigned to duty;

(b) revises or extends any such agreement; or

(c) provides for the storage of nuclear weapons or the renewal of existing agreements relating to storage of nuclear weapons,

unless the Senate has given its advice and consent to the agreement involved. This provision is intended to apply generally the principle involved in Section 13, which relates only to the Azores and Bahrain agreements.

There is no question that the drafters of the Constitution intended that all major agreements with foreign countries be treaties, subject to Senate approval. They would not have accepted the proposition that the Executive Branch has the option simply to call an important commitment an executive agreement and put it in effect without the participation of the Senate. Yet, this is the current practice, and it is in direct conflict with the system of checks and balances that the Founding Fathers so carefully wrote into the Constitution. In recent years the Committee on Foreign Relations has devoted much study to the problem of how to restore Congress', and, in particular, the Senate's, proper role in the making of foreign policy. The Committee believes that enactment of this provision will represent a significant step in the restoration process.

This provision concentrates on two areas which are crucial to our national security. It does not include or exclude agreements on other subjects which, by virtue of their importance, should also be considered as treaties. Perhaps additional legislation will be necessary later to cover other areas. This provision deals only with agreements relating to U.S. military bases in foreign countries and the storage of nuclear weapons abroad. Both areas involve highly sensitive foreign policy questions which can entangle our country in obligations and commitments that ultimately may lead to war. During 1969 and 1970 the Subcommittee on U.S. Security Agreements and Commitments Abroad, chaired by Senator Symington, made an exhaustive study of the foreign policy implications of U.S. military installations abroad. The report of that subcommittee stressed the sensitive nature of the bases problem. It said;

Overseas bases, the presence of elements of United States Armed Forces, joint planning, joint exercises, or extensive military assistance programs represent to host governments more valid assurances of United States commitment than any treaty or agreement. Furthermore, any or all of the above instances of United States military presence all but guarantee some involvement by the United States in the internal affairs of the host government.

In November 1968, the then Chairman of the Joint Chiefs of Staff, General Earle Wheeler, in a statement delivered in Madrid to representatives of the Spanish General Staff, formulated better than any statement by the Subcommittee the concept being discussed here. At that time General Wheeler said, in a statement previously cleared by both the State and Defense Departments, that the presence of United States troops on Spanish soil represented a stronger security guarantee than anything written on paper. (Report to the Committee on Foreign Relations, United States Senate, by the Subcommittee on Security Agreements and Commitments Abroad, December 21, 1970, pages 20-21.)

As to the storage of nuclear weapons abroad, the Subcommittee reached these conclusions:

The stationing of nuclear weapons in foreign countries represents a special kind of commitment between the United States and the host country. In almost every one of these

countries a veil of secrecy hides the presence of such weapons. Nowhere is this veil stronger than in the United States.

Most people here are unaware of the fact that United States tactical nuclear warheads have been and are stationed in countries all around the world, a pattern of deployment which results in arousing deep concern in both the Soviet Union and Communist China.

. . . we should recognize the political implications involved in placing nuclear weapons in other countries, along with the need for continuous re-examination of such a policy. (Report to the Committee on Foreign Relations, United States Senate, by the Subcommittee on Security Agreements and Commitments Abroad, December 21, 1970, pages 13-14.)

Our country should not become entangled in such serious obligations as those incurred through stationing our forces abroad or storing nuclear weapons in foreign countries without the participation of the Legislative Branch, and through it, the American people.

Senator Case said recently:

There is no way that the Congress can compel the Executive to submit important agreements to the Senate as treaties. Yet Congress does not have to appropriate any funds to pay for the costs of implementing the agreements. And the constitutionally mandated balance between the Executive and the Congress will not be restored until the Congress takes strong action to restore it.

The Committee recommends that the Senate take such action.

This provision is prospective only. It does not effect current agreements relating to foreign bases or the storage of nuclear weapons. However, it will require submission to the Senate of any agreements to renew or revise existing agreements.

