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DEPARTMENT OF STATE AUTHORIZATION FOR FISCAL YEAR 1973

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HEARINGS

BEFORE THE

SUBCOMMITTEE ON STATE DEPARTMENT ORGANIZATION AND FOREIGN OPERATIONS

OF THE

COMMITTEE ON FOREIGN AFFAIRS

HOUSE OF REPRESENTATIVES

NINETY-SECOND CONGRESS

SECOND SESSION

FEBRUARY 29; MARCH 1, 2, AND 6, 1972

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DEPARTMENT OF STATE AUTHORIZATION FOR FISCAL YEAR 1973

TUESDAY, FEBRUARY 29, 1972

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
SUBCOMMITTEE ON STATE DEPARTMENT
ORGANIZATION AND FOREIGN OPERATIONS,
Washington, D.C.

The subcommittee met in open session at 10 a.m. in room 2200, Rayburn House Office Building, Hon. Wayne L. Hays (chairman of the subcommittee) presiding.

Mr. HAYS. The subcommittee meets today to begin consideration of an authorization for the Department of State for fiscal year 1973. Heretofore the Department has enjoyed permanent authorization and had only to go before the Committee on Appropriations for its annual funding. As a result of an amendment inserted in the Foreign Assistance Act this year it now becomes necessary for the Department to seek an annual authorization. While the law provides for "periodic" authorizations, it is my thought that on this first go-around we should stick to an annual authorization. In subsequent years we can consider whether the authorization should be for more than 1 year.

It is my hope if I am back next year that we might be able to get this first one out of the way and that we might do it on a 2-year basis as we do the building authorization. The building bill is coming up this year also. It is my intention to handle it separately and do it on a 2-year basis. If we do get on a 2-year basis for the Department's authorization, we will have the buildings bill one year and the Department's authorization the following year. Then we will not have them both in the same year.

Since we are ploughing new territory, and I do not know the particular interests of the members on this subject, we will start with Hon. William Macomber, Deputy Under Secretary for Management, who will give us an overview of the Department's requests. Tomorrow we will hear from the Assistant Secretaries or their deputies for the geographic bureaus, followed by the Assistant Secretaries for the functional bureaus.

Each member has had sent to his office a copy of the Department's "Budget in Brief" for fiscal year 1973. A more detailed analysis is contained in the presentation material which is before each member. A draft bill is contained on page 1 of the presentation material.

(Executive Communication 1668 and the draft bill follow:)

DEPARTMENT OF STATE,
Washington, D.C., February 25, 1972.

HON. CARL ALBERT,
Speaker of the House of Representatives.

DEAR MR. SPEAKER: In accordance with Section 407(b) of the Foreign Assistance Act of 1971, there is transmitted herewith proposed legislation that would authorize appropriations for the Department of State to carry out authorities, functions, duties and responsibilities in the conduct of the foreign affairs of the United States during Fiscal Year 1973.

The bill provides for (a) authorization of appropriations for "Administration of Foreign Affairs" which relates to the operation of United States diplomatic and consular posts abroad and of supporting elements of the Department of State in the United States; (b) authorization of appropriations for "International Organizations and Conferences" including contributions to meet obligations of the United States to international organizations pursuant to treaties, conventions or specific acts of Congress; (c) authorization of appropriations for "International Commissions" which enables the United States to fulfill its treaty and other international obligations; (d) authorization of appropriations for the "Mutual Educational and Cultural Exchange Program" which is the program administering the exchanges of persons and similar activities of the U.S. Government and (e) authorization of appropriations for "Migration and Relief Assistance" which includes the United States annual contribution to the International Committee of the Red Cross and refugee assistance programs.

A section by section analysis and other detailed information explaining the proposed legislation is enclosed.

The Department has been informed by the Office of Management and Budget that there is no objection to the presentation of this proposed legislation to the Congress for its consideration.

Sincerely yours,

JOHN N. IRWIN II,
Acting Secretary.

Enclosure: Proposed Legislation.

A BILL To authorize appropriations for the Department of State, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act be cited as the "Department of State Appropriations Authorization Act of 1972."

SEC. 2. For the Department of State to carry out authorities, functions, duties and responsibilities in the conduct of the foreign affairs of the United States, and other purposes authorized by law, there are hereby authorized to be appropriated for fiscal year 1973 the following amounts:

(a) Under the heading "Administration of Foreign Affairs", $289,453,000;

(b) Under the heading "International Organizations and Conferences", $188,263,000;

(c) Under the heading "International Commissions", $18,226,000;

(d) Under the heading "Educational Exchange", $59,200,000; and

(e) Under the heading "Migration and Refugee Assistance", $8,212,000.

SEC. 3. In addition to such amounts as are authorized by Section 2, there are authorized to be appropriated for fiscal year 1973 such additional or supplemental amounts as may be necessary for: (a) increase in salary, pay, retirement, or other employee benefits authorized by law, and other nondiscretionary costs; and (b) programs or other activities authorized by law subsequent to the date of enactment of this Act.

SEC. 4. Appropriations made pursuant to authorizations provided in this Act may be made without fiscal year limitation.

SEC. 5. Section 407 of the Foreign Assistance Act of 1971 (P.L. 92-226) shall not apply to or affect in any manner permanent appropriations, trust funds, and other similar accounts administered by the Department of State as authorized by law.

Mr. HAYS. After Mr. Macomber has made his statement, he or one of his associates will be prepared to answer any questions. We will remain flexible in our approach until I can get some kind of a reading as to issues or questions that concern the members.

When we have completed consideration of the Department of State authorization bill, we will start on the authorization bill for the U.S. Information Agency.

Mr. Macomber, you may proceed.

STATEMENT OF HON. WILLIAM B. MACOMBER, JR., DEPUTY UNDER SECRETARY FOR MANAGEMENT, DEPARTMENT OF STATE

Mr. MACOMBER. Before I start my statement which is a very brief one I commend this document, the "Budget in Brief." We have a big and complicated budget but this is a pretty simple, straightforward summary of our budget and it presents it in a little bit more readable form.

Mr. Chairman and members of the subcommittee, I appear before you today in support of a bill to authorize appropriations for the Department of State for fiscal year 1973. This authorizing legislation is required by section 407 of the Foreign Assistance Act of 1971.

The bill before the committee, Mr. Chairman, requests authorization for appropriations for fiscal year 1973 in the amount of $563.4 million, the same amount requested in the President's budget for the Department for fiscal year 1973 which is now before the Congress.

Mr. Chairman, the Department of State has the smallest total budgetary requirements of any Cabinet-level Department, and with the exception of the Departments of Labor and Housing and Urban Development, the least number of people. In other words, it is the third smallest Department, it has the smallest budget. In fact, the authorization before you today provides 241 fewer positions than we have in the current fiscal year. Mr. Chairman, since 1967 the Department of State has had to abolish 2,150 positions at home and abroad. During the past few years, although our total costs increased, these increases have been primarily to meet mandatory and nondiscretionary costs. But the size of the State Department has been contracting, we have had in effect in the last 4 or 5 years a cut of 19 percent in personnel, just about a fifth.

Mr. Chairman and members of the subcommittee, section 2 of the bill groups the activities of the Department of State under five headings. The first of these, subsection (a), shows "Administration of Foreign Affairs" in the amount of $289,453,000. This category provides for the salaries and expenses and allowances of the officers and employees of the Department, both in the United States and abroad. It includes funds for executive direction and policy formulation, the conduct of diplomatic and consular relations with foreign countries, the conduct of diplomatic relations with international organizations, central program services and administrative and staff activities. In sum, it provides the essential resources to support the Secretary, and through him the President, in the conduct of our foreign affairs. In addition, it provides funds for such activities as the acquisition, operation, and maintenance of facilities—including office space and living quarters for American staff abroad—funds for relief and repatriation loans of U.S. citizens abroad and for other emergencies and payment to the Foreign Service retirement and disability fund.

Mr. Chairman, you and the members of the committee are fully familiar with the evolving nature of our foreign affairs. New fields of

activity such as international narcotics control, scientific and technological interchange, cooperative efforts on environmental matters and the like, are constantly enlarging the scope of diplomacy. This is going on at a time when the Department is contracting. Even the nature of our more traditional activities has changed. Increased opportunities for international travel—and the attraction of such travel for American youth especially—have added new and greater dimensions to the work of the American consul overseas. Our efforts to assist American firms in trade expansion activities have become more intense. Our dealings with foreign governments are greater in number and scope than ever before.

Now this first item in our budget, Mr. Chairman and members of the subcommittee, is of crucial importance to the Department—it represents more than half of the total budget and it is basically for the salaries and expenses of the Department. This is at a level that has been cut rigorously by OMB over the last 5 years. It has been cut in recent years to the point that our Appropriations Subcommittee is deeply sympathetic with our plight and although Chairman Rooney and his subcommittee are not famous for being generous with the American taxpayers' money, they have been very forthcoming in giving the Department what it has been allowed by the OMB.

Mr. HAYS. Mr. Macomber, when you talk about the OMB you are talking about the Bureau of the Budget.

Mr. MACOMBER. Yes, sir; the Office of Management and Budget.

Mr. HAYS. I want to tell you as chairman of this subcommittee I consider the present Budget Director—and I am going to leave this in the record word for word—either to be the most stupid man in Washington or the biggest liar in the world and I intend to pay absolutely no attention whatever to anything that he recommends for this hearing as far as I am concerned. Any man who would estimate a deficit and miss it by $40 billion has either got to be stupid or a deliberate and unadulterated liar, and I don't know which he is but whatever he is I don't want any part of it as far as we are concerned, as far as I am concerned. The Congress of the United States says how much you will be authorized, and don't even tell me what the Bureau of the Budget says because I am not going to pay any attention to it.

Mr. MACOMBER. Mr. Chairman, I recognize that the Congress has the final say on what is authorized.

Mr. HAYS. I am tired of this guy and his predecessors, none of whom I have had very much time for, usurping the prerogatives of the Congress.

Mr. MACOMBER. Mr. Chairman, Mr. Shultz is a very distinguished American.

Mr. HAYS. That is what you say. I don't agree with it, so don't get in bad with me by telling me what a distinguished American he is. He is not. You made him distinguished. Are you or the President making him distinguished? What has he been distinguished for?

Mr. MACOMBER. Mr. Chairman, we have had our differences with the OMB but I have great respect for the leadership of that organization.

Mr. HAYS. I am sure you would have to because you are a Republican in a Republican administration and he was picked by Nixon, but being a Democrat I don't have to have respect for anybody who does not deserve it and in my opinion he does not.

Mr. MACOMBER. Mr. Chairman, we disagree with that point.

Mr. HAYS. That will all be left in the record, you can bet on this, and I would like to send him a special delivery letter showing him this part.

Mr. MACOMBER. Well, we disagree with that particular point.

Mr. Chairman, the basic point I am making here is that in this salaries and expenses account our Appropriations Subcommittee here in the House of Representatives chaired by Congressman Rooney has felt that we were on pretty thin ice and as a result of that the cuts in this particular account have literally been minimal and for all intents and purposes we have not been cut.

Mr. HAYS. The truth of the matter is that the cuts have been made downtown in the Bureau of the Budget before it ever comes up here, right?

Mr. MACOMBER. They have certainly put a severe limit on what we can come up with.

Mr. HAYS. I am not against them having a reduction in the number of people. Don't get me wrong; but they have not carried this out because overall the number of bureaucrats has grown.

Mr. MACOMBER. This cutting has been going on over a number of years under both administrations. The salary and expenses item is terribly, terribly tight and does even now represent less people for next year than we have for this year, and this comes at a time we have already taken a severe cut in the last 3 or 4 years.

Now if I can move on, sir, to the second major activity shown in our budget, and that is shown in section 2 entitled "International Organizations and Conferences." This subsection provides the necessary funds for the U.S. assessed share of the expenses of international organizations in which our membership has been authorized by treaties, conventions or specific acts of Congress. Also included here are operating funds for the American missions at the headquarters of certain international organizations. In addition, provision is made for funding U.S. participation in multilateral conferences and meetings, annual contributions to several provisional organizations, and expenses of congressional delegations to international parliamentary meetings. The amount of the authorization required under this activity is $188,263,000.

Under the heading "International Commissions," funds are provided to enable the United States to fulfill its treaty obligations with its neighbors in the Western Hemisphere. Included are the International Boundary and Water Commission, United States and Mexico, and the American sections of the United States-Canadian International Boundary and International Joint Commissions.

