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No Objection To Declassification in Full 2011/04/28 : LOC-HAK-42-6-2-6

## MEMORANDUM

## NATIONAL SECURITY COUNCIL

CONFIDENTIALINFORMATION

DOS REVIEWED 16 MAR 2011 NO OBJECTION TO DECLASSIFICATION

December 27, 1973

OSD REVIEWED 15-Mar-2011: NO OBJECTION TO DECLASSIFICATION

MEMORANDUM FOR: SECRETARY KISSINGER  
FROM: DONALD J. STUKEL  
SUBJECT: FY 74 Security Assistance Legislation

This memorandum summarizes the FY 74 security assistance legislation. As you know, Congress made substantial cuts in our requests for security assistance, as the following recap shows:

	<u>Requested</u>	<u>Authorized</u>	<u>Appropriated</u>	<u>% of Request</u>
MAP	683	513	450	66%
FMS Credits (NOA)	525	325	325	62%
(TOA)	760	730	NA	96%
Israel Emergency	2,200	2,200	2,200	100%
Cambodia				
Emergency	200	-	150	75%

In addition to the funds appropriated, Congress approved the Section 506 authority to draw upon DOD stock and services up to \$250 million. Congress appropriated \$150 million for Cambodia in response to our emergency request but did not authorize expenditures. Since Cambodia has already received more than its share of the MAP appropriated, it is necessary to use the special draw-down authority to obtain extra funding for Cambodia. The President has signed a determination which permits the use of up to \$200 million under this authority for Cambodia.

With the demands for funds by Cambodia (our estimate is \$380 M for the year) and your decision that Jordan should receive the level requested from Congress, distributing the 34% cut in MAP among the remaining countries will be difficult. We will be working with State and DOD this week in determining the allocation.

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As to the emergency funds for Israel, we are free to use the \$2,200 million for any combination of grant and FMS credit that we choose, and to obligate \$1,500 million immediately. To use the remaining \$700 million the President must first determine it "to be important to our national interest" and secondly report to Congress 20 days in advance of use (unless hostilities resume) the amount, terms and justification of the assistance to be undertaken.

Congress also directed the Secretary of Defense to conduct a study of the 1973 Arab-Israel conflict to ascertain the effectiveness of our foreign military assistance program as it relates to the Middle East conflict, including weapons that the United States is providing to Israel, and to compare them to the effectiveness of the weapons which the Soviet Union is providing to the Arab States. The study is due by December 31, 1974.

The Emergency Security Assistance Act of 1973 also permits payments of U. S. support to the UN emergency force in the Middle East out of the Israeli emergency funds.

Included in the foreign assistance legislation are several significant provisions:

- Use of funding under any law for U. S. or third-country military or paramilitary operations in or over Vietnam, Laos and Cambodia is prohibited.
- Assistance to countries where the U. S. has bases is prohibited unless the President determines that U. S. media correspondents have access to those bases (State is slowly processing the necessary Presidential Determination).
- As we asked, the requirement that governments receiving grant military assistance deposit local currency equal to 10 percent of such assistance for U. S. Government use is eliminated.
- The ceiling on total Latin American MAP and FMS was raised from \$100 to \$150 million but a Presidential authority to exceed the ceiling by 50 percent was eliminated.
- Excess defense articles generated within the U. S. cannot be given away without charging the value of the articles against the MAP account.

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-- Our proposal to treat military training separately from grant assistance was rejected.

-- Beginning FY 1975, military assistance for Laos must be authorized under the Foreign Assistance Act rather than Defense Procurement Act.

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