CHANGES IN EXISTING LAW

In compliance with paragraph 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

I. FOREIGN ASSISTANCE ACT OF 1961

* * * * *

Sec. 234. Investment Incentive Programs.—The Corporation is hereby authorized to do the following:

* * * * *

(c) **Direct Investment.**—To make loans in United States dollars repayable in dollars or loans in foreign currencies (including, without regard to section 1415 of the Supplemental Appropriation Act, 1953,⁷⁷ such foreign currencies which the Secretary of the Treasury may determine to be excess to the normal requirements of the United States and the Director of the Bureau of the Budget may allocate) to firms

privately owned or of mixed private and public ownership upon such terms and conditions as the Corporation may determine. The Corporation may not purchase or invest in any stock in any other corporation, except that it may [(1) accept as evidence of indebtedness debt securities convertible to stock, but such debt securities shall not be converted to stock while held by the Corporation] (1) in its financing programs, acquire debt securities convertible to stock or rights to acquire stock, but such debt securities or rights shall not be converted to stock while held by the Corporation, and (2) acquire stock through the enforcement of any lien or pledge or otherwise to satisfy a previously contracted indebtedness which would otherwise be in default, or as the result of any payment under any contract of insurance or guaranty. The Corporation shall dispose of any stock it may so acquire as soon as reasonably feasible under the circumstances then pertaining.

No loans shall be made under this section to finance operations for mining or other extraction of any deposit of ore, oil, gas, or other mineral.

* * * * *

“CHAPTER 9—REFUGEE RELIEF ASSISTANCE

SEC. 491. REFUGEE RELIEF ASSISTANCE.—There is authorized to be appropriated to the President for the fiscal year [1972] 1973, in addition to funds otherwise available for such purpose, not to exceed [\$250,000,000] \$50,000,000 to remain available until expended, for use by the President in providing assistance for the relief and rehabilitation of refugees from East Pakistan and for humanitarian relief in East Pakistan. Such assistance shall be distributed, to the maximum extent practicable, under the auspices of and by international institutions and relief agencies or United States voluntary agencies.

* * * * *

Sec. 504. Authorization.—(a) There is authorized to be appropriated to the President to carry out the purposes of this part not to exceed [\$500,000,000 for the fiscal year 1972.] \$600,000,000 for the fiscal year 1973.

Provided, That funds made available for assistance under this chapter (other than training in the United States) shall not be used to furnish assistance in more than forty countries in any fiscal year: *Provided further*, That none of the funds appropriated pursuant to this subsection shall be used to furnish sophisticated weapons systems, such a missile system and jet aircraft for military purpose, to any underdeveloped country, unless the President determines that the furnishing of such weapons systems is important to the national security of the United States and reports within thirty days each such determination to the Congress. Amounts appropriated under this subsection are authorized to remain available until expended. Amounts appropriated under this subsection shall be available for cost-sharing expenses of United States participation in the military headquarters and related agencies program.

(b) In order to make sure that a dollar spent on military assistance to foreign countries is as necessary as a dollar spent for the United States military establishment, the President shall establish procedures for programing and budgeting so that programs of mili-

tary assistance come into direct competition for financial support with other activities and programs of the Department of Defense.

* * * * *

Sec. 506. Special Authority.—(a) During the fiscal year [1972] 1973 the President may, if he determines it to be vital to the security of the United States, order defense articles from the stocks of the Department of Defense and defense services for the purposes of part II, subject to subsequent reimbursement therefor from subsequent appropriations available for military assistance. The value of such orders under this subsection in the fiscal year [1972] 1973 shall not exceed \$300,000,000. Prompt notice of action taken under this subsection shall be given to the Committees on Foreign Relations, Appropriations, and Armed Services of the Senate and the Speaker of the House of Representatives.

(b) The Department of Defense is authorized to incur, in applicable appropriations, obligations in anticipation of reimbursements in amounts equivalent to the value of such orders under subsection (a) of this section. Appropriations to the President of such sums as may be necessary to reimburse the applicable appropriation, fund, or account for such orders are hereby authorized.

* * * * *

SEC. 513. MILITARY ASSISTANCE AUTHORIZATIONS FOR THAILAND, LAOS, AND SOUTH VIETNAM.—After June 30, 1972, no military assistance shall be furnished by the United States to Thailand directly or through any other foreign country unless that assistance is authorized under this Act or the Foreign Military Sales Act.

After June 30, 1973, no military assistance shall be furnished by the United States to Laos or South Vietnam directly or through any other foreign country unless that assistance is authorized under this Act or the Foreign Military Sales Act.

SEC. 514. SPECIAL FOREIGN COUNTRY ACCOUNTS.—(a) Except as otherwise provided in this section, no defense article may be given, and no grant of military assistance may be made, under this Act to a foreign country unless the country agrees—

(1) to deposit in a special account established by the United States Government the following amounts of currency of that country:

(A) in the case of any excess defense article to be given to that country, an amount equal to [10] 25 per centum of the fair value of the article, as determined by the Secretary of State, at the time the agreement to give the article to the country is made; and

(B) in the case of a grant of military assistance to be made to that country, an amount equal to [10] 25 per centum of each such grant; and

(2) to allow the United States Government to use such amounts from that special account as may be determined, from time to time, by the President to be necessary to pay all official costs of the United States Government payable in the currency of that country, including all costs relating to the financing of international educational and cultural exchange activities in which that country participates under the programs authorized by the Mutual Educational and Cultural Exchange Act of 1961.