Appropriations are also authorized under this heading to enable the United States to participate in International Fisheries Commissions, in accordance with treaties, conventions and specific acts of Congress directed toward the preservation and expansion of fishery stocks. The sum required for these activities is $18,226,000.

Under the heading "Educational Exchange" the Department seeks authorization for appropriations to enable the Secretary of State to fulfill his functions under provisions of the Mutual Educational and Cultural Exchange Act of 1961, as amended, and the act of August 9, 1939. Funds appropriated under this authorization provide for the educational and cultural programs of the Department of State, in-

cluding the exchange of persons, aid to American sponsored schools abroad, and cultural presentations.

Also included is authorization to enable the Secretary of State to fund the Center for Cultural and Technical Interchange between East and West in Hawaii, or as this major scholarly institution is more commonly known, the East-West Center. The center provides grants and fellowships to qualified students, professionals and scholars from Asia and the Pacific and from the United States to work jointly on problems of mutual concern in such key areas as population, food, technology and communications. The amount requested for "International Exchange" is $59,200,000.

Mr. Chairman, through the relatively modest migration and refugee assistance program, the Secretary of State oversees the provision of assistance to migrants and refugees both on a multilateral basis, through contributions to organizations such as the Intergovernmental Committee for European Migration and the United Nation High Commissioner for Refugees, and unilaterally through assistance to refugees designated by the President as authorized by law. Also included is authorization for a contribution to the International Red Cross, pursuant to existing legislation. The request for authorization of appropriations for "Migration and Refugee Assistance" is $8,212,000.

Section 3 of the bill before the subcommittee provides authorization for appropriations for the fiscal year ending June 30, 1973, for a number of functions, activities and expenses that are difficult to specify in advance. These could include increases in pay, retirement, and other employee benefits provided by law which occur from time to time and require supplemental appropriations. This section would also authorize appropriations for nondiscretionary increases such as those arising from the recent exchange rate realinements, as well as appropriations required to finance or expand activities authorized by law or treaty after the enactment of this legislation.

Section 4 of the bill, Mr. Chairman, provides for the extension and availability of funds beyond the end of the fiscal year to the extent provided for customarily in certain appropriation acts for the acquisition, operation, and maintenance of buildings abroad—that is, our foreign buildings program—and other activities such as the International Boundary and Water Commission, United States and Mexico, construction account. Authority is required to enable the Department to retain funds appropriated for construction projects, the completion of which extends beyond the fiscal year and, with respect to migration and refugee assistance, to enable the Department to meet calendar year program needs.

Section 5 of the bill has been included to assure that permanent appropriations under which payments are made directly from the Treasury in accordance with existing statutory authority are not considered within the purview of section 407 of the Foreign Assistance Act of 1971. There are a number of such items, Mr. Chairman, including the annual payment to the Republic of Panama, the annual payment to the Foreign Service retirement and disability fund, and payments from the educational exchange permanent appropriation which includes World War I debt payments by Finland.

Mr. Chairman, the $563.4 million we seek will fund the operations of a Department which has undergone personnel reductions amounting

as I stressed earlier to some 19 percent since 1967. The impact of these cuts, Mr. Chairman, has been even greater than the statistics would indicate, and the reason for this is there are certain functions in the Department that are ongoing. For example, more people apply for passports, more people apply for visas which require escalating personnel and that escalating personnel has gone on while the overall contraction of the Department has taken place which means that in the other areas of the Department we have had greater than a 19-percent cut. The authorization we seek therefore represents an absolute minimum.

Mr. Chairman, I am prepared to answer questions on the overall presentation. Other senior officers of the Department will be available to discuss their areas in such detail as the committee may wish.

Thank you very much.

Mr. HAYS. Thank you, Mr. Macomber.

I have a few general questions I would like to ask you and then, as you suggest, I think on the very important specific items we will get into those later. Am I correct that you are asking for funds only for the State Department and not all the rest of the foreign services of the United States?

Mr. MACOMBER. That is correct, Mr. Chairman.

Mr. HAYS. The U.S. Information Agency runs its own foreign service, AID runs its own foreign service, Agriculture has its own foreign service, the FBI now has a State Department of its own and there is a bill pending to set up a State Department for the Commerce Department which I guess you are aware of.

Mr. MACOMBER. I certainly am, Mr. Chairman.

Mr. HAYS. Of course between all those departments and Mr. Kissinger maybe the best thing we can do is just not give you any money at all. I noticed the statement in here which I wanted to comment on. On page 4 it says this bill provides the essential resources to support the Secretary, and through him the President, in the conduct of our foreign affairs.

You might better have left that statement out because obviously the Secretary has about as little to do with foreign affairs as I do.

Mr. MORSE. Mr. Chairman, I would like to take exception to that, sir.

Mr. HAYS. Well, you can take exception if you want to and you will have plenty of time to do it but I am sympathetic with Mr. Rogers. I think it is too bad. I think he is a good potential Secretary of State, but if you saw any of the movies coming out of China he appeared as one of the functionaries around there. He was hardly ever in the picture, he was not in any private meetings.

Mr. MORSE. Mr. Chairman, every meeting at the ministerial level was attended by the Secretary.

Mr. HAYS. Every meeting at the top where the decisions were made he was left out; Mr. Kissinger was in it.

Mr. MACOMBER. All told the Secretary and the Department of State played a key, critical role in this recent China trip.

Mr. HAYS. Don't comment too much, Bill, because nobody in the United States knows what went on over there and I would hate you to get in a position of telling us when nobody else has, including the President.

Mr. MACOMBER. Well, I don't want to interrupt, Mr. Chairman, other than to say that there is, I think, great danger in this country if people start denigrating the Department of State. Ultimately if people keep running it down, then it will have an effect, it will undermine the Department. As of now it is the greatest collection of experienced brains and judgment and wisdom in the foreign affairs field that exists anywhere in our Government or in any government.

Mr. HAYS. Well——

Mr. MORSE. With the possible exception of this subcommittee, Mr. Macomber.

Mr. MACOMBER. With the possible exception of this subcommittee.

Mr. HAYS. Don't talk to me about denigrating the Department of State, it is not I who is doing it. I am not, sir, comparing the Department of State with a Dr. Kissinger. I have said before and I will say it again as a student of history, it may turn out that the greatest tragedy of this century was Kissinger's coming to Washington in the first place.

You know, what is this trip to China all about? If I might, let's talk about that a little. It is a John Foster Dulles running the State Department out of his hat and refusing to shake hands with Chou En-lai and Kissinger had to go to China and kiss him 20 years later. He is one man not responsible to Congress who refuses to come up here to answer questions, who is above any discussions or any questioning or any criticism at all, making the total foreign policy for the United States and you can sit there and say he isn't until the cows come home but that does not change the fact.

Mr. MACOMBER. He isn't.

Mr. HAYS. Keep saying it and maybe you will even believe it yourself, but you won't get me to believe it. I doubt if you will get the American public and certainly not the skeptical press of this country to believe it.

I have a question on page 8 about the amount requested for International Exchange, $59,200,000. How does this compare with last year and previous years?

Mr. MACOMBER. Mr. Chairman, this is an increase of $11.9 million over last year.

Mr. HAYS. Over the amount you asked for last year or the amount you got last year?

Mr. MACOMBER. The amount we got last year. Now it is less than the amount this program received in 1966. The program was severely cut in the last decade but it has been gradually strengthened by the Congress and that is partly in tribute to the program and partly, I think, to the increased confidence that Congress has shown in the current leadership of the program.

Mr. HAYS. What was the most it ever had in the last 16 years?

Mr. MACOMBER. Just slightly above what we are requesting this year. I have that specific figure.

It was $53 million. We are asking for $52,400,000 this year.

Mr. HAYS. You are asking for $59,200,000.

Mr. MACOMBER. No, sir; $52,400,000.

I am sorry, sir. We are really getting confused. The major increase, sir, is——

Mr. HAYS. Now let's just back up a minute and look at page 8 of your statement which I have a copy of in front of me and it says the amount requested for International Exchange is $59,200,000. Now do I have the wrong figure in my copy or is that——

Mr. MACOMBER. No, sir. That figure combines two subitems under this educational exchange and——

Mr. HAYS. What does it combine?

Mr. MACOMBER. I was really speaking to one of them, the more expensive one of the two. Let me back up and break this item down. Under the educational exchange there are basically two activities. One is the educational and cultural exchange program activities with which you are very familiar. This is the leader grant program, bringing students to this country and the exchange of student cultural presentations program with which the Congress is familiar. That is the program which my recent remarks have been directed to. That is the program we are now asking for $52.4 million which is almost up to what it was in 1966. Now there is an additional item under this heading and that is the Center for Cultural and Technical Interchange between East and West, more popularly known as the East-West Center in Hawaii. There we are asking for $6.8 million as opposed to $5.6 million last year. In other words, we are in for an increase of $1.2 million.

Mr. HAYS. That place surely does not run on $6 million a year. Where does it get the rest of its funds?

Mr. MACOMBER. No, sir. That is the U.S. Federal payment to that institute. It runs on funds that were given to it earlier and it has support from the State of Hawaii and is part of the University of Hawaii educational system.

Mr. HAYS. I have another general question on page 10. You say this section would also authorize appropriations for nondiscretionary increases such as those arising from the recent exchange rate realinements. Are you going to raise everybody's salary because of the depressed value of the dollar?

Mr. MACOMBER. No, sir. This would go to allowances, it would go to expenses in connection with supporting our embassies abroad. The dollar just does not buy as much abroad at it did. This includes communications, utilities, and possibly some local wage increases but basically it is to make up—this will be a calculation, sir—to make our appropriation in effect the same as Congress intended.

Mr. HAYS. Well, the dollar has been devalued by how much?

Mr. MACOMBER. 8.5 percent.

Mr. HAYS. On that everybody who is working abroad then got an 8.5 percent cut, didn't they? Say somebody is working in London, local employee or otherwise. They get paid in dollars, don't they?

Mr. MACOMBER. Their salary would reflect a cut in what it could purchase.

Mr. HAYS. Well, just back up right there. Let's not make this too vague.

Mr. MACOMBER. All right.

Mr. HAYS. If a person is getting $500 a month in London and he goes out to change that into British currency, actually what he is going to get—we will say 8 percent—he is going to have $460.

Mr. MACOMBER. That is correct.

Mr. HAYS. So he had a $40 cut.

Mr. MACOMBER. That is correct but this language that you are referring to would not affect that because salaries are set by statute.

Mr. HAYS. So everybody else in the Government got a raise but the State Department personnel got a cut? That is what it amounts to.

Mr. MACOMBER. No. If everybody else in the Government——

Mr. HAYS. The ones abroad did.

Mr. MACOMBER. Well, what happened was the ones abroad got a cut but it was not at a time when everybody else got a raise. U.S. employees abroad get raises when U.S. employees at home get raises but this was a cut that affected people serving abroad.

Mr. HAYS. Fuzz it up any way you want but the fact of the matter is that the rest of the Government got a 5.5 raise, the State Department did, too, and then they got an 8.5 cut.

Mr. MACOMBER. For people abroad.

Mr. HAYS. So those abroad wound up with a net 3.5 loss; all others got a 5 percent raise.

Mr. MORSE. Would the gentleman yield?

Mr. HAYS. Yes.

Mr. MORSE. Would it not be fair to say prior to the devaluation that the State Department employee serving overseas was paid at a higher rate than the local employees?

Mr. HAYS. Well, I don't buy that. You can say it if you want to. I would not censor what you are going to say but I don't think it is true because I don't think there were too many bargains overseas when the dollar was worth a dollar or now that it has gone down to 91.5 cents or even less, especially in the more industrialized countries like Western Europe.

Mr. MACOMBER. With respect to Mr. Morse's comment, it depends on the situation. Some places the dollar provided a higher standard of living for people abroad, other places it did not, but in any event it has been put down in each case.

The section you are referring to would not cover salaries but it would cover allowances. After all, we will pay more for utilities, we will pay more for rent. This will cover some of the short fall, but it will only put us even.

Mr. HAYS. I have quite a few more questions, Mr. Macomber, but I don't want to take all the time at this point.

Governor Thomson.

Mr. THOMSON. Thank you, Mr. Chairman.

Does this not put the State Department in an unusual position of already having presented a budget to the Appropriations Committee to now have to come in to an authorizing committee with a level already fixed and before the Congress?

