



1 the appropriate committee or officer of either House of Con-
2 gress.

3 "SEC. 655 LIMITATIONS UPON ASSISTANCE TO OR
4 FOR CAMBODIA.—(a) Notwithstanding any other provision
5 of law, no funds authorized to be appropriated by this or any
6 other law may be ~~obligated or~~ expended in any amount in ex-
7 cess of \$341,000,000 for the purpose of carrying out directly
8 or indirectly any economic or military assistance, ~~or~~ ^{including} any
9 operation, project, or program of any kind, or for providing
10 any goods, supplies, materials, equipment, services, person-
11 nel, or advisers ^{for such economic or military assistance} in, to, for, or on behalf of Cambodia during
12 the fiscal year ending June 30, 1972.

13 "(b) In computing the \$341,000,000 limitation on ob-
14 ligation and expenditure authority under subsection (a) of
15 this section in fiscal year 1972, there shall be included in the
16 computation the value of any goods, supplies, materials, or
17 equipment provided to, for, or on behalf of Cambodia in
18 such fiscal year by gift, donation, loan, lease, or otherwise.
19 For the purpose of this subsection, 'value' means the fair
20 market value of any goods, supplies, materials, or equip-
21 ment provided to, for, or on behalf of Cambodia but in no
22 case less than $33\frac{1}{3}$ per centum of the amount the United
23 States paid at the time such goods, supplies, materials, or
24 equipment were acquired by the United States.

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

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

14 “(e) After the date of enactment of this section, when-
15 ever any request is made to the Congress for the appropria-
16 tion of funds for use in, for, or on behalf of Cambodia for any
17 fiscal year, the President shall furnish a written report to
18 the Congress explaining the purpose for which such funds are
19 to be used in such fiscal year.

20 “(f) The President shall submit to the Congress within
21 thirty days after the end of each quarter of each fiscal year,
22 beginning with the fiscal year which begins July 1, 1971, a
23 written report showing the total amount of funds expended
24 for the purposes described in subsection (a) of this section
25 in, for, or on behalf of Cambodia during the preceding quar-

1 such report a general breakdown of the total amount ex-
 2 pended, describing the different purposes for which such funds
 3 were expended and the total amount expended for such
 4 purpose, except that in the case of the first two quarters of
 5 the fiscal year beginning July 1, 1971, a single report may
 6 be submitted for both such quarters and such report may be
 7 computed on the basis of the most accurate estimates the
 8 President is able to make taking into consideration all infor-
 9 mation available to him.

10 " (g) Enactment of this section shall not be construed as
 11 a commitment by the United States to Cambodia for its
 12 defense."

13 LIMITATIONS ON UNITED STATES PERSONNEL AND PER-
 14 SONNEL ASSISTED BY UNITED STATES IN CAMBODIA

15 SEC. 6. Chapter 3 of part III of the Foreign As-
 16 sistance Act of 1961, relating to miscellaneous provisions, is
 17 further amended by adding after section 655, as added by
 18 section 5 (b) of this Act, the following new section:

19 "SEC. 656. LIMITATIONS ON UNITED STATES PER-
 20 SONNEL AND PERSONNEL ASSISTED BY UNITED STATES
 21 IN CAMBODIA.—The total number of civilian officers and
 22 employees of executive agencies of the United States Govern-
 23 ment who are citizens of the United States and of members
 24 of the Armed Forces of the United States (excluding such

14

1 Cambodia which originate outside Cambodia) present in
2 Cambodia at any one time shall not exceed two hundred.
3 The United States shall not, at any time, pay in whole or
4 in part, directly or indirectly, the compensation or allow-
5 who act as advisers to or perform technical services for Cambodia
6 ances of more than fifty individuals in Cambodia, who are and
7 citizens of countries other than Cambodia or the United
8 States. For purposes of this section, 'executive agency of the
9 United States Government' means any agency, department,
10 board, wholly or partly owned corporation, instrumentality,
11 commission, or establishment within the executive branch
12 of the United States Government."

12 FOREIGN MILITARY SALES

13 SEC. 7. The Foreign Military Sales Act is amended as
14 follows:

15 (1) In section 33 (a), relating to regional ceilings on
16 foreign military sales, strike out "\$75,000,000" and insert
17 in lieu thereof "\$100,000,000".