(b) The President may waive any amount of currency of a foreign country required to be deposited under subsection (a)(1) of this section

if he determines that the United States Government will be able to pay all of its official costs payable in the currency of that country enumerated under subsection (a)(2) of this section without the deposit of such amount and without having to expend United States dollars to purchase currency of that country to pay such costs.

(c) The provisions of this section shall not apply in any case in which an excess defense article is given, or a grant of military assistance is made—

(1) to a foreign country under an agreement with that country which allows the United States Government to operate a military or other similar base in that country in exchange for that article or grant; and

(2) to South Vietnam, Cambodia, or Laos.

“(d) In no event shall any foreign country be required, under this section, to make deposits in a special account aggregating more than \$20,000,000 in any one year.

SEC. 515. LIMITATIONS ON AVAILABILITY OF FUNDS FOR MILITARY OPERATIONS.—(a) No funds authorized or appropriated under any provision of law shall be made available by any means by any officer, employee, or agency of the United States Government for the purpose of financing any military operations by foreign forces in Laos, North Vietnam, or Thailand outside the borders of the country of the government or person receiving such funds unless Congress has specifically authorized or authorizes the making of funds available for such purpose and designates the area where military operations financed by such funds may be undertaken outside such borders.

(b) Upon requesting Congress to make any such authorization, the President shall provide to Congress a copy of any agreement proposed to be entered into with any such government or person and the complete details of the proposed military operation. Upon such authorization by Congress, the President shall provide a copy of any such agreement and thereafter of all plans and details of such operation.

* * * * *

“CHAPTER 4—SECURITY SUPPORTING ASSISTANCE

“SEC. 531. GENERAL AUTHORITY.—The President is authorized to furnish assistance to friendly countries, organizations, and bodies eligible to receive assistance under this Act on such terms and conditions as he may determine, in order to support or promote economic or political stability. The authority of this chapter shall not be used to furnish assistance to more than twelve countries in any fiscal year.

“SEC. 532. AUTHORIZATION.—There is authorized to be appropriated to the President to carry out the purposes of this chapter for the fiscal year [1972] 1973 not to exceed [\$618,000,000], \$650,000,000, of which not less than \$50,000,000 shall be available solely for Israel: *Provided*, That where commodities are furnished on a grant basis under this chapter under arrangements which will result in the accrual of proceeds to the Government of Vietnam from the sale thereof, arrangements should be made to assure that such proceeds will not be budgeted by the Government of Vietnam for economic assistance projects or programs unless the President or his representative has given prior written approval. Amounts appropriated under this section are authorized to remain available until expended. None of the funds authorized by this section shall be made available to the Government of

Vietnam unless, beginning in January 1970, and quarterly thereafter, the President of the United States shall determine that the accommodation rate of exchange, and the rate of exchange for United States Government purchases of piasters for goods and services, between said Government and the United States is fair to both countries.

* * * * *

Sec. 610. Transfer Between Accounts.—(a) Whenever the President determines it to be necessary for the purposes of this Act, not to exceed 10 per centum of the funds made available for any provision of this Act (except funds made available pursuant to title IV of chapter 2 of part I) may be transferred to, and consolidated with, the funds made available for any other provision of this Act, and may be used for any of the purposes for which such funds may be used, except that (1) the total in the provision for the benefit of which the transfer is made shall not be increased by more than 20 per centum of the amount of funds made available for such provision, and (2) no made available for any provision of part I of this Act may be transferred to, or consolidated with, funds made available for any provision of part II of this Act (including chapter 4 of such part II).

(b) The authority contained in this section and in sections 451, 506, and 614 shall not be used to augment appropriations made available pursuant to section 636(g)(1) and 637 or used otherwise to finance activities which normally would be financed from appropriations for administrative expenses. Not to exceed \$9,000,000 of the funds appropriated under section 402 of this Act for any fiscal year may be transferred to and consolidated with appropriations made under section 637(a) of this Act for the same fiscal year, subject to the further limitation that funds so transferred shall be available solely for additional administrative expenses incurred in connection with programs in Vietnam.

