

10 MAR 1972

For JMM's LIG

FY 1973 Foreign Assistance bill --

meeting - 10 Mar. 1972

1. The bill has not yet been introduced.

2. The FY 1972 Foreign Assistance bill contained 9 provisions which were a problem to the Agency (after it cleared the Senate, only 4 problems remained. Three were favorably resolved; i. e. :

(a) [redacted] 25X1

(b) [redacted] ceiling and 25X1  
reporting requirements did not apply to Agency's traditional activities, leaning on the precedent established for a similar Symington amend- 25X1A  
ment in the Defense Procurement Act;

[redacted]

(d) We really did not have much steam behind our position on the one item not favorably resolved which expanded reporting requirements to Congress on defense articles, including those supplied to local or free world forces in SE Asia.

3. I do not believe there will be any requirement to repeat the above restrictions in the FY 1973 authorization bill to continue their effect beyond 30 June 1972 as the provisions are in the nature of permanent law.

4. (1) Foreign economic assistance is already authorized through 30 June 1973, but military assistance will have to be authorized for FY 1973 (military assistance for Laos and Vietnam is authorized under Defense Procurement Bill.)

(2) (a) Military assistance for Cambodia is authorized under the Foreign Assistance Bill.

(b) A new requirement starting 1 July 1972 is that military assistance for Thailand must also be authorized under the Foreign Assistance or Military Sales Bill which is under the jurisdiction 25X1A  
of the Senate Foreign Relations Committee. The greatest bulk of

[redacted]

DOS review(s) completed.

NSC review(s) completed.



DEPARTMENT OF STATE

Washington, D.C. 20520

SECRET/SENSITIVE/NODIS

March 1, 1972

MEMORANDUM FOR THE CHAIRMAN, WASHINGTON SPECIAL ACTION GROUP

Subject: The Symington Ceiling on Assistance for Laos

In response to your memorandum of February 16, 1972, I am attaching a report giving the best estimates which the appropriate agencies have received from their respective elements of the country team in Laos concerning probable expenditures during FY 1972 for existing programs at currently planned levels and the estimated additional expenditures which would accrue if various augmentations already requested by Ambassador Godley were to be approved. We have not attempted to quantify additional expenditures if there were a maximum North Vietnamese military effort in Laos because it would depend upon the form the offensive would take and the type of response which was decided upon. As for cuts which would not impair essential military programs, we are attempting to ascertain the effect of reducing stockpiles in Laos toward the end of the fiscal year, of changing contracting arrangements, and of cutting some economic programs.

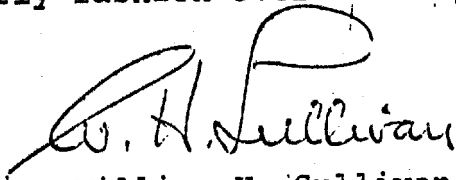
In preparing the response to your inquiry, no effort was made in Washington or by field offices to examine all the possibilities for economies or the military consequences of program reductions aimed at remaining within the ceiling. Further, the new programs requested by Vientiane have not yet been subjected to critical appraisal. On the other hand, Embassy Vientiane has clearly favored the continuation of current programs at on-going levels, and has requested a number of increases.

It is nonetheless the opinion of the members of the Interagency Ad Hoc Group on Laos that without a reduction in the level of currently approved programs, it is unlikely that we will remain within the FY 1972 ceiling set by the Symington Amendment. It must therefore be determined by the highest authority whether programs in Laos are to be contracted or restructured to permit compliance with the

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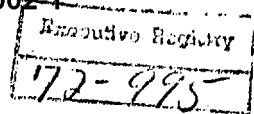
\$350 million ceiling or whether the executive should seek legislative relief from the ceiling so that US programs can continue at current or increased levels. We suggest that this determination be made and furnished to Embassy Vientiane as soon as possible so that if the decision is made to attempt to remain within the ceiling--or the Congress does not provide legislative relief--the reductions can be made in an orderly fashion over as long a period of time as possible.



William H. Sullivan  
Chairman  
Ad Hoc Group on Laos

Attachment: as stated

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THE WHITE HOUSE

WASHINGTON

PPB 72-0206

SECRET/SENSITIVE

February 16, 1972

MEMORANDUM FOR

THE UNDER SECRETARY OF STATE  
THE DEPUTY SECRETARY OF DEFENSE  
THE DIRECTOR OF CENTRAL INTELLIGENCE  
THE CHAIRMAN, JOINT CHIEFS OF STAFF

SUBJECT: The Symington Ceiling on Assistance for Laos

Under Secretary of State Irwin's memorandum of February 7, 1972 proposed a meeting to discuss the issues involved in a possible need for an increase in the ceiling on assistance for Laos. Before holding a meeting I believe it is essential that we have the best possible agreed interagency estimates of possible expenditures including the following:

-- Total FY 1972 expenditures relevant to the Symington ceiling for current programs at originally planned levels, and including replacement of losses incurred on the PDJ in December.

-- The additional expenditures involved in Ambassador Godley's request for an increase in RLAF T-28 and AC-47 sortie levels.

-- Total FY 1972 expenditures relevant to the Symington ceiling which encompass any additional measures which might reasonably be expected to be necessary in the event of a maximum enemy military effort in Laos between now and the end of the dry season.

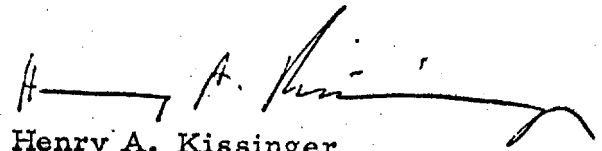
-- An estimate of what program costs, if any, within the current FY-72 budget could be cut without impairing essential military programs in Laos (e.g. costs lower than estimated for the SGU program because numbers are below estimated recruiting levels, non-essential aid projects, etcetera).

I request, therefore, that the Interagency Ad Hoc Group on Laos prepare a detailed study of estimated Laos expenditures. If there is interagency disagreement as to the estimates involved, then the best possible range of estimates should be provided together with the assumptions underlying each estimate.

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The study should be forwarded to the Chairman of the WSAG not later than March 1, 1972.

  
Henry A. Kissinger

TAB

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