Mr. MACOMBER. Governor, we are in a unique position in that we are the only Cabinet Department that now has to get an authorization for our annual expenses. Up to this year we have simply sent an appropriation request to the Congress and gone before the Appropriations Committees and that is what all the other departments do.

On the other hand, an organization like AID has the dual process of first getting the authorization and then getting the appropriation. We have been shifted over in that category. As far as the figure is concerned, of course the figure that we are asking to be authorized and

subsequently appropriated is the same figure and that is determined by the President when he sends up his budget request. The Appropriations Committees are not generally in a position to appropriate the money until authorizing committees have authorized such an appropriation, so in any kind of sequence the authorization should come first from the two authorizing committees, and then the Appropriations Committees act. In what order you have the hearings is not as important as in what order the committees act.

Mr. THOMSON. Well, traditionally when the request comes up the Congress begins cutting.

Mr. MACOMBER. That is traditional, yes, sir, except in recent years in our salaries and expenses item where the Congress has felt we have been cut sufficiently, and I used "sufficiently" advisedly. Many members think we have been cut too much.

Mr. THOMSON. So in this case the Congress is going to get two bites at the budget.

Mr. MACOMBER. That is correct, Governor.

Mr. THOMSON. Well, what parts of this proposal are contained in separate legislation? Now the chairman mentioned the building program which is already authorized for this year.

Mr. MACOMBER. The building program, the refugee migration program which is part of the AID legislation——

Mr. THOMSON. What about your international organizations where you have requested $188 million?

Mr. MACOMBER. No, sir. This is part of the State Department budget. Now this is a very troublesome request for us and I want to be entirely candid with this subcommittee. This is an item that goes up each year. We are not in control of these figures. We obviously can influence them, but what happens is that we are members of these organizations; they have a budget committee and we are represented on that committee but we have not got a veto on it. Very often we get outvoted and those organizations vote themselves raises which in some cases we think are excessive. Once they are official we are bound by our membership to pay them. If you are a member of the club you pay the dues even if you think they are too high or you get out of the club.

Mr. THOMSON. Does that include the U.N.?

Mr. MACOMBER. Yes, sir. So our Appropriations Committee and the Congress as a whole has been disturbed by the rate at which each year these contributions escalate. Now I can say that we have had some success recently in the sense that the escalation rate has slowed but we are not satisfied with that record and neither is our Appropriations Committee.

Mr. HAYS. Would you yield?

Mr. THOMSON. Yes.

Mr. HAYS. Would you be able to furnish a figure for us. For example, just take any one of the international organizations. The U.N., for example, over the past 10 years how much it really has escalated year by year?

Mr. MACOMBER. I certainly can.

Mr. HAYS. For the record later.

Mr. MACOMBER. Yes.

(The material follows):

10-YEAR HISTORY OF U.S. CONTRIBUTION TO THE UNITED NATIONS

[In thousands of dollars]

	Gross assessment	Credits	Net assessment	United States (percent)
Calendar year 1963 (fiscal year 1964)	[1] 33,380	2,049	31,331	32.02
Calendar year 1964 (fiscal year 1965)	29,315	3,724	25,591	32.02
Calendar year 1965 (fiscal year 1966)	31,919	3,873	28,046	31.91
Calendar year 1966 (fiscal year 1967)	36,728	3,936	32,792	31.91
Calendar year 1967 (fiscal year 1968)	37,537	3,917	33,620	31.91
Calendar year 1968 (fiscal year 1969)	41,199	4,018	37,181	31.57
Calendar year 1969 (fiscal year 1970)	45,220	3,950	41,270	31.57
Calendar year 1970 (fiscal year 1971)	50,379	3,928	46,451	31.57
Calendar year 1971 (fiscal year 1972)	56,332	3,894	52,438	31.52
Calendar year 1972 (fiscal year 1973)	63,998	3,879	60,119	31.52

[1] Includes $4,798,000 advance to working capital fund.

Mr. HAYS. I have had some experience in this in the little North Atlantic Assembly and I have just told them flatly that we are not going to put the price of this up and that excludes the cost of living. That is, no more employees, no more positions added. By virtue of being in Belgium, there is a law there that you have to pay a cost of living escalation but short of that I have told them no more budget increases, period. I just would like to know whether the others are living up to this and if not maybe we can do something about it.

Mr. MORSE. Have they stuck with it?

Mr. HAYS. They have.

Mr. MACOMBER. Well, we will supply that. I have it for the past few years but not 10 years.

Mr. HAYS. All right.

Mr. THOMSON. Now the foreign aid bill also has money for international organizations. Are those the same organizations?

Mr. MACOMBER. In some cases they will be the same organizations, yes, sir. We pay for our share of the Secretariat and the ongoing operating cost. A contribution to the program, for instance, of the U.N. would be an AID budget item. I think the real distinction I should make is that any contribution to an international organization in our budget is a mandatory contribution if we are going to retain our membership. Anything in the AID budget is a voluntary contribution by the U.S. Government. In this request these are really dues we are talking about.

Mr. KAZEN. Would the gentleman yield?

Mr. THOMSON. Yes.

Mr. KAZEN. Who sets these percentages that everybody has to pay?

Mr. MACOMBER. Well, the U.N. itself acting as a collegium finally settles these things but they work it out on a very complicated formula which has to do with population and gross national product and so on, and we have a major input in that. There is an effort made to really proportion the cost of the organization in proportion to the ability to pay. We have been able over the years to get our percentage down. What I was referring to earlier was not the formula on which we have made the program. In the early days we paid a huge percentage and that percentage has come significantly down but it is the fact that the costs themselves keep escalating and these organizations keep voting themselves an increase in budget. When it is over we are the ones that

are expected to come up with a big piece of it. But the percentage is less than it used to be.

The specific answer, Mr. Kazen, is that the organization itself determines what each of its members will pay. What it basically determines is the formula that will determine what its members pay.

Mr. KAZEN. This pertains to all international organizations, not just the U.N.?

Mr. MACOMBER. That is correct, sir.

Mr. KAZEN. Thank you, sir.

Mr. THOMSON. Then there are no duplications of what you request and what might be in the foreign aid bill?

Mr. MACOMBER. No, sir.

Mr. THOMSON. Could you tell me a little bit about the Intergovernmental Committee for European Migrations and the United Nations High Commission for Refugees?

Mr. MACOMBER. Yes, sir. These are two organizations that have been in existence for some time. The first one you mentioned is an organization which is responsible for the movement, resettling and relocating refugees in Europe, and it started in the era when there was a very considerable migration moving out of Eastern Europe as a result of the Communist takeover there and it was responsible for the resettlement of many, many Eastern Europeans and others.

That work, although it does not have the volume it used to have, is still important work and still has important business.

Now, the second one——

Mr. HAYS. Would the gentleman yield?

Mr. THOMSON. Yes.

Mr. HAYS. What important work and business does it have? Are there any refugees coming out in significant numbers from behind the Iron Curtain?

Mr. MACOMBER. This organization was organized in 1951 at the initiative of the U.S. Congress. It has become the best equipped organization for the large scale and economic movement of refugees and migrants. It has moved more than 1,800,000 since its inception in 1951. The organization is comprised of 31 nonmember governments who repeatedly demonstrated the value to the United States and other countries by helping countries to keep the doors of asylum open.

In 1971 there was extended assistance to Chinese refugees entering the United States from Hong Kong and transit points in Europe for Jewish refugees from the U.S.S.R. It also plays a major role in obtaining temporary asylum in Western Europe from the U.S.S.R. for those who want to enter the United States and thus enable them to depart from the U.S.S.R. following receipt of their exit permits. So the volume of the business is going down but it still is an active organization.

The second organization you mentioned is concerned basically with the legal and human rights of refugees in asylum countries and a direct assistance program in Africa where, unfortunately, there is still a significant refugee population.

Mr. THOMSON. Now, do we just assist in the migration from Western Europe, for instance, to America?

Mr. MACOMBER. No; to points all over the world, a small percentage coming to America.

Mr. THOMSON. Why would this not apply for the migration from Russia to Israel? We have bills pending before the Foreign Affairs Committee for money to resettle Jewish refugees from Russia to Israel.

Mr. MACOMBER. Governor, I am informed it does help in that.

Mr. THOMSON. You have the authority under existing law to assist that type of migration on resettlement?

Mr. MACOMBER. Yes, sir.

Mr. THOMSON. How much are you asking in this proposal for that activity?

Mr. MACOMBER. $3,225,000 which is approximately the same as we asked for last year. It is slightly less.

Mr. THOMSON. Then what is the $8,212,000 for migration and refugee assistance?

Mr. MACOMBER. Well, the balance goes to other organizations of the United Nations High Commissioner for Refugees. That is the one I just mentioned.

The second one that you asked about is a $1 million contribution to them. That is one where we have been very zealous in our efforts to cut down our contribution. U.S. refugee program, $2,400,000; Far East refugee program, $500,000; contribution to International Committee of the Red Cross which is authorized by Congress, $50,000; and there is an item for administration which brings the total to $8,200,000.

Mr. THOMSON. Thank you very much.

Mr. HAYS. Mr. Zablocki.

Mr. Kazen.

Mr. KAZEN. I reserve my time for the present, Mr. Chairman.

Mr. HAYS. Mr. Morse.

Mr. MORSE. Thank you, Mr. Chairman.

I notice there is an item in here for funds for American-sponsored schools abroad. I thought that came up in the AID bill.

Mr. MACOMBER. It comes up in both, Congressman Morse.

Mr. MORSE. That is the question that Mr. Thomson asked.

Mr. MACOMBER. No, he was talking about international organizations, whether there was any duplication. There is duplication in this sense in the American schools abroad. The State Department and AID put money into those schools in places where there is not adequate local schooling and as a means of supporting our American families abroad. In addition those schools have a number of local students in them. We want that, and the cultural program believes that this is a useful device to spread the American educational techniques and American cultural influence and therefore they put a contribution into this program although it is basically funded from these other two sources plus a good deal comes from private American corporations whose employee dependents also are enrolled in these schools. So those are the four sources of funding for these American schools abroad.

Mr. MORSE. We have read a lot in recent weeks about your Department developing new management techniques. Would you amplify?

Mr. MACOMBER. I would be delighted to, Mr. Morse. We have been working in a number of overall areas. First of all on the management

side the Department has had a management lag, I would say, like most large institutions. It has had very able people but it has not had a very good system because the diplomats were not interested in a management system. The organization of management has not been a subject that they had earlier turned to but they have in the last couple of years produced a study which is the most exhaustive, most comprehensive, most critical study that has ever been done on the Department of State.

They not only made a critique of the Department but they came up with a series of remedies. Literally they made 500 specific suggestions on how the management of the Department could be overhauled and modernized, to put the Department in better shape to deal with the challenges that a modern foreign office has to deal with. They recognized at the beginning that every foreign office in the world has one heck of a lot better ideas of what its job used to be than what its job is today. They are all a little adrift. The job has expanded enormously, and for a long time most foreign offices have simply tried to deal with the problem by trying harder. They finally figured out it requires many new things—computers, more sophisticated recruiting systems and the like. You cannot recruit the same kind of person. You must have different promotion and training systems and a whole wide range of other things which most large institutions have also had to adopt.

We didn't have to invent very many systems, we had to tailor them to the foreign policy business. But we went through what most large organizations went through. I think the unique part of it was that instead of turning to a blue ribbon panel or to management experts our career professionals got themselves educated on this and came up with their own recommendations. So I think it has been a very progressive era, but it is only the beginning.

You cannot run the foreign affairs of the United States the way you once could, now that we have this kind of proliferation of activity which the chairman mentioned earlier and where you have everybody in the foreign policy business now. Even the ones that do not have their own foreign service, every one of them has got interests abroad. Almost every subsection of the Government has interests abroad and an incredible number of them have activities abroad. Suddenly the State Department has a management job on its hands of an enormous magnitude.

Mr. HAYS. Would the gentleman yield, Mr. Morse?

Mr. MORSE. Yes.

Mr. HAYS. Has the Social Security Administration still got a foreign service in Italy?

Mr. MACOMBER. I am not sure whether they still have or not but obviously the distribution——

Mr. HAYS. For the edification of the subcommittee, let me tell you it had an office a few years ago, to mail out social security checks to Italians living in Italy, right in Italy as though you could not mail them with international mail. It was a pure and simple excuse to have a few top people from social security living in sunny Italy.