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Sec. 620. Prohibitions Against Furnishing Assistance.—

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(x) No assistance may be furnished under part II of this Act (including chapter 4 of such part), and no sale, credit sale, or guaranty with respect to defense articles or defense services may be made under the Foreign Military Sales Act, to, for, or on behalf of the Governments of Pakistan, India (including Sikkim), Bangladesh, Nepal, Ceylon, the Maldives Islands, or Bhutan.

* * * * *

Sec. 632. Allocation and Reimbursement Among Agencies.—[(a) The President may allocate or transfer to any agency of the United States Government any part of any funds available for carrying out the purposes of this Act, including any advance to the United States Government by any country or international organization for the procurement of commodities, defense articles, or services (including defense services). Such funds shall be available for obligation and expenditure for the purposes for which authorized, in accordance with authority granted in this Act or under authority governing the activities of the agencies of the United States Government to which such funds are allocated or transferred.]

* * * * *

SEC. 655. LIMITATIONS UPON ASSISTANCE TO OR FOR CAMBODIA.—

(a) Notwithstanding any other provision of law, no funds authorized to be appropriated by this or any other law may be obligated in any amount in excess of ~~【\$341,000,000】~~ \$275,000,000 for the purpose of carrying out directly or indirectly any economic or military assistance, or any operation, project, or program of any kind, or for providing any goods, supplies, materials, equipment, services, personnel, or advisers in, to, for, or on behalf of Cambodia during the fiscal year ending June 30, ~~【1972】~~ 1973.

(b) In computing the ~~【\$341,000,000】~~ \$275,000,000 limitation on obligation authority under subsection (a) of this section in fiscal year ~~【1972】~~ 1973, (1) there shall be included in the computation the value, of any goods, supplies, materials, or equipment provided to, for, or on behalf of Cambodia in such fiscal year by gift, donation, loan, lease, or otherwise, and (2) there shall not be included in the computation the value of any goods, supplies, materials, or equipment attributable to the operations of the Armed Forces of the Republic of Vietnam in Cambodia. For the purpose of this subsection, 'value' means the fair market value of any goods, supplies, materials, or equipment provided to, for, or on behalf of Cambodia but in no case less than 33½ per centum of the amount the United States paid at the time such goods, supplies, materials, or equipment were acquired by the United States.

(c) No funds may be obligated for any of the purposes described in subsection (a) of this section in, to, for, or on behalf of Cambodia in any fiscal year beginning after June 30, 1972, unless such funds have been specifically authorized by law enacted after the date of enactment of this section. In no case shall funds in any amount in excess of the amount specifically authorized by law for any fiscal year be obligated for any such purpose during such fiscal year.

(d) The provisions of subsections (a) and (c) of this section shall not apply with respect to the obligation of funds to carry out combat air operations over Cambodia.

(e) After the date of enactment of this section, whenever any request is made to the Congress for the appropriation of funds for use in, for, or on behalf of Cambodia for any fiscal year, the President shall furnish a written report to the Congress explaining the purpose for which such funds are to be used in such fiscal year.

(f) The President shall submit to the Congress within thirty days after the end of each quarter of each fiscal year, beginning with the fiscal year which begins July 1, 1971, a written report showing the total amount of funds obligated in, for, or on behalf of Cambodia during the preceding quarter by the United States Government, and shall include in such report a general breakdown of the total amount obligated, describing the different purposes for which such funds were obligated and the total amount obligated for such purpose, except that in the case of the first two quarters of the fiscal year beginning July 1, 1971, a single report may be submitted for both such quarters and such report may be computed on the basis of the most accurate estimates the President is able to make taking into consideration all information available to him.

(g) Enactment of this section, or any amendment thereto, shall not be construed as a commitment by the United States to Cambodia for its defense.

* * * * *

FOREIGN MILITARY SALES ACT

Sec. 31. Authorization and Aggregate Ceiling on Foreign Military Sales Credits.—(a) There is hereby authorized to be appropriated to the President to carry out this Act not to exceed \$400,000,000 for the fiscal year **[1972]** 1973. Unobligated balances of funds made available pursuant to this section are hereby authorized to be continued available by appropriations legislation to carry out this Act.

(b) The aggregate total of credits, or participations in credits, extended pursuant to this Act (excluding credits covered by guaranties issued pursuant to section 24(b)) and of the face amount of guaranties issued pursuant to sections 24(a) and (b) shall not exceed \$550,000,000 for the fiscal year **[1972]** 1973, of which amount not less than \$300,000,000 shall be made available to Israel only.

