October 11,1974

Ford and Indochina:

AID "SHOWDOWN" COMING!

This abbreviated Legislative Update is part of an effort to keep in better touch with you during a very important period and to anticipate and try to answer questions you may have regarding the status of foreign aid legislation.

As you may already know, action on the FY 1975 Foreign Aid bill has been temporarily delayed. The main cause of the delay is the Administration's dismay over the unprecedented restrictions in the Senate's Foreign Aid Authorization bill. In addition to prohibitions against aid to Turkey and Chile, the Senate bill also included far-reaching limitations on aid to Indochina. According to Secretary of State Henry Kissinger, these restrictions would "make it difficult to achieve U.S. goals" in that part of the world.

The objective of the Senate bill was to cut aid in some areas and to eliminate what were, in effect, "funding loopholes" which had previously enabled the Administration to circumvent Congressional aid cuts by tapping other sources of funding. This was done, first of all, by imposing ceilings on all forms of Indochina aid and by stipulating that funds in one category could not be transferred to another. The ceilings for South Vietnam and Laos were substantially lower than last year's aid levels, and, most significantly, aid to Cambodia was cut by almost 50%.

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<th>South Vietnam</th>
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<tr>
<td>Military</td>
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coalition to stop funding the war
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In addition to the ceilings, the Senate bill contained the following important restrictions:

1) Elimination of the "draw down authority" or Presidential discretionary power to spend military assistance funds not included in the regular aid appropriations. Last year Cambodia received the entire $250 million in "draw down authority."

2) In hearings earlier this year, Congress learned that the Department of Defense has been stockpiling defense materials for "emergency use" in South Vietnam, Thailand, and Korea. The Senate bill required that the cost of these materials be charged against the regular aid account. Previously, this had not been the case.

3) A requirement that military aid to South Vietnam be included in the regular Foreign Aid program rather than the Defense budget. This involves transferring jurisdiction of the program from the Armed Services Committees to the more dovish Foreign Affairs and Foreign Relations Committees.

4) The Abourezk amendment prohibiting use of funds in the bill for police, prison, and internal security support or training. If approved by both Houses, this amendment would close the International Police Academy.

5) An amendment limiting fertilizer aid to South Vietnam to $85 million.

Faced with these restrictions, the Administration chose to pursue a policy of delay aimed at achieving two objectives. The first was to defeat the Senate bill and have it sent back to the Senate Foreign Relations Committee for reconsideration. This action would give the Administration enough time to lobby for the removal or at least a lessening of the restrictions.

Secondly, the lack of a new Foreign Aid bill would necessitate the passage of a Continuing Resolution, a legislative device which permits continued funding of old programs in the absence of new legislation. Continuing Resolutions are usually dealt with expeditiously, and restrictive amendments are traditionally avoided. By opting for the Continuing Resolution the Administration hoped to secure a temporary continuation of Indochina funding at last year's levels.

The Administration's strategy, however, has been only partially successful. The Senate bill was defeated, 41-39, but two of the important Indochina restrictions-- elimination of "draw
down authority and the fertilizer limitation—were attached to the Continuing Resolution. That action, which is quite uncommon, and the closeness of the Senate vote indicate that the only thing the Administration may have won is more time. When the Senate reconvenes after the elections, we may expect the following scenario: Quick action on a new Senate bill which may not differ significantly from the original one.

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HOUSE ACTION

The House Foreign Affairs Committee will report out a Foreign Aid Authorization bill soon, and there will be floor votes after the Congressional recess. Not surprisingly, the Foreign Affairs Committee has been much more generous than its Senate counterpart. It has reportedly allocated $573 million in economic aid for Indochina. This is $70 million more than last year's economic aid level.

The most glaring defect of the Committee's bill, however, is the conspicuous absence of any definitive action on aid to Cambodia. The Committee has cut funding for the Military Assistance Program on a worldwide basis, but there is no country by country break-down. There is also no prohibition against the use of the "draw down authority." This action, or lack of action, is tantamount to granting the Administration its entire request for military aid to Cambodia.

This situation, however, can be corrected on the House floor. The prospects for cutting aid there, especially military aid to Cambodia, are very good. There is also a strong possibility that further cuts can be made in economic aid.

We can and must use the Administration's delaying tactics to our advantage. There will be intense pressure from the Ford Administration to pass a bill free of restrictions. That pressure must be countered by a concerted effort on the part of constituents all across the country.

The "showdown" votes will probably come soon after the Congress reconvenes in mid-November. We'll keep you informed of specific dates and amendments.

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More Saigon Aid?...

By Henry S. Bradsber
Star News Staff Writer

WASHINGTON — Informed sources here expect President Ford to appeal to Congress for at least $300 million to supplement the military aid appropriation for South Vietnam.

Ford's message to Congress — expected in about two months — will say that more money is needed because American-supplied ammunition and military fuel is running low in the face of continued North Vietnamese army pressure on South Vietnam, the sources say.

The military supplies will be getting low by December because Congress chopped the administration's request for arms aid to Vietnam in half. The request for the fiscal year which began July 1 was for $1.45 billion. The Defense Department appropriation bill passed by Congress last month allocated only $700 million for Vietnam.

This slash to less than one-third by dollar value of the U.S. military assistance in the 1973 fiscal year which ended 15 months ago already has forced severe curtailment of some military operations. Some outposts have been abandoned to save ammunition, artillery fire is being restricted and the use of air support is sharply reduced.

Just how much this has handicapped the South Vietnamese army is open to debate. Some of its officers and some independent observers think it can fight better without relying upon massive firepower in the expensive style learned from the U.S. Army. But both the Saigon government and U.S. officials here argue that arm reductively necessary make South Vietnam more vulnerable to Communist attacks.

The congressional cut came despite strong lobbying efforts by the Nixon and Ford administrations. Taking part in those efforts in Washington was the U.S. ambassador to Saigon, Graham Martin, who spent several months in the United States.

Diplomats here feel Martin did some good. They cite in particular the reversal of its editorial stand by one major U.S. newspaper to support more aid after Martin lobbied its editors.

But Congress slashed the request anyway. Martin returned here early last week. Last Wednesday he and visiting Deputy Defense Secretary William Clements Jr. talked with President Nguyen Van Thieu. After that, the word began to circulate from American sources that Ford would ask for the extra $300 million. This report could not be officially confirmed, however.

The idea that more military assistance money be provided by the United States is consistent with Martin's attitude, which is one of backing Thieu's forces against the Communist threat. But whether it is fully consistent with Ford's attitude, aside from the ultimate question of congressional reaction, was less clear here.

Some sources suggested that Martin might be making the plan for Ford to seek additional money in December sound more definite than it is so far.

In any event, the need is real, U.S. officials contend.

IN THE last U.S. fiscal year that ended June 30 Vietnam got $1.12 billion in U.S. arms aid. With the cost of military equipment up on average of 25 to 30 percent, the $700 million appropriated by Congress will buy only about half as much as last year's appropriation. But during July and August South Vietnamese forces went on using up materials at the old rate.

The sharp cutbacks in September might not be enough to ration out a $700 million-level allotment over the whole fiscal year — especially if the Communist pressure along the northern coast of South Vietnam continues.

Aid for South Vietnam also has political implications here. The stability of Thieu's government — which is now under intense pressure on charges of corruption and for other reasons, including inflation — is felt by many observers to be directly tied to his ability to secure adequate American backing.