Mr. MACOMBER. We have corrected that, Mr. Chairman, and our delivery of social security checks has been simplified and requires less manpower than before. The point is that there is an enormous amount of activity abroad. Another thing is that out of all of these depart-

ments of Government emanate interests that are very often not only numerous and diverse but often conflicting and often parochial, so somewhere in the foreign affairs community there has to be a management mechanism that can pull this together and forge out of these diverse and parochial and conflicting ideas a common central American policy and effort. Now the National Security Council can't possibly do all of that job, they cannot possibly handle more than a tiny percent of it.

Mr. HAYS. Do they know that?

Mr. MACOMBER. Yes, certainly they know it. Now they can view the most important part but even on the most important part a heck of a lot of the groundwork must be done elsewhere. So there is obviously a requirement to lead in the foreign affairs community not in the sense of being a czar but to take charge and lead. The State Department is the logical place to do it. This is not a rival of the national security system, it is an essential part of that system and necessary to the survival of it.

The State Department cannot meet this challenge by simply asking a lot of bright people to try a little harder. You have to have the means to get all the elements of the foreign affairs community together and say, "What are we trying to do in country X? What is the order of priority? What kind of resources must each one of us come forward with?" We must get away from the anarchy where the Department of Commerce says the No. 1 objective is export promotion, the Department of Defense says the No. 1 objective is defense, and every other department has another set of objectives. We have got to get agreement within the U.S. foreign affairs community as to what really are our objectives and priorities in each country.

Now you cannot do that simply because you have the title "State Department." To do it you have to have both the management systems within the State Department where people can participate in this and you have to have the personnel skills and training that will win the confidence of the agricultural community, the scientific community, and so on. One of the new and burgeoning international areas, for example, is in the science field. It is one of the most active, and in the years ahead it is going to be increasingly so, whether we are dealing with environmental problems or satellite problems or whatever.

If I were a young Foreign Service officer now and I wanted to do what Chip Bohlen and Tommy Thomson did when they were young, that is get in at the beginning of a new and critically important field, I would advise people to go into the scientific area. It is going to be a very important area and we are not in the State Department going to be able to coordinate the scientific efforts of this Government with other scientific efforts of other governments unless we have within the Department capabilities that command respect; otherwise, no matter what our title is they will pay no attention.

And in this connection we have done a lot of studying about the kinds of other new skills besides the scientific ones which we will have to recruit into the service. I think the past 2 years have been a period of ferment. I think the groundwork has been laid in this 2-year period for the development of a truly modern State Department, but there is lots left to be done.

The other key area that I commend to your attention is what we have done in the human relations side. Here the Department, I believe, was nowhere near as unfair as it has been alleged to be by some of its critics. I think basically the people that ran the Department did their best to be fair, and when alleged injustice was brought to their attention, I think they stopped and tried to look at it and get the facts and make a fair adjudication. But even if the system was infallible, when it was not, it was a system in which the rights of the employees were really almost nonexistent.

If a person felt aggrieved, if a person felt that he had been unfairly treated in an efficiency report, or was being unfairly selected out, there was an informal way that he could get the matter adjudicated—but not as a matter of right, only because they could go to somebody who knew somebody who could get somebody to take a look at it. It was a small enough system so that such a route was available to almost everybody.

Mr. HAYS. Did you ever have anybody selected out who didn't think he was unfairly selected out?

Mr. MACOMBER. I cannot imagine anybody saying yes, I was the kind of officer who should have been selected out.

Mr. HAYS. I went through several penitentiaries where the inmates were not guilty, they were all innocent.

Mr. MACOMBER. Our system, although it attempted to be fair, is not a credible system for this day and age because if a person did feel he had been aggrieved or did feel he had been selected out unfairly he had absolutely no right. It was at the sufferance of management which determined the extent of a review that he got. We did have a grievance procedure but our lawyers considered it very limited and even to the extent that it was in effect it was a "recommending" procedure that recommended to the personnel authorities who could accept the recommendations or not. They had the final say.

Now we have created an interim grievance procedure which gives people as a matter of right the opportunity to go and have an alleged grievance adjudicated. It is adjudicated by officials who are not subject to the control of the administrative personnel authorities in the Department but are independent of it and can order them to take certain actions. It is chaired by William E. Simkin who for 8 years was the head of the Federal Mediation Service in the last administration, and the board has other distinguished members as well. It is an interim system because I believe a definitive system should emerge through the bargaining and negotiations in an employee management relations system which is where any good grievance procedure comes from.

That brings me to my final point, Mr. Morse. In addition to setting up a grievance procedure in the last couple years an interim one which will ultimately lead to a definitive procedure in which the rights of the individuals are clearly defined, in which they are not dependent on the sufferance or the good humor of the senior officials. We have created a new system within the Foreign Service where the employees will have an opportunity to be consulted on matters affecting personnel policy. They will have a right to choose their own exclusive representatives and from that point whenever management wants to

change personnel policy it is obligated to talk with that representative and get its agreement.

If they cannot agree, then there is appeal machinery which goes to the Board of the Foreign Service via a disputes panel and the disputes panel has five members, two Foreign Service officers—not of management—and three who are from the Department of Labor, the Civil Service Commission and the President's Impasses Panel, the latter three being experts in adjudicating disputes. This panel factfinds, mediates, and if they cannot get agreement between management and the employee group they make a recommendation to the Board of Foreign Service as to how the matter should be settled.

This gives the members of the Foreign Service an opportunity to have a real voice and a clout in these matters. People said I am undermining the discipline of the Foreign Service by creating this, but of course that is absolutely false. The way you preserve discipline in a service is to make it a fair service.

Mr. MORSE. I have a number of other questions but let me ask just one more in deference to my colleagues.

You mentioned the utilization of computers in the Department in recent years. What have you done about data processing?

Mr. MACOMBER. We have made, I think, the most important progress in our operation center which is the nerve center of the Department and which runs 24 hours each day. There they have computerized their operation to the extent that they have in their computers all the active business. They can press buttons and have produced for them all the current business almost instantly, all the background on current problems they are dealing with. They have made considerable progress here. We of course have made very considerable progress in the payrolling and the administrative side which is an easier thing to break through.

Mr. HAYS. What about assignment of people?

Mr. MACOMBER. We use the computer to show what vacancies are available and match up language and other skills to vacancies.

Mr. HAYS. Do you have on the computer where all the man has been in his career?

Mr. MACOMBER. Yes, his personnel record. On the personnel and management side we are up, I think, with most institutions. The life blood of the Department of State, however, is substantive information. When a Berlin crisis develops what you want to have at your fingertips is everything you have learned about that situation in earlier crises and everything you did previously and what worked and what didn't and what were the factors that were important to consider. That is the sort of thing we are working on. That is the example of one subject area we have computerized. But this has been a manual computer effort. It has been done by people feeding into the machine what they think it needs to have on this subject so we can retrieve it easily and quickly.

Mr. HAYS. If I can interrupt you there—I have developed a little knowledge about computers myself and I am sure you must be aware that the computer does not think for you and it only turns out information that somebody put in it before.

Mr. MACOMBER. The computer is a moron, it cannot think for itself.

Mr. HAYS. The old story they tell about the computer, it could not happen—you probably all heard this—when the guy asked the computer, "Where is my father?" and the computer said, "Your father is fishing off the coast of Maine." He tried it again and said, "Well, where is my mother's husband?" The computer said, "Your mother's husband is dead but your father is still fishing off the coast of Maine." You just don't get that kind of information from the computer unless somebody put it in there ahead of time. They don't think they have any ability to project the future.

Mr. MACOMBER. The only way you get a breakthrough in this business is to find a way to do something automatically rather than have some individual do it by hand. It is just a hopeless job if someone has to say, "Yes, this ought to be put in the computer under the subject of Berlin." So what we are working on is an automatic slugging system where the computer will be able to read a telegram and say, "This belongs in the Jordan files; this also belongs in the U.N. file because it is a discussion of when you take a Jordan issue to the U.N." We are hard at work developing this kind of an automatic computer filing system.

Mr. MORSE. Thank you, Mr. Chairman.

Mr. HAYS. Thank you, Mr. Morse.

Mr. Zablocki.

Mr. ZABLOCKI. Thank you, Mr. Chairman.

I want to apologize for being unavoidably detained. If my question has been asked and the chairman will so advise me, I will refer to the transcript.

Mr. Secretary, in this proposal you are asking for $563.4 million. Does this reflect all of the funds available to the Department of State or are there funds available from other agencies which are added to this particular amount? If so, how much are they and from what agencies?

Mr. MACOMBER. The latter is true. We do receive additional funds from other agencies which are paid to us because we supply the administrative support for these other agencies abroad. When the FBI and the Bureau of Narcotics and Dangerous Drugs send people abroad, for example, or if the Defense personnel are in our embassies, these agencies do not send administrative staffs.

Mr. HAYS. Spooks. You supply administrative support to them, too.

Mr. MACOMBER. We supply administrative support for all the elements in an embassy.

Mr. HAYS. That is the name in the State Department for the CIA.

Mr. ZABLOCKI. I thought, Mr. Chairman, you were referring to traveling Members of Congress.

Mr. HAYS. They call them other names.

Mr. MACOMBER. The parent organizations reimburse us for the additional administrative burden we have. So there will be additional administrative State Department people abroad who are effectively on the payroll of these other organizations because they are doing work for them.

Mr. ZABLOCKI. There are no funds available to the Department of State that will be a duplication of the funds you are asking for in this legislation?

Mr. MACOMBER. No, sir. What you have for example is a disbursing officer in a small embassy who is disbursing both for the State Department and another agency and so you may end up with the State Department paying three-fourths of the salary and the other department paying the other part. That is the way it works.

Mr. ZABLOCKI. Section 4 although very brief is very significant. And I quote: "Appropriations made pursuant to authorizations provided in this act may be made without fiscal year limitation." Further, on page 10 you indicate some of the appropriations that would be continued under this section. Are they all inclusive? Are there possibly other appropriations that under this language would be available to the Department on a continuing basis as a result of this language in section 4?

This may be a section the committee will be asked to fully explain, especially to members of the Appropriations Committee.

Mr. MACOMBER. The foreign buildings program is one, of course, which this subcommittee is familiar with because you authorize that every other year. There is also "no year" money for construction. The International Boundary and Water Commission, which builds flood control works on the United States and Mexican border, is funded in our budget and has "no year" money because this is the general practice with respect to construction money. As another example the refugee money has traditionally been "18 month money" rather than 1 year money.

Mr. ZABLOCKI. These are the particular programs that you list. My concern is, are these all inclusive? Are there any others that you have not listed?

Mr. MACOMBER. No, sir; that is all inclusive, Mr. Chairman. There may occasionally be a situation where we request "no year" money for part of the conference account because sometimes we know the conference is going to run on.

Mr. ZABLOCKI. At any rate the Congress will have the opportunity to review those which you describe as the "no year" money?

Mr. MACOMBER. That is correct.

Mr. ZABLOCKI. Thank you, Mr. Chairman.

Mr. HAYS. Mr. Lloyd.

Mr. LLOYD. Thank you.

Mr. Macomber, what is this International Center, Washington, D.C., with the new appropriation?

Mr. MACOMBER. I don't believe it is a new appropriation. What it is, sir, is a site which has been set aside for foreign embassies to purchase property and build embassies on. It is out by the old Bureau of Standards. We originally sought property closer to the Department of State but we ran into a number of difficulties in obtaining that.

Mr. LLOYD. You are just reserving real estate?

Mr. MACOMBER. Yes.

Mr. LLOYD. I notice in your exchange of persons there is a $41 million request and in the request for authorization on page 44 you say, "This is for the intensive short-term exposure of the leaders and potential leaders of other countries to the full richness and variety of American life."

The USIA does some of this, too, does it not, along with cultural exchanges, so you are both in this business?

Mr. MACOMBER. That is correct, USIA participates in these programs.

Mr. LLOYD. I would like a little further explanation of what value we receive from this $41 million expenditure and the exchange of these persons who participate in the full richness and variety of American life.

Mr. MACOMBER. It has been our experience, Congressman Lloyd, that people from other lands who come to the United States go away very impressed with the United States and are on the whole favorably disposed toward the United States. Now we don't mean this to be a snow job. We don't propagandize these people, we bring them over to see our country. Now obviously they see the least attractive features as well as the attractive features but we have found through experience that they go away with the balance sheet very much in favor of this country.

Mr. LLOYD. Do you spread this around among educators, business groups, scientific representatives?

Mr. MACOMBER. Yes; and particularly those we think are potential leaders of the country.