* * * * *

FOREIGN MILITARY SALES ACT AMENDMENTS OF 1971, PUBLIC LAW 91-672

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SEC. 8. (a) Subject to the provisions of subsection (b), the value of any excess defense article granted to a foreign country or international organization by any department, agency, or independent establishment of the United States Government (other than the Agency for International Development) shall be considered to be an expenditure made from funds appropriated under the Foreign Assistance Act of 1961 for military assistance. Unless such department, agency, or establishment certifies to the Comptroller General of the United States that the excess defense article it is ordering is not to be transferred by any means to a foreign country or international organization, when an order is placed for a defense article whose stock status is excess at the time ordered, a sum equal to the value thereof shall (1) be reserved and transferred to a suspense account, (2) remain in the suspense account until the excess defense article is either delivered to a foreign country or international organization or the order therefor is cancelled, and (3) be transferred from the suspense account to (A) the general fund of the Treasury upon delivery of such article, or (B) to the military assistance appropriation for the current fiscal year upon cancellation of the order.

Such sum shall be transferred to the military assistance appropriation for the current fiscal year upon delivery of such article if at the time of delivery the stock status of the article is determined, in accordance with sections 644(g) and (m) of the Foreign Assistance Act of 1961, to be nonexcess.

(b) The provisions of subsection (a) shall apply during any fiscal year only to the extent that the aggregate value of excess defense articles ordered during that year exceeds **[\$185,000,000]** \$150,000,000.

(c) For purposes of this section, "value" means not less than 33½ per centum of the amount the United States paid at the time the excess defense articles were acquired by the United States.

(d) The President shall promptly and fully inform the Speaker of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate of each decision to furnish on a grant basis to any country excess defense articles which

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are major weapons systems to the extent such major weapons system was not included in the presentation material previously submitted to the Congress. Additionally, the President shall also submit a quarterly report to the Congress listing by country the total value of all deliveries of excess defense articles, disclosing both the aggregate original acquisition cost and the aggregate value at the time of delivery.

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TABLE IV.—Military and economic assistance data, fiscal year 1973 program regional summary
[In thousands of dollars]

