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**SECRET**

State Dept. review completed

**INFORMATION**

OSD Review Completed

January 12, 1972

ON-FILE NSC RELEASE INSTRUCTIONS APPLY

**MEMORANDUM FOR:**

**MR. KISSINGER**

**FROM:**

MORI C05074231 Pg 1 ONLY

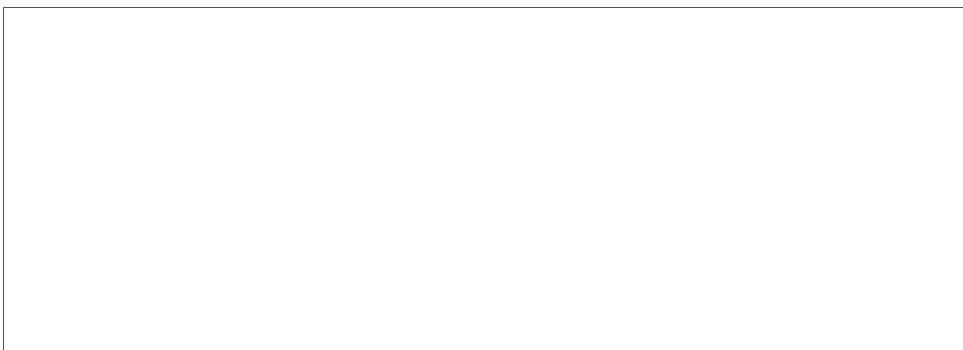
**JOHN H. HOLDRIDGE**

**SUBJECT:**

**Report on Ceiling for Laos**

As you know, the Stennis/Byrd Amendment places a 350 million dollar ceiling on FY-72 expenditures for U.S. programs in Laos, excluding combat air and normal mission operating costs. Until now there has been some concern among the government departments that this ceiling would be exceeded. There was further apprehension that losses resulting from the current tactical situation would entail even additional costs.

The first field report on this subject is now available in the form of a letter from Ambassador Godley to Secretary Rogers. It encloses data pertaining to AID,  and DOD expenditures for the first half of the fiscal year. The preliminary conclusions from these data are that our current rate of expenditures does not exceed the ceiling and that we are, in fact, comfortably within the limit. The figures for the first 6 months are as follows:



The documents upon which the foregoing figures are based are now being double-checked in Washington, and the DOD data will be checked on a computer run early next week. In any event, the material will be in order in ample time for submission of a report to Congress by the January 30 deadline required by law.

The foregoing news is, of course, encouraging, and if this favorable expenditure trend continues, it will obviate any need to approach Congress for a higher ceiling.