Mr. LLOYD. Are these developing countries or developed countries or both?

Mr. MACOMBER. They are primarily developing countries. They are primarily in countries where the resources are not available for them to get here on their own. We have had a very good record in picking 5 years or 8 years or 10 years ahead of their actual emergence into a cabinet; potential political leaders and having them come over and see what we are. We find that by and large that produces a sympathy for the United States and an understanding of the United States which is an asset to us. I also think it helps equip them to deal better with problems in their own country even though their problems are never identical.

Mr. LLOYD. Is this a relatively new program or is this a traditional program of the State Department?

Mr. MACOMBER. This is a long-term program and one that has been most successful. Under the exchange of people we used a small percentage of it for sending our people overseas, but the great bulk of it is bringing people here from abroad.

Mr. LLOYD. We do send U.S. people overseas also?

Mr. MACOMBER. Yes, but it is mostly the other way.

Mr. LLOYD. The cultural presentation is relatively minor, but what would that include?

Mr. MACOMBER. That would consist of sending a——

Mr. LLOYD. Would you make a contribution, let's say, to a symphony orchestra that is going abroad?

Mr. MACOMBER. Yes.

Mr. LLOYD. You would help them get on the road?

Mr. MACOMBER. Yes, we would fund part of the trip. An independent advisory committee helps the Department in its selection. We not only send symphony orchestras but also such organizations as the University of Michigan Band.

Mr. HAYS. When have you ever done that?

Mr. MACOMBER. On occasion.

Mr. HAYS. I have been trying to get them to send one of the big marching bands from the United States, and if they ever sent one I have never heard of it.

Mr. MACOMBER. Yes, the Michigan band has gone. A number of younger organizations have gone. The trouble with both bands and orchestras, they are large and hence very expensive.

Mr. HAYS. But you have sent any number of symphony orchestras abroad that I know of.

Mr. MACOMBER. But that is slowing down.

Mr. HAYS. I am all for it but they have a limited audience capacity. Now you can send a marching band abroad which appeals to the people wherever you go and you can put them in a stadium and you can get 100,000 people in one audience. If you have ever got one abroad, I have never heard of it. I have written 50 letters.

Mr. MACOMBER. They don't want to send high school bands but they do send university bands. The trend has been to smaller ensembles, ballet troupes.

Mr. HAYS. I don't see anybody from Michigan on this subcommittee.

Mr. MACOMBER. We send jazz musicians. We have sent coaches who worked with athletic teams. An enormous variety of people have gone out under these programs. We have sent basketball teams out.

Mr. HAYS. For your information, I just got a letter yesterday from Ohio University and they would like to send their band to China. Can you fix that up real quick? Might do more good than Kissinger did.

Mr. LLOYD. Could you have one of your associates send me a breakdown of this $30 million expenditure for my own information? Is that published?

Mr. MACOMBER. Yes, but on Thursday, John Richardson will be up here and you can go over this with him.

Mr. LLOYD. He will have this information?

Mr. MACOMBER. He will, and he can give you examples and what we are doing now and how the program has shifted through the years.

Mr. LLOYD. Thank you.

I yield my time.

Mr. HAYS. Would you yield, Mr. Lloyd?

Mr. LLOYD. Yes.

Mr. HAYS. Maybe it would be good, Mr. Macomber, if you just tell us very briefly about the fact that on this program you have arrangements with a good many other countries where you have signed agreements that they have put some money into this—that is, the cultural.

Mr. MACOMBER. Yes.

Mr. HAYS. I remember I was in Germany when the agreement was signed with Germany and somebody has told me unofficially since that time the Germans are putting more in than we are. I don't know if that is true.

Mr. MACOMBER. They put the major share in the Binational Center.

Mr. HAYS. Just tell this committee about it.

Mr. MACOMBER. I think you have said it, Mr. Chairman, that this is not simply for the benefit of the United States, that others abroad think this is very much in their interest and that they have been willing to put some resources in it.

Mr. LLOYD. Are you talking about exchange or cultural?

Mr. MACOMBER. I am talking more in the cultural area.

Mr. HAYS. On the exchange programs they have done it, too, on the exchange of students, professors, and things like that.

Mr. MACOMBER. I have the information here [reading]:

Contributions will continue to be encouraged from foreign governments with which binational educational exchange agreements are in force for their providing of financial support to the binational programs. Financial contributions are anticipated from Austria, Belgium, Denmark, France, Federal Republic of Germany, Iceland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, United Kingdom, Australia, Republic of China (Taiwan), New Zealand, Cyprus, Israel, and Yugoslavia. The total amount of contributions anticipated to be received from foreign governments is $1,669,284 in fiscal year 1972 and based on the appropriations request in this budget, $1,791,284 in fiscal year 1973.

So there is a significant amount.

Mr. LLOYD. I will look forward to the presentation of the testimony on Thursday.

Thank you, Mr. Chairman.

Mr. HAYS. Mr. Buchanan.

Mr. BUCHANAN. The gentleman from Texas?

Mr. HAYS. Mr. Kazen, are you ready?

Mr. KAZEN. Yes. Thank you, Mr. Chairman.

Mr. Secretary, you are aware that there are several bills that have been introduced in the Congress to lower the contribution of the United States to the United Nations.

Mr. MACOMBER. I am, sir.

Mr. KAZEN. I think that the figure is set at 25 percent in those bills. What is your opinion of that type of a bill?

Mr. MACOMBER. I myself favor, and the U.S. Government favors, the reduction to that level of our contribution. However, we think it has to go down not by unilateral action that would be like a member who belongs to a club and says, "I don't agree with the level that the board of directors of this club has set the dues, and I am only going to pay, therefore, only two-thirds of my dues." The way you go about it is work in the club to get the dues lowered through proper legislative means within the club. In the same context I don't myself support a unilateral action by us in the international organizations to say we are only going to pay part of our obligations as long as those obligations exist, I think we should pay or get out. And I don't think we should get out, so I think the way you do it is to work within the organizations to bring down the "dues" in these organizations.

Mr. KAZEN. In other words, we would be in arrears if the Congress should pass one of those bills?

Mr. MACOMBER. That is correct.

Mr. KAZEN. And we would limit our contribution to 25 percent?

Mr. MACOMBER. Unless the rules of the U.N. were changed to make that what we owed, we would not be paying what we owed and we would be in arrears. Then if that continued after it reached a certain point we would then lose our privileges in this organization.

Mr. HAYS. Has anyone ever lost their privileges in that club for being in arrears?

Mr. MACOMBER. No, sir.

Mr. KAZEN. My understanding is that the basic element of the formula for assessing members is ability to pay.

Mr. MACOMBER. That is correct.

Mr. KAZEN. And nothing else?

Mr. MACOMBER. Yes. It is based on the size of the country and its resources. I think, oversimplified it is ability to pay, yes, sir.

Mr. KAZEN. All right. Now you say that it would take quite a bit of time to come down to that figure working within the club.

Mr. MACOMBER. Well, I tell you, I don't want to say how long it would take because I am not really an expert on this. We will have tomorrow or Thursday Assistant Secretary De Palma before this subcommittee and he can discuss the technicalities and rules much better than I can. I simply would urge the Congress not to act unilaterally to have us not live up to an obligation that we have undertaken.

Mr. KAZEN. Mr. De Palma has already appeared before another subcommittee of this committee and he told us that in 1954 our contribution was assessed at 33⅓ percent down from some 40-odd percent and that in 1957 they agreed to assist us by coming down to 30 percent in principal. This means, according to what I gathered from his testimony, that the U.N. would work toward this 30 percent levy against the United States. Now apparently our present assessment is 31.52 percent for the 1972–73 year which means that in 16 years all we could salvage was 1.81 percent.

Mr. MACOMBER. That is correct.

Mr. KAZEN. Now if the Congress would pass this 25 percent contribution on the part of the United States, is there any doubt in your mind that we would either have to get out or be ineffective?

Mr. MACOMBER. We would not have to face any immediate consequences of that kind. We would not be less effective and we would not have to get out. You have a certain grace period before you lose your rights in the organization.

Mr. HAYS. Would the gentleman yield?

Mr. KAZEN. Yes.

Mr. HAYS. How many years have the Soviet Union and France been in arrears?

Mr. MACOMBER. Again I would like to defer to Assistant Secretary De Palma. They have been in arrears in certain accounts.

Mr. HAYS. For a great many years.

Mr. MACOMBER. In certain accounts.

Mr. HAYS. But nobody has ever been thrown out of this club for nonpayment of dues?

Mr. MACOMBER. These are not dues, they are peacekeeping assessments. They disagreed with the activity and they refused to participate in it. It is a little different than not paying your dues.

Mr. HAYS. There are an awful lot of countries not paying their dues—too many. Am I wrong about that?

Mr. MACOMBER. I don't know about a lot but there are some that have had financial difficulty and they have had trouble meeting it.

Mr. HAYS. And they would not throw out somebody who is putting in a fourth of the cash, would they? I can't conceive of that.

Mr. MACOMBER. They would not want to, that is for sure. The question comes up as to standard of international conduct here. We have been very unhappy when organizations that can pay their assessments don't.

Mr. KAZEN. How unhappy?

Mr. MACOMBER. How unhappy?

Mr. KAZEN. Yes.

Mr. MACOMBER. Very unhappy.

Mr. KAZEN. To the extent of doing what?

Mr. MACOMBER. We went to the World Court to get an opinion which in effect supported the position that they should pay and was in effect a world censure of their conduct. I would be very reluctant to see us go very actively down a similar road.

Mr. HAYS. When was that? I never saw anything in the paper about anybody being taken to the World Court. Who was it and when?

Mr. MACOMBER. I would really like to defer these answers until Mr. De Palma gets here. I am under the impression that we did go to the World Court and——

Mr. MORSE. In 1965, was it not? France and the Soviet Union.

Mr. MACOMBER. That position was vindicated.

Now we have not been able to do anything about it, we have not been able to get those contributions. That was in the peacekeeping area, not in the dues paying area.

Mr. KAZEN. I have some more questions along those lines but I guess we will have to wait for Secretary De Palma.

Mr. MACOMBER. Yes; he would be more knowledgeable.

Mr. KAZEN. Now what have been the State Department's efforts to assist the United States in trade expansion activities?

Mr. MACOMBER. This is a critical part of our responsibility. Every member of an embassy is a commercial officer. Now that is a new responsibility because that is not what diplomats thought of themselves a few generations ago but whatever else they are, they are commercial officers now and the No. 1 commercial officer of the United States abroad is the Ambassador of the United States—no U.S. commerce service can touch him in effectiveness. That is where you get the job done, the Ambassador's influence and access to Cabinet level people who are able to deal with restrictive regulations and procedures which are often the basic problem.

So my answer to you is that the whole embassy goes after these jobs lead by the Ambassador. This canard that goes around that the diplomats felt themselves above this is not true, they don't. The only thing they cannot do is choose between American companies. They will fight like the devil to get the American business, that is their job. But they cannot favor one American company over another. A couple of other countries have tried to create a separate commercial services recently. They are both going back and putting it in their foreign office. The way you get this job done best is to have this job done by the people with the leverage and access to the senior host government officials.

Mr. ZABLOCKI. Would the gentleman yield?

Mr. KAZEN. Certainly.

Mr. MACOMBER. The State Department does not have a constituency but there are many, many companies that have been helped extensively abroad and it does seem to me they ought to be heard from more on occasions when people come and try to take this function away.

Mr. ZABLOCKI. Related to that question as to the extent that the State Department assists our industries in expanding trade, what is the attitude of our State Department personnel abroad in the interest of our U.S. firms when there is expropriation of their property? We

have repeatedy been told that the State Department representatives overseas tend to lean toward the position of the country in which they are stationed. They seem to resolve the differences to the benefit of the countries rather than the interests of the American industries with capital investment in such a country.

Mr. MACOMBER. Another one of the great canards.

Mr. ZABLOCKI. Well, no. is it not really true? There are cases where the Department didn't do its best.

Mr. MACOMBER. Let me respectfully disagree, sir. The Foreign Service of the United States does not represent foreign countries. It represents the United States. Now to deal effectively abroad you have to have some understanding of the conditions, the factors and forces that lead a host country and its government to act the way it does. Sure, it is easy to stick out your chin and be gung ho and say, "We are for American business and to hell with the hindmost." What they are trying to do is work the problem out so that you in effect in the end get a satisfactory solution, and to do that you are going to have to deal with the situation as it exists on the ground.