	Development and humanitarian economic programs										Total military and economic, fiscal year 1973	Total military and economic, fiscal year 1972					
	Agency for International Development					International financial institutions ⁴											
	Military assistance grants	Foreign military credit sales	Foreign defense articles ¹	Military service funded	Ship loans ¹	Total military	AID supporting assistance	Total security assistance ²	Development/International narcotics control ³	Contingency fund and development assistance ³			AID humanitarian total	Peace Corps	Public Law 480	Total economic	
Summary, all programs.....	819,700	629,000	245,000	2,065,000	39,000	3,798,300	879,418	4,667,718	1,568,976	72,890	1,671,776	72,300	1,099,780	920,000	3,763,765	8,491,483	7,439,069
Americas.....	20,300	75,000	2,500	88,700	900	98,700	389,416	18,913	106,559	18,913	106,559	18,913	106,559	920,000	514,888	613,688	628,970
Argentina.....	4,823	15,000	500	17,975	18,500	36,475	39,975	173,209	173,209	173,209	173,209	173,209	173,209	920,000	370,643	370,643	370,643
Brazil.....	1,174	5,000	200	6,374	18,300	24,674	25,982	347,204	347,204	347,204	347,204	347,204	347,204	920,000	380,668	380,668	380,668
Chile.....	1,775	10,000	300	12,075	15,000	27,075	28,300	317,500	317,500	317,500	317,500	317,500	317,500	920,000	418,800	418,800	418,800
Colombia.....	1,485	100	100	1,685	1,000	2,685	3,000	188,857	188,857	188,857	188,857	188,857	188,857	920,000	700,850	700,850	700,850
Cuba.....	1,805	100	100	2,005	5,000	7,005	7,005	191,057	191,057	191,057	191,057	191,057	191,057	920,000	648,908	648,908	648,908
Cuba and PAC.....	82,400	103,000	2,065,000	2,892,400	9,000	2,901,400	3,066,728	188,857	188,857	188,857	188,857	188,857	188,857	920,000	4,265,031	4,265,031	4,265,031
Other.....	52,928	82,400	103,000	138,328	9,000	147,328	147,328	1,188,446	1,188,446	1,188,446	1,188,446	1,188,446	1,188,446	920,000	1,021,312	1,021,312	1,021,312
Administrative and other expenses, State.....	85,246	85,246	2,065,000	2,235,492	9,000	2,244,492	2,244,492	4,918	4,918	4,918	4,918	4,918	4,918	920,000	1,507,966	1,507,966	1,507,966
Total.....	20,300	75,000	2,500	88,700	900	98,700	389,416	18,913	106,559	18,913	106,559	18,913	106,559	920,000	514,888	613,688	628,970
Latin America.....	15,160	9,673	15,160	34,833	900	35,733	15,160	15,160	15,160	15,160	15,160	15,160	15,160	920,000	27,914	27,914	27,914
Argentina.....	4,823	15,000	500	17,975	18,500	36,475	39,975	173,209	173,209	173,209	173,209	173,209	173,209	920,000	370,643	370,643	370,643
Brazil.....	1,174	5,000	200	6,374	18,300	24,674	25,982	347,204	347,204	347,204	347,204	347,204	347,204	920,000	380,668	380,668	380,668
Chile.....	1,775	10,000	300	12,075	15,000	27,075	28,300	317,500	317,500	317,500	317,500	317,500	317,500	920,000	418,800	418,800	418,800
Colombia.....	1,485	100	100	1,685	1,000	2,685	3,000	188,857	188,857	188,857	188,857	188,857	188,857	920,000	700,850	700,850	700,850
Cuba.....	1,805	100	100	2,005	5,000	7,005	7,005	191,057	191,057	191,057	191,057	191,057	191,057	920,000	648,908	648,908	648,908
Cuba and PAC.....	82,400	103,000	2,065,000	2,892,400	9,000	2,901,400	3,066,728	188,857	188,857	188,857	188,857	188,857	188,857	920,000	4,265,031	4,265,031	4,265,031
Other.....	52,928	82,400	103,000	138,328	9,000	147,328	147,328	1,188,446	1,188,446	1,188,446	1,188,446	1,188,446	1,188,446	920,000	1,021,312	1,021,312	1,021,312
Administrative and other expenses, State.....	85,246	85,246	2,065,000	2,235,492	9,000	2,244,492	2,244,492	4,918	4,918	4,918	4,918	4,918	4,918	920,000	1,507,966	1,507,966	1,507,966
Total.....	15,160	9,673	15,160	34,833	900	35,733	15,160	15,160	15,160	15,160	15,160	15,160	15,160	920,000	27,914	27,914	27,914
Total.....	15,160	9,673	15,160	34,833	900	35,733	15,160	15,160	15,160	15,160	15,160	15,160	15,160	920,000	27,914	27,914	27,914
Total.....	15,160	9,673	15,160	34,833	900	35,733	15,160	15,160	15,160	15,160	15,160	15,160	15,160	920,000	27,914	27,914	27,914