18 (2) Section 33 (c), relating to regional ceilings on for-
19 eign military sales, is repealed.

20 EXCESS DEFENSE ARTICLES

21 SEC. 8. Section 8 of the Act of January 12, 1971,
22 entitled "An Act to amend the Foreign Military Sales Act,
23 and for other purposes" (84 Stat. 2053), is amended—

24 (1) by striking out the first and second sentences

1 RESTRICTIONS RELATING TO FOREIGN TROOPS

2 SEC. 11. Section 401 (a) of Public Law 89-367, ap-
3 proved March 15, 1966 (80 Stat. 37), as amended, is
4 amended—

5 (1) by inserting in the second sentence of para-
6 graph (1), after “to or for the use of the Armed
7 Forces of the United States”, the following: “or of any
8 department, agency, or independent establishment of the
9 United States”; and

10 (2) by inserting in the introductory matter pre-
11 ceding clause (A) of paragraph (2) of such section,
12 after “Armed Forces of the United States”, the follow-
13 ing: “^{or authorized for use under the Special Foreign}
14 ~~or of any department, agency, or independent~~
~~establishment of the United States~~”.

States entered into a bonafide agreement which designated Lockheed's fixed loss on the C5-A program to be \$200,000,000, and to restrict the traditional right of recovering depreciation, bid and proposal and independent research and development costs is to add upwards of an additional \$20,000,000 in fixed loss. They consider it unfair for Congress to legislatively amend the contract on what they believe to be an ex post facto basis. However, after considerable discussion the House conferees recognized that the Senate was adamant in its position and in the broader interest of enacting the entire bill into law, the House conferees receded with the exception of Mr. Arends, Mr. Gubser, and Mr. Wilson, and accept the Senate position on this provision of the bill.

CEILING ON EXPENDITURES IN ~~LAOS~~ Cambodia

Section 505 of the Senate bill imposes a ceiling of ~~\$350~~⁴¹ million on expenditures in, to, for, or on behalf of ~~Laos~~, excluding combat air operations in or over Laos by U.S. military forces. The section further requires quarterly written reports by the President of the United States to the Congress showing the total of expenditures by the U.S. government during the preceding quarter subject to the ceiling, with a breakdown of the purposes for which the expenditures were made. The section also provides that after the date of enactment of this Act any request for the appropriation of funds for use in, for, or on behalf of Laos shall be accompanied by a written report explaining the purpose for which such funds are to be used.

The Congress has been advised that the ceiling established by the section, ~~\$350~~ million, is equivalent to the total expenditures programmed by the administration in ~~Laos~~ for fiscal year 1972, excluding the normal and usual expenses of the embassy discussed below.

The House conferees are in sympathy with the purposes of the limitation and the House, therefore, recedes.

The conferees intend that the ~~\$350~~ million limitation should ~~include~~ all assistance-related activities in Laos. However, the conferees wish to make it understood that it is not the intent to place a ceiling on, or reduce, funds available for vital non-assistance-related activities in programs which must be carried on irrespective of assistance-related operations in ~~Laos~~, such as the normal expenses incurred by the State Department in the operation of its embassy and such normal and usual expenses of the embassy as would be incurred in peacetime in the absence of any military, paramilitary, or economic assistance programs of any kind.

impose

REPORTING OF SCHEDULES AND TESTING PRIOR TO PROCUREMENT

The Senate bill contained a new general provision, Section 506, which requires the Secretary of Defense to submit annual reports on development schedules, procurement schedules, and operational testing and evaluation (OT&E) for weapon systems for which funds for procurement are requested. In addition, supplemental reports are required to be submitted 30 to 60 days prior to awarding of a procurement contract.

The House bill contained no similar provision.

the authorization and the reporting requirements of the section applies to...

such authorization and reporting requirements on, or...

12 Nov. 1971

25X1A

This is the Military Assistance Bill that has finally been approved by the Senate on 11 November. We would like to get together with you when you return on the 15th to see if there's a need to change from the positions we've taken so far as reflected in the other material we sent you.

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