Mr. ZABLOCKI. But the charge is made that they place diplomacy as a priority rather than an equitable resolution of a problem.

Mr. MACOMBER. The fact of the matter is that expropriation, even when it is paid for, is not a friendly act. It is a legal act if it is paid for, and paid for with a fair price. Now there may be circumstances where it is justified but I am saying even in the situation where it is paid for it is not something we basically think is a good thing.

Where the expropriation is accompanied by an unwillingness to pay a reasonable and fair compensation, then that is a serious wrong. We are especially opposed to it when it is illegally done.

But what I would like to emphasize, Mr. Congressman, is that a responsible State Department must explain the world as it really is, that we are not czars in other countries, that other countries, political considerations, whether logical or not, are real, and are there, and have to be taken into account.

What the American representative abroad has to do is represent the U.S. interest. Now to a large degree that means protecting U.S. property and resources but we can't do that as the only thing and there may on occasion be other interests that are equal or greater in which case the American diplomats are required to take that into account.

Mr. ZABLOCKI. I wish the Secretary of State would have taken an equally forceful position in reply to my letter of inquiry in respect to whether we will take a position as far as property or moneys owed by the mainland Chinese Government to private industry in this country—whether or not we will take a hard line in order to get some accommodations and whether China would be willing to adequately compensate for the property and indebtedness that some of our industries have owing to them by that country. We could not get such a commitment from the Secretary.

Mr. HAYS. You never will, either.

Mr. ZABLOCKI. Never will.

Mr. KAZEN. I have just one more question, Mr. Chairman.

I see where the State Department gives aid to American sponsored schools abroad. What is the extent of that aid over and above what we have in the foreign aid bill?

Mr. MACOMBER. As I indicated, Mr. Kazen, these schools are supported from four basic sources. The first is the amount in the State Department budget, and in the State Department budget two elements contribute. One is $650,000. The other under the CU appropriation is $2.4 million.

Now in the foreign aid appropriation that you are familiar with there is $2.5 million requested for these schools. That brings you to a total of $5.5 million from all sources. There is another major source of support. American companies abroad make contributions because the dependents of their personnel go to them.

CU puts some money into this program because there are foreign students also in these American schools abroad. CU believes this is a means of spreading American culture and also spreading American educational techniques.

Mr. KAZEN. Are they the same schools that we provide for in the foreign aid bill?

Mr. MACOMBER. Exactly the same.

Mr. KAZEN. Exactly the same schools?

Mr. MACOMBER. Yes; but the provision that you provide for in the aid bill is calculated on the assumption that there will be these other resources that will be also forthcoming. You are not appropriating in the foreign aid bill for the entire U.S. contribution, only the portion that is funded under the AID contribution. Of course in the aid bill you also provide for assistance to colleges such as the American University in Beirut. That is a separate item in the aid bill, about $20 million I believe. The $2.5 million I referred to comes from AID technical assistance funds and supports elementary and secondary schools where AID dependents go.

Mr. KAZEN. Who determines the amount of money that comes out of your fund as aid to these schools? Is it the Congress or is it the Department?

Mr. MACOMBER. It is the Congress that determines it. We show how much of our total budget request is for this and Congress either gives us the money or it doesn't. So far it always has.

Mr. KAZEN. Thank you.

Mr. HAYS. Mr. Buchanan.

Mr. BUCHANAN. Thank you, Mr. Chariman.

Just for the record, my experience has been comparable to the chairman's in the matter of the exchange program. At one time or another, I have sought to obtain funds for a civic chorus, for a college choir, for a very talented conductor of a city pops orchestra on a tour he was going to make and for several other groups, but most recently, a championship boys' baseball team that had been invited to play a corresponding championship team in Japan but could not swing it because they were mostly black inner city boys who didn't have the wherewithal, and I didn't get to first base.

I will look with interest where this money goes and how one goes about attempting to obtain some.

Mr. MACOMBER. I remember one very good racially mixed choir that you were interested in. This program has many, many more applicants than they do resources. I think you will enjoy hearing Mr. Richardson's testimony; he is a first-class administrator of this program.

Mr. HAYS. Well, one of his predecessors told me with considerable

thought here when I asked him about the Ohio University marching band that he was wanting to send over organizations with some cultural value which would appeal to the intelligencia. What happened to him? I remember he was not around very long. I am looking forward with interest to hearing Mr. Richardson.

Mr. BUCHANAN. Perhaps some benefit can come to someone out of this authorization process.

Mr. HAYS. I would not hesitate to cut $20 or $30 million out of it. Give him that message before he gets up here.

Mr. BUCHANAN. I would not hesitate to vote for a few more.

Mr. HAYS. Neither would I if I thought they were going to do something with it that was worthwhile.

Mr. BUCHANAN. The fact is I hope this authorization process does not hurt State too much. I hope you don't suffer the fate of the Peace Corps. Not this subcommittee but the full committee in its zeal for economy cut $5 million and then the Appropriations Committee in its typical zeal cut it down to such a low level they are going to have a hard time surviving this year. So I hope the State Department won't suffer that fate.

Mr. MACOMBER. We sure hope not.

Mr. BUCHANAN. There is one thing that kind of makes me curious, Mr. Secretary. The chairman said that you refer to CIA personnel as spooks in the State Department. Is that correct?

Mr. MACOMBER. The chairman referred to them as spooks.

Mr. BUCHANAN. What I was interested in, since you provided administrative support for such people, are the people who write letters, memos, and written instructions to the spooks referred to as ghost writers perhaps?

I yield back at that point.

Mr. HAYS. I tell you, we might be able to write an operetta if we keep all these puns together.

Mr. Fraser.

Mr. FRASER. Thank you, Mr. Chairman.

I am sorry that I am late. My interests center on the same thing that you asked about, the educational-cultural exchanges. What I can't find here is how much we spent last year. Have I missed it here?

Mr. MACOMBER. No; because that is a brief summary of the budget.

Mr. FRASER. Even the most brief summaries give you some indication of what happened the year before.

Mr. HAYS. Well, they are supposed to be in here on 1972 and 1973.

Mr. MACOMBER. Mr. Fraser, it does not tell you the total.

Mr. FRASER. Not for last year. Am I looking at the wrong one?

Mr. HAYS. Look at the Budget in Brief, page 30.

Mr. MACOMBER. Page 30, Mr. Fraser.

Mr. FRASER. You are asking, if I read this correctly, for a $12 million increase.

Mr. MACOMBER. That is right, sir, to get it up to the figure that it was up to in 1966. It subsequently plummeted way down but has been gradually built back up each year. We are now up to where it was in 1966 if the Congress gives us this amount of money we are requesting in the 1973 budget.

Mr. HAYS. Would the gentleman yield?

Mr. FRASER. Yes.

Mr. HAYS. Would you want to give us a first-class real explanation of why it plummeted? If you don't want to, I will.

Mr. MACOMBER. I defer to you, Mr. Chairman.

Mr. HAYS. Well, because you had one of these fellows running it that Mr. Rooney didn't trust and who was away up in the clouds some place so that nobody could talk to so, you know, Mr. Rooney's committee cut it. Am I about right in that?

Mr. MACOMBER. Certainly, the committee lost confidence in it and cut it severely. But one of the things that is encouraging is that they have confidence in the present Administrator and each year they have been putting significant amounts back into it.

Mr. FRASER. What kind of advisory or external input does the committee get in programing this money?

Mr. MACOMBER. They have an advisory board. Mr. Fraser, Mr. Richardson will be here Thursday and I prefer that he give you much more authoritative answers. He can tell you who is on it and how he consults with them, his overall advisory staff and the actual presentation of how that is done.

Mr. FRASER. The major part of the expenditure here is for the Hays-Fulbright scholars?

Mr. MACOMBER. For the exchange of persons; yes, sir.

Mr. FRASER. My impression is that cutbacks we have suffered in this area have not been productive. I don't know what the Appropriations Subcommittee might have thought, but the readings I get from people who have an interest in this, an interest in understanding the value of these programs, indicate they have been greatly concerned with the cutbacks.

Mr. MACOMBER. Mr. Fraser, we have been concerned and we have sought each year to get money restored. We have had a problem getting the program back to a reasonable level. We didn't agree with the cuts, we thought they were too deep and we have been trying very hard to get them back. OMB has permitted us to go in on an over-ceiling basis, and we are now just short of the 1966 level, as I said earlier.

Mr. HAYS. Mr. Fraser, if you will yield to me, I made a little speech about my opinion of the Bureau's budget which he calls item B and especially about the Director which I won't go into detail but suffice it to say it was much stronger than what I said now. I have no confidence in him at all and we need not be guided by anything he says because anybody who can miss his estimate by anything like $40 billion a year, I said, has either got to be the most stupid man in Washington, or he is deliberately trying to deceive somebody. I don't know which it is, I said, and I am not going to try to settle that here but I share your view of this. As far as this subcommittee is concerned we will be guided by what we think they ought to have collectively, not whether Mr. What's-his-name, Shultz, the great underestimator, decides.

Mr. FRASER. One of the biggest problems you are currently facing in the administration of the Department——

Mr. MACOMBER. The biggest problem is to take a large organization which has operated on intuition and individual judgment and experience and feel, and take it beyond an era when that was all that was required and move it into an era where the complexity of foreign

affairs has just grown enormously. Diplomacy didn't change for hundreds of years—not the tactics, the style, the people involved. You could write a textbook on diplomacy 400 years ago and 130 years ago and they would have hardly changed at all. In the intervening period the only really significant new development was the invention of the telegram. People thought that would mean a major change in the nature of diplomacy, but even that did not change things in a very fundamental way.

Since World War II, however, there have been major changes. Suddenly what was a private preserve for diplomats, who operated in an intuitive lone wolf style, was invaded legitimately by every element of our Government.

So you have a management job of the kind that was just not envisioned by the old diplomat. The old skills are very important. The ability to negotiate, the ability to report accurately, the ability to analyze objectively, the ability to be persuasive—these are still most important elements in a diplomat's job.

But the broader problem is to get our people who are essentially not management oriented to face up to the fact that like a football team; no matter how good your talent is you can't be successful if you operate within an out of date system.

It is essential for the Department to recognize that other elements in the Government have a real role to play, you cannot ignore them and you have to pull them together.

So we have to have improved management systems and better diplomat-managers. We have to have a much wider variety of personnel skills and aptitudes. We have to have a special programing system to better identify overall U.S. interests and priorities and better allocate our resources in the light of these priorities. We have to have a much better inspection system designed to guard against the problem of policies continuing on momentum rather than merit. We have had no way really to check the momentum of our policy.

Mr. FRASER. On the management side, do you have some internal audit that does more than check books, one that checks programs?

Mr. MACOMBER. Yes, that is one of the reforms we have instituted.

Mr. FRASER. Who does that?

Mr. MACOMBER. That is the Inspector General. He did do auditing and personnel inspections. He now does those things plus he has people who are assigned to look at our policy in each country and take an independent reading of whether, first, the policy is the one that Washington thinks is being carried out, and second, does that policy still make sense or should it be changed?

Mr. FRASER. Who does he report to?

Mr. MACOMBER. He reports to the Secretary of State but he is under my general guidance.

Mr. FRASER. Just one or two more questions.

Mr. HAYS. Go ahead.

Mr. FRASER. The most useful development, from my point of view, that every large institution needs is some kind of internal feedback which encourages adaptation. The Department of Political Military Affairs, is that the Department that would be handling security assistance or will that be a separate office?

Mr. MACOMBER. No; it will handle security assistance.

Mr. FRASER. As a part of its responsibility?

Mr. MACOMBER. Yes; and it will be the major liaison with the Defense Department.

Mr. FRASER. One of my complaints about the State Department is the way that it has permitted foreign policy to be taken over by the Department of Defense and——

Mr. HAYS. I made a speech about that before you came in only I was talking about Dr. Kissinger.

Mr. FRASER. I was going to get to that, but with weapon systems as they are, particularly in the strategic field, they have enormous foreign policy implications. The State Department must stand up and start exerting itself. I get fed up with Defense intelligence reports. Every year they operate a scare program. I just about have had it, not that I can do anything about it, but it affects my attitude. There are a lot of good people in the Department of Defense but when you get the services trying to create a climate in which they can get billions of dollars for new weapon systems and the State Department is mute, theirs is the only voice and they presume to speak with authority.

The only place I ever really get any better reading is from the CIA. I have become a great defender of the CIA in recent years. The State Department should be in charge of the larger issues. They have not been. I don't know if this new Department of Political and Military Affairs is going to provide the internal checks that are needed.

Mr. MACOMBER. Well, I am confident that they will but there are two things that are needed. First of all, in this specific area the day when you could have generalists be military experts in the Department is over. In the old days if a man could count rifles, men, bombers and planes; if he could take a reading of the industrial strength and national morale of a country; he could be in a position to make a sensible judgment regarding the real military strength of any country in the world.

Now, however, when you are worrying about such things as missile defense systems around Moscow or wherever, you can't get by with generalists who can count. You have to have far more sophisticated personnel resources in the Department. For example, you have to have physicists and other specialists who understand weapons systems. You just can't do this with generalists any more.

Mr. HAYS. Would you yield to me, Mr. Fraser, just a second?

Mr. FRASER. Yes.

Mr. HAYS. That is very interesting, what you say, but my first indoctrination into how much the State Department knew about that came many years ago when I held my first hearings on the buildings program and I found that you had let the military con you into asking you to ask for building, among other things, a $75,000 residence in Ireland for the American naval attaché. Now this has some significance in hearings we are having now.

It just happened that I had been on a vacation in Ireland and someone had pointed out to me the whole Irish Navy. It was anchored there—two destroyers. But your man could not count very well because they were going to build in that day a $75,000 residence. That was 16, 18 years ago and the equivalent of that $75,000 today would be perhaps a $200,000 house for a naval attaché.

Now they also had a military attaché and I think the Irish Army could be counted pretty quickly if you got them together. They also had an air force attaché for a nonexistent air force. So you don't really stand up very well at all, not even on minor things.

Needless to say, none of those were built. To have a low profile, they have been told not to make waves. Not to get emotional, not to become emotionally involved, to be detached. I am not suggesting that we now substitute passion for reason—the world is too dangerous for that—but the American diplomat is going to have to be a great deal more aggressive person. I think this younger breed that is coming along is more aggressive. In this town the other departments run all over you if you are just detached and objective. In the days when foreign affairs was the diplomat's private preserve, he could operate that way. Of course he still has to be a cool customer. It is too dangerous a world to substitute emotion for reason, but we are going to have to have a more aggressive take-charge breed of U.S. diplomats, and that is what we are trying to develop.

Mr. FRASER. You have already gone into the National Security Council.

Mr. MACOMBER. Yes; but it is worth repeating very briefly that the National Security Council staff is a hundred people. It can't substitute for the Department of State. The people that write that in the newspaper are doing a great disservice. If they keep denigrating the Department of State, if the impression gets abroad that this is a "nothing" operation, ultimately it becomes one.

Mr. HAYS. I said before we are not going to let you get by with this. Again it is not they that are denigrating it, it is the Chief Executive—and not only him but his two predecessors—that had the State Department run out of their hip pocket out of the White House. Don't talk about they, it is not they.

Mr. MACOMBER. They, the media, have oversimplified and misled on this issue. Let me say this however. While the Department has the greatest of talent, judgment, and wisdom in the foreign affairs field in the world, it does have a problem on unleashing it. We have to find better ways to unleash that great capability.

Mr. HAYS. Mr. Macomber, you said a little bit ago that the whole field of foreign policy is changed. Now I am going to give you a little historical dissertation to show you that you are completely wrong. The field of foreign policy has now done a complete 360° turn and is right back with Henry the VIII and Francis I when they met on the field of the cloth of gold. The only thing they didn't have that Mr. Nixon had was television cameras. The whole course of history turned on the fact that Francis I accidentally threw Henry the VIII who was supposed to be the greatest wrestler in Christendom and Henry didn't like him from that day on. Maybe this will turn out good, the fact that the President helped Chou En-lai on with his coat. But the diplomats are not running it any more, it is right back to the days before ambassadors were invented.

Mr. MACOMBER. Well, I am not suggesting that everything has changed or that certain episodes don't repeat.

Mr. HAYS. We had Woodrow Wilson at Versailles and Mr. Eisenhower was a great magnificent accomplishment at the Spirit of Geneva. Boy! Then we had Mr. Kennedy meeting Khrushchev and my good friend—and he is my good friend, and I hope he will be after

I have said this—President Johnson's famous trip around the world, and now we have Mr. Nixon flying off to China and Moscow and probably to Malta if the crisis erupts there between now and election.

Mr. FRASER. Could I follow up what the chairman is saying because there is one thing that bugs me about the President's trip. I think it has helped educate the American people about China and the realities that exist, but I am disconcerted that one man, even if he is the President, is giving away Taiwan to mainland China. My problem is that the Taiwanese have never been able to have a voice in what is happening to them. Chiang has not run an open, free democratic operation. The 12 million Taiwanese were taken over by the mainland Chinese. They have been ruled by the mainlanders and now the President gives them back to China.

Mr. HAYS. Well, the Congress is going to give back North Ireland to somebody. We are great for giving back things we don't own.

Mr. FRASER. How can the President give away a big piece of real estate? It is one of the larger countries in the world.

Mr. MACOMBER. He did not "give it away."

Mr. FRASER. He reaffirmed that it was all one China. Here is the President making this declaration which will have enormous consequences. I think we ought to get out of the foreign policy business if we have no more concern about what happens to ordinary people, whether it is in Greece or Taiwan or South Africa. This bothers me. Right out of his hat the President has made this declaration. It is a weird experience to sit and watch this on television and read about it in the newspaper.

Mr. MACOMBER. The President has reiterated what I understand our policy has been.

Mr. FRASER. For all I can tell there has been a divided China as there has been a divided Korea as there has been a divided Vietnam and a divided Germany. Now the President hands Taiwan to the PRC.

Mr. MACOMBER. That is not a new policy.

Mr. FRASER. I know, but now he said OK.

Mr. MACOMBER. He has not handed it back. He has said that as the tensions go down we hope to withdraw our troops. In any event, the President will be speaking soon to the American people on this subject and he can speak much better than I can.

Mr. FRASER. As the people of Taiwan must speak.

Mr. MACOMBER. I do want to come back and say that while not everything has changed in foreign policy what the State Department is struggling with is what every other foreign office in the world is struggling with—how do you readjust your whole operation to deal with the modern changes of diplomacy. With enormously expanded and more complicated responsibilities you have to get more modern techniques. That is what we are doing in the Department. If we don't develop this modernization from within the Department somebody will do it for us from outside—only they will not do it as well.

Mr. HAYS. Somebody is; Mr. Kissinger. Nobody pays any attention to you people.

Mr. MACOMBER. The Kissinger operation would be swamped, without the operation of a strong modern State Department. They should not be rival operations. The Kissinger operation can deal with a——

Mr. HAYS. He has a tremendous capacity. You know, I saw those pictures in the magazine where he made 12 secret trips to Paris and

he has a string of movie actresses from here to Hollywood. You know, he must have some kind of a day with more hours in it than mine. I try to take care of my business with a little social activity but nowhere on that scale can I compete, and I thought I was pretty good really.

Mr. MACOMBER. What I am suggesting, Mr. Fraser, the budget is for fewer people this year than last.

Mr. FRASER. I am impressed with the reduction of personnel.

Mr. MACOMBER. The fact is that we have taken an 18-percent cut over the last 4 years. Our actual cut has been higher in the substantive areas because the 18-percent cut overall was affected at the time when we had to make substantial increases in such offices as passport and visa. To offset these increases we had to take more than an 18-percent cut elsewhere.

Mr. FRASER. Have you ever considered having a different category of service for the people who put stamps on passbooks? Must they necessarily be in the Foreign Service?

Mr. MACOMBER. I have considered that and I think it is——

Mr. FRASER. I get the impression that a lot of your Foreign Service people get turned off after a few years.

Mr. MACOMBER. They don't do it for a few years. What I do think is that generally consular work is different than political work and you should not recruit the same kind of person for it. The person who is a good consular officer tends to be a good bureaucrat in this good sense of that word—the kind of person who likes to move a lot of paper, likes to deal with a lot of people, the kind of person who likes to adjudicate matters. This kind of fellow is a somewhat different breed than a fellow sitting in the Embassy political section mapping out diplomatic political moves and diplomatic strategy.

Mr. FRASER. It is all Foreign Service.

Mr. MACOMBER. Yes, but the problem has been that we have been trying to do these different jobs with similar people. And what has happened is that the consular work have been given a lower priority. The fact is that it is very important business and should be handled by persons specially recruited and developed for it.

Mr. FRASER. I don't mean to say it is unimportant. Some people will adapt to it but it really turns some off.

Mr. MACOMBER. If I could just finish. Because you want to get really good people for this consular work especially because they are the ones that deal far more than our Embassy people with the foreign citizens, and they are the ones who deal far more than our Embassy people with Americans traveling abroad. It is a different kind of work from political work in an Embassy and the fellow who is going to stay with it has somewhat different kinds of interests.

Mr. FRASER. You mean there will be a separate career development?

Mr. MACOMBER. Yes.

Mr. FRASER. Is this a formalized part of the career program?

Mr. MACOMBER. Yes.

Now as far as young political officers being put upon by being asked to stamp visas, I reject this absolutely. Because what they are doing—the image is stamping visas—but what they are really doing is they are dealing with people. When a family comes in and has a problem, seeking something, they have to learn the business of saying no many more times than they say yes. They have to deal with the person in

a human way, keep him a friend of our country despite the fact they have to say no.

There is an enormous personal experience in this. You just should not have him there too long. We want to be very sure that we leave some slots for our people to get this experience. Also, the person gets experience in the consulate as to the way you run things that the political officer does not get. Who do you pick for the DCM? He has a big job and on his way he never had any experience.

Basically we are trying to recruit differently. One of our problems now is that we have too many political officers. The political officer has dominated the Department, we have recruited too many. We have a shortage of economic and consular——

Mr. HAYS. If you have a shortage of economic officers, keep it that way—you will be better off.

Mr. FRASER. Mr. Chairman, are we separately going to go into personnel? You are probably the person to comment on the general personnel problem.

Mr. MACOMBER. Yes, sir; I will be glad to.

Mr. HAYS. We have been into it all around the periphery all day. Mr. Macomber has given quite a dissertation on what he is going to do about it.

Mr. FRASER. We are running out of time.

Mr. MACOMBER. It is in the record.

Mr. FRASER. All right. I will read that.

Mr. MACOMBER. I would hope you would, Mr. Fraser, because there have been significant developments in this area in the last couple of years.

Mr. HAYS. You have been such a great defender of the program I have not had a chance to ask you many questions. We may have to ask you back.

Mr. MACOMBER. I would be delighted to come back.

Mr. FRASER. You are going to have an election for the representatives?

Mr. MACOMBER. Yes.

Mr. HAYS. They have one fellow down there who has been sending me a copy of all the papers he has filled out on this grievance procedure and I have now tossed them in the wastebasket without opening them because they have gotten so voluminous. So obviously this guy is not doing anything but filling out grievance papers and I don't know why we are paying him a salary but we are.

Mr. FRASER. Thank you, Mr. Chairman.

Mr. HAYS. Mr. Zablocki.

Mr. ZABLOCKI. My attention has been called to President Nixon's policy statement of January 19 on economic assistance and investment security in developing nations where he outlined three aspects of U.S. development assistance programs reviewed during the past year. But what especially interests me in that statement is that he announced the creation of a special interagency group to be established under the Council on International Economic Policy to review such cases. Now, that special interagency group will be comprised of the Departments of State, Treasury, and Commerce. Is the CIEP included in your budget? Although the announcement was made only 6 weeks ago and this special interagency group probably has not been formed as yet, nevertheless how will it be funded?

Mr. MACOMBER. I would assume that would be in the White House budget. It is not in our budget.

Mr. ZABLOCKI. In the White House budget?

Mr. MACOMBER. Yes, an interagency committee, isn't it? Isn't it the Peterson——

Mr. ZABLOCKI. It is my understanding it is a special group within the Council on International Economic Policy.

Mr. MACOMBER. Yes. That is the committee in the White House that was directd by Mr. Peterson who has just become Secretary of Commerce. Peter Flanigan has succeeded him. It is a White House committee.

Mr. ZABLOCKI. Which further indicates that the White House will be taking over policy rather than the Department of State, is that right?

Mr. MACOMBER. Well, I think in any situation you have a certain amount of bureaucratic pulling and hauling. It is up to the State Department to lead aggressively in these circumstances.

Mr. ZABLOCKI. With weighted representation by the three agencies of the interagency group?

Mr. MACOMBER. Well——

Mr. ZABLOCKI. Do you know?