Total.....	15,160	9,673	15,160	34,833	900	35,733	15,160	15,160	15,160	15,160	15,160	15,160	15,160	920,000	27,914	27,914	27,914
Total.....	15,160	9,673	15,160	34,833	900	35,733	15,160	15,160	15,160	15,160	15,160	15,160	15,160	920,000	27,914	27,914	27,914
Total.....	15,160	9,673	15,160	34,833	900	35,733	15,160	15,160	15,160	15,160	15,160	15,160	15,160	920,000	27,914	27,914	27,914
Total.....	15,160	9,673	15,160	34,833	900	35,733	15,160	15,160	15,160	15,160	15,160	15,160	15,160	920,000	27,914	27,914	27,914
Total.....	15,160	9,673	15,160	34,833	900	35,733	15,160	15,160	15,160	15,160	15,160	15,160	15,160	920,000	27,914	27,914	27,914
Total.....	15,160	9,673	15,160	34,833	900	35,733	15,160	15,160	15,160	15,160	15,160	15,160	15,160	920,000	27,914	27,914	27,914
Total.....	15,160	9,673	15,160	34,833	900	35,733	15,160	15,160	15,160	15,160	15,160	15,160	15,160	920,000	27,914	27,914	27,914
Total.....	15,160	9,673	15,160	34,833	900	35,733	15,160	15,160	15,160	15,160	15,160	15,160	15,160	920,000	27,914	27,914	27,914
Total.....	15,160	9,673	15,160	34,833	900	35,733	15,160	15,160	15,160	15,160	15,160	15,160	15,160	920,000	27,914	27,914	27,914
Total.....	15,160	9,673	15,160	34,833	900	35,733	15,160	15,160	15,160	15,160	15,160	15,160	15,160	920,000	27,914	27,914	27,914
Total.....	15,160	9,673	15,160	34,833	900	35,733	15,160	15,160	15,160	15,160	15,160	15,160	15,160	920,000	27,914	27,914	27,914
Total.....	15,160	9,673	15,160	34,833	900	35,733	15,160	15,160	15,160	15,160	15,160	15,160	15,160	920,000	27,914	27,914	27,914
Total.....	15,160	9,673	15,160	34,833	900	35,733	15,160	15,160	15,160	15,160	15,160	15,160	15,160	920,000	27,914	27,914	27,914
Total.....	15,160	9,673	15,160	34,833	900	35,733	15,160	15,160	15,160	15,160	15,160	15,160	15,160	920,000	27,914	27,914	27,914
Total.....	15,160	9,673	15,160	34,833	900	35,733	15,160	15,160	15,160	15,160	15,160	15,160	15,160	920,000	27,914	27,914	27,914
Total.....	15,160	9,673	15,160	34,833	900	35,733	15,160	15,160	15,160	15,160	15,160	15,160	15,160	920,000	27,914	27,914	27,914
Total.....	15,160	9,673	15,160	34,833	900	35,733	15,160	15,160	15,160	15,160	15,160	15,160	15,160	920,000	27,914	27,914	27,914
Total.....	15,160	9,673	15,160	34,833	900	35,733	15,160	15,160	15,160	15,160	15,160	15,160	15,160	920,000	27,914	27,914	27,914
Total.....	15,160	9,673	15,160	34,833	900	35,733	15,160	15,160	15,160	15,160	15,160	15,160	15,160	920,000	27,914	27,914	27,914
Total.....	15,160	9,673	15,160	34,833	900	35,733	15,160	15,160	15,160	15,160	15,160	15,160	15,160	920,000	27,914	27,914	27,914
Total.....	15,160	9,673	15,160	34,833	900	35,733	15,160	15,160	15,160	15,160	15,160	15,160	15,160	920,000	27,914	27,914	27,914
Total.....	15,160	9,673	15,160	34,833	900	35,733	15,160	15,160	15,160	15,160	15,160	15,160	15,160	920,000	27,914	27,914	27,914
Total.....	15,160	9,673	15,160	34,833	900	35,733	15,160	15,160	15,160	15,160	15,160	15,160	15,160	920,000	27,914	27,914	27,914
Total.....	15,160	9,673	15,160	34,833	900	35,733	15,160	15,160	15,160	15,160	15,160	15,160	15,160	920,000	27,914	27,914	27,914
Total.....	15,160	9,673	15,160	34,833	900	35,733	15,160	15,160	15,160	15,160	15,160	15,160	15,160	920,000	27,914	27,914	27,914
Total.....	15,160	9,673	15,160	34,833	900	35,733	15,160	15,160	15,160	15,160	15,160	15,160	15,160	920,000	27,914	27,914	27,914
Total.....	15,160	9,673	15,160	34,833	900	35,733	15,160	15,160	15,160	15,160	15,160	15,160	15,160	920,000	27,914	27,914	27,914
Total.....	15,160	9,673	15,160	34,833	900	35,733	15,160	15,160	15,160	15,160	15,160	15,160	15,160	920,000	27,914	27,914	27,914
Total.....	15,160	9,673	15,160	34,833	900	35,733	15,160	15,160	15,160	15,160	15,160	15,160	15,160	920,000	27,914	27,914	27,914
Total.....	15,160	9,673	15,160	34,833	900	35,733	15,160	15,160	15,160	15,160	15,160	15,160	15,160	920,000	27,914	27,914	27,914
Total.....	15,160	9,673	15,160	34,833	900</												

TABLE IV.—Military and economic assistance data, fiscal year 1973 program by country—Continued

[In thousands of dollars]

	Security programs										Economic programs					Total military and economic fiscal year 1973	Total military and economic fiscal year 1972
	Military programs					Other programs					Total economic 1973	Total economic 1972					
	Military grants	Foreign military grants	Excess defense articles ¹	Military service funded	Ship loans ²	Total military	AID supporting assistance	Total security	Development/maintenance/assistance	Internal narcotics control			Peace Corps	Public Law 480			
East Asia and Pacific	542,928	92,500	183,000	2,055,000	9,500	2,862,928	743,800	3,606,728	188,837	2,200	191,037	445,494	648,948	4,265,631	4,086,892		
Burma	200,511	7,612	15,500	255,041	300,041	255,041	75,000	300,041	()	()	()	30,018	330,059	246,457	246,457		
Cambodia	65,000	46,000	109,142	109,142	109,142	109,142	()	109,142	()	()	()	128	109,126	109,126	109,126		
Hong Kong	28,716	25,000	133,500	382,000	413,510	382,000	49,800	413,510	123,300	28,600	2,194	87,600	211,120	234,967	234,967		
Indonesia	23,710	3,000	2,000	380,000	3,800	382,000	49,800	413,510	28,600	700	1,570	3,853	172,294	588,904	588,904		
Malaysia	20,780	4,500	3,000	1,961,500	3,800	27,880	27,880	27,880	20,565	1,971	2,968	33,800	44,017	4,214	4,214		
Philippines	59,954	83,400	4,500	1,961,500	3,800	64,454	25,600	90,054	2,145	1,600	3,145	33,800	83,915	83,915	83,915		
Singapore	376	12,900	8,500	1,014,900	8,400	12,875	8,400	12,875	13,151	525	3,186	130,420	131,295	2,331,166	2,331,166		
Western Samoa	17,975	18,500	3,500	38,975	38,975	38,975	8,400	12,875	13,151	525	3,186	130,420	131,295	2,331,166	2,331,166		
Economic regional programs																	
Regional military costs																	
Africa																	
Botswana																	
Burundi																	
Cameroun																	
Central African Republic																	
Congo (Brazzaville)																	
Dahomey																	
Gambia																	
Ghana																	
Guinea																	
Ivory Coast																	
Kenya																	
Lesotho																	
Madagascar																	
Malawi																	
Malaysia																	
Mali																	
Mauritania																	
Mauritius																	
Monrovia																	
Nigeria																	
Rwanda																	
Senegal																	
Sierra Leone																	
Somali Republic																	
Sudan																	
Tanzania																	
Togo																	
Tunisia																	
Tupper Valley																	
Zaire																	
Economic regional programs:																	
Central West Africa																	
East Africa																	
East Asia and Pacific																	
Latin America																	
Regional military costs ³	4,722	15,030	2,000	21,752	21,752	21,752	3,965	21,752	2,050	2,049	2,050	2,050	21,752	19,802	19,802		
Self-Help projects																	
Europe																	
Austria																	
Belgium																	
France																	
Germany																	
Italy																	
Netherlands																	
Spain																	
United Kingdom																	
Regional military costs	10,259	18,200	5,000	36,459	36,459	36,459	12,500	36,459	2,050	10	850	49,859	49,859	78,247	78,247		
Asia																	
India																	
Japan																	
South Korea																	
Taiwan																	
Other																	
Total	542,928	92,500	183,000	2,055,000	9,500	2,862,928	743,800	3,606,728	188,837	2,200	191,037	445,494	648,948	4,265,631	4,086,892		

¹ In legal value—at 1/2 average class acquisition costs.
² Includes contingency fund and international narcotics control funds.
³ Includes International Development Association, Inter-American Development Bank and Asian Development Bank.
⁴ Includes International Development Association, Inter-American Development Bank and Asian Development Bank.
 * Self-Help funds only.
 † Includes classified countries.

ADDITIONAL VIEWS OF SENATOR WILLIAM B. SPONG, JR.

I voted against reporting the Foreign Aid Authorization Bill for Fiscal 1973. The bill, as reported from Committee, carries an authorization of \$1.7 billion, most of which is for military assistance programs. I recognize the need for some of these programs, including the military sales credits and supporting assistance for Israel. I do, however, believe that in view of the projected budget deficit of \$25 billion for this year we cannot afford a large-scale foreign aid program.

My vote is consistent with votes cast last year. In 1971 I voted against reporting H.R. 9910, although I did support the Committee version of S. 2819 which authorized \$1.2 billion for military assistance type programs. I believed then and believe now that that was the maximum amount which should be spent on these programs in a time of financial difficulties for our country.

Our nation is overcommitted in many parts of the world. As I have noted a number of times, we cannot be the world's financier or the world's policeman, especially at a time when there are so many pressing domestic needs.

On the other hand, I do not believe we can withdraw from the world or that we should pursue a neo-isolationist policy. Indeed, we cannot do that. As a result I have supported the regional development banks, certain programs to provide humanitarian assistance and selected aid programs, including the amendment to the State Department-USIA authorization bill expanding our participation in international narcotics control programs.

What we need at this time in our history is a middle course between our present overcommitment and a potentially dangerous policy of isolation. Instead of representing such a balance, however, the reported bill represents only a continuation of the current policy of overcommitment.

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