Mr. MACOMBER. There is no weighted representation but the Secretary of State is the chairman.

Mr. HAYS. Mr. Buchanan, do you have any questions?

Mr. BUCHANAN. Mr. Chairman, I, too, would like to hear more of the specifics of which the Secretary speaks in terms of implementation of the ideas which you have presented but I feel constrained to applaud the trust, the intent, the direction that you have indicated here. It does appear to me that the Department will be strengthened with the addition of adequate specialists and with a system which might in a bureaucracy reward initiative rather than mediocrity and one which otherwise might be characterized by greater aggressiveness. In a situation where you had these many different agencies operating in foreign countries there must be need for a little better coordination and control. I think if the State Department has declined to any extent either in its power or in its prestige that in what you have outlined here lies surely the corrective to that problem. So I just want to applaud your intent and the trust of your leadership. As far as I am concerned, Mr. Chairman, we might profitably put Mr. Macomber in charge of the State Department or even let him replace Dr. Kissinger.

Mr. HAYS. He could not keep up with Dr. Kissinger's social activities.

Let me say that I, too, applaud Mr. Macomber's efforts down there but I also am a little pessimistic and I figure the hatchetmen will get him eventually the same way they got Bill Crockett who had some innovative ideas in restructuring the Department.

Good luck to you, but in my opinion you are going to need it. We may call you back, Mr. Macomber, to sort of wrap this up again.

Without objection, the subcommittee will be adjourned until tomorrow at 10 o'clock.

(Whereupon, at 12:12 p.m., the subcommittee adjourned, to reconvene at 10 a.m., Wednesday, March 1, 1972.

DEPARTMENT OF STATE AUTHORIZATION FOR FISCAL YEAR 1973

WEDNESDAY, MARCH 1, 1972

HOUSE OF REPRESENTATIVES,
COMMITTEE OF FOREIGN AFFAIRS,
SUBCOMMITTEE ON STATE DEPARTMENT
ORGANIZATION AND FOREIGN OPERATIONS,
Washington, D.C.

The subcommittee met in executive session at 10:15 a.m., in room 2200, Rayburn House Office Building, Hon. Wayne L. Hays (chairman of the subcommittee) presiding.

Mr. HAYS. Gentlemen, I apologize for being late but I was asked to participate in the presentation of the John McCormack Award for the most outstanding employee of the House last year. They set it at 9:45 but of course those things never start on time and never finish on time.

This morning we will continue our consideration of the authorization measure for the Department of State for fiscal year 1973. The witnesses are the Assistant Secretaries of State or their deputies for the five geographic areas of the Department. Undoubtedly the members will want to inquire about particular countries or issues to which full responses cannot be given in an open session. This hearing will therefore be in executive session.

While most of the witnesses have appeared before one or more subcommittees of this committee, I think few have appeared before this subcommittee. It will be helpful if each, before he responds to questions, gives a brief biographic sketch.

The witnesses will appear in this order:

Hon. David D. Newsom, Assistant Secretary, Bureau of African Affairs; Hon. Joseph J. Sisco, Assistant Secretary, Bureau of Near Eastern and South Asian Affairs; Hon. Winthrop G. Brown, Acting Assistant Secretary, Bureau of East Asian and Pacific Affairs; Hon. Charles A. Meyer, Assistant Secretary, Bureau of Inter-American Affairs; and Hon. Martin J. Hillenbrand, Assistant Secretary, Bureau of European Affairs.

Mr. Newsom.

STATEMENT OF HON. DAVID D. NEWSOM, ASSISTANT SECRETARY, BUREAU OF AFRICAN AFFAIRS, DEPARTMENT OF STATE

Mr. NEWSOM. Good morning.

Thank you, Mr. Chairman. I am pleased to be here before the committee this morning. My background is that of a Foreign Service Officer who has served mostly in the Middle East and in Africa with posts in Karachi, Oslo, Baghdad, Tripoli, London, and with three tours

of duty in Washington, D.C., first as officer in charge of Arabian Peninsula Affairs and then later as the Director of the Office of North African Affairs, and since July of 1969 as Assistant Secretary for Africa.

I am a native of California, educated at the University of California with a masters degree from Columbia, with service in the Navy and with a brief career as a newspaper reporter.

Mr. HAYS. Well, we won't hold the latter against you.

Mr. NEWSOM. Thank you, Mr. Chairman.

Mr. HAYS. Do you have a statement, Mr. Newson, or do you just want to respond to questions? [1]

Mr. NEWSOM. I might say a brief word, Mr. Chairman, about our objectives and interests in pursuing our policy in Africa, after which I will welcome questions.

We have some precise interests in our relationships with the 42 independent countries in Africa: diplomatic communications with one-third of the world's independent nations; access on a fair basis to the resources of Africa, which are increasingly important to the industrialized world; protection of a very few remaining military facilities in Africa; development among the 300 million people of the African Continent of trade opportunities as well as investment opportunities for the United States; and protection of our rights of transit and access to the African Continent.

In pursuing these objectives we are conscious of two African preoccupations to which we seek to respond in consonance within the natural limitations imposed upon us and to the fullest extent possible in cooperation with other interested countries. The first is the preoccupation of the African nations with their internal economic development in which we participate in cooperation with the World Bank and with major European donors. The second, in various parts of Africa, is a preoccupation with at least two major political issues: in the northern part of Africa where there is a close linkage with the Near East, a continued shadow of the Arab-Israeli conflict; and in black Africa and the southern reaches of Africa, continued preoccupation with the racial, sociological, and colonial problems of the territories and countries of southern Africa.

Mr. HAYS. How many posts do we have total in Africa, Mr. Newsom?

Mr. NEWSOM. We have 60 posts in Africa, Mr. Chairman.

Mr. HAYS. Do you anticipate any increase or decrease in the number during the next year?

Mr. NEWSOM. We are closing two posts in this fiscal year and we anticipate we will be reopening one post in fiscal year 1972. That is in Port Harcourt in Nigeria, and that is all.

Mr. HAYS. What posts did you close out?

Mr. NEWSOM. We are closing Hargeisa in northern Somaliland and Constantine in Algeria.

Mr. HAYS. Those were consulates?

Mr. NEWSOM. Constantine is a consulate and Hargeisa an Embassy branch office.

Mr. HAYS. Do you have any objection, Mr. Macomber, if we include this chart in the hearings so that it will be there in case anybody wants to look at it during the debate?

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[1] See Appendix 8, p. 154, for Bureau of African Affairs, fiscal year 1973 budget summary.

STATEMENT OF HON. WILLIAM B. MACOMBER, JR., DEPUTY UNDER SECRETARY FOR MANAGEMENT, DEPARTMENT OF STATE

Mr. MACOMBER. No, we do not, Mr. Chairman.

Mr. HAYS. Without objection I will include the part on Africa.

(See fold-out table on Africa facing page 135.)

Mr. HAYS. I note you have 377 reimbursables in Africa in the Department of State. Would you explain? I think I know what reimbursables are but would you explain a little bit and tell us what they do?

Mr. NEWSOM. Could I turn to our Executive Director, Mr. Bradford, Mr. Chairman?

Mr. HAYS. Yes.

STATEMENT OF WILLIAM G. BRADFORD, EXECUTIVE DIRECTOR, BUREAU OF AFRICAN AFFAIRS, DEPARTMENT OF STATE

Mr. BRADFORD. Mr. Chairman, as you know we are charged with the administrative support of a great many other Government agencies and for this we receive reimbursement. The positions that are paid for out of this reimbursable fund are called reimbursement positions.

Mr. HAYS. And you have 377?

Mr. BRADFORD. Yes, 377 is correct.

Mr. MORSE. Would you yield, Mr. Chairman?

Could you develop that? I don't understand what reimbursables are. What kind of people would they be?

Mr. NEWSOM. I might say, Mr. Chairman and Mr. Congressman, that we have operating in Africa a number of U.S. Government programs—AID, Peace Corps—and this reimbursable fund is largely a fund of shared administrative support into which these other agencies operating in Africa contribute and out of which these people are paid.

Mr. MORSE. I still don't understand. I heard what you said but I don't know what you are talking about.

Mr. FASCELL. State Department people paid by somebody else.

Mr. MORSE. Why?

Mr. BRADFORD. It would be the administrative section starting with the administrative officer himself, communicators, maintenance people, general services officers.

Mr. HAYS. But now back up a minute. I think you are confusing it. When you said administrative officer, he would not be totally reimbursable?

Mr. BRADFORD. Under the total reimbursable portion the State would pay for a portion of it. If his time was split between the various agencies, part of his time might be paid for by a different agency.

Mr. HAYS. In other words—correct me if I am wrong—if they have anybody out there responsible for buildings, the Buildings Division has a man there and he also secures quarters for the Peace Corps or for USIA, then they would reimburse part of his salary because he spent part of the time working on the projects. Am I correct?

Mr. BRADFORD. Yes.

Mr. MORSE. In other words, from what you just said the number 377 does not represent 377 bodies, it is an accounting device?

Mr. BRADFORD. No, it represents 377 bodies.

Mr. MORSE. That is not what you just said.

Mr. HAYS. Would it be fair to say it represents 377 bodies of whom some may be totally reimbursable but most are partly reimbursable? Would that be a fair statement?

Mr. BRADFORD. I think that would be a fair statement, Mr. Chairman.

Mr. MORSE. I don't want to waste any more time but I have no idea what you are talking about.

Thank you, Mr. Chairman.

Mr. HAYS. There are 377 people, but part of their salary is paid by some other agency. Does that make it any clearer?

Mr. MORSE. Yes.

Mr. HAYS. Mr. Buchanan.

Mr. BUCHANAN. Does FN stand for foreign nationals?

Mr. NEWSOM. Yes, Mr. Congressman.

Mr. BUCHANAN. Do I understand there are 820 foreign nationals in this category? Is that correct?

Mr. BRADFORD. Correct.

Mr. BUCHANAN. What kind of people would these be?

Mr. BRADFORD. These would be the local employees in the administrative section, they would be the maintenance crews, and so forth.

Mr. BUCHANAN. Thank you, Mr. Chairman.

Mr. HAYS. One other question: How would you characterize our relations with Nigeria at the present time?

Mr. NEWSOM. I would say they are very good, Mr. Chairman. The recovery within Nigeria, the visit which the Secretary of State made to Nigeria in 1970, and our diplomatic contacts since then, have erased whatever problems existed at the end of the war.

Mr. HAYS. Governor Thomson.

Mr. THOMSON. You have not directed any of your testimony to the amount of money involved in this area of the budget. I am just wondering what the amount is, the portion of the total which we heard yesterday. Could you direct a comment to that?

Mr. NEWSOM. Yes, Congressman. Our total is $23,073,000, of which $12,100,000 is the cost of permanent American employment which comes out of a central account, and $10,900,000 are operating expense funds managed by the Bureau of African Affairs.

Mr. THOMSON. Is that higher for the 1973 fiscal year than it was for 1972?

Mr. NEWSOM. Yes, it is about $400,000 higher, largely because of increased costs and the addition of some Marine guards at posts where we have not had them before, but it is for less people.

Mr. THOMSON. Now on your reimbursables, I notice there is quite a list here, 820 foreign nationals. Do you reimburse for them also, as well as for the U.S. employees?

Mr. NEWSOM. Yes. Portions of their salaries are also paid by other agencies who benefit from their services, maintenance crews, drivers, et cetera.

Mr. HAYS. Could you give a figure on how much total money you get from this reimbursable account, approximately?

Mr. NEWSOM. We will develop that for the record, Mr. Chairman.

Mr. HAYS. Well, you must have some audit. If you don't know what you are going to get this year, you must know what you got last fiscal year.

STATEMENT OF HON. JOSEPH F. DONELAN, JR., ASSISTANT SECRETARY, BUREAU OF ADMINISTRATION, DEPARTMENT OF STATE

Mr. DONELAN. Actually, Mr. Chairman, we have with us an overall figure for the Department and that is $142 million. Now we cannot provide the figure by region. We don't have that breakdown.

Mr. HAYS. I think that would be good if you can provide that at a later date.

Mr. DONELAN. We can insert that.

Mr. HAYS. Actually, when you say you are getting $23 million for Africa, it is a little bit misleading if we don't know how much you are getting for this reimbursable, because we would like to have some idea of exactly how much money the State Department is spending in Africa. I think it would be well if we know how much these other agencies are spending.

(The information requested follows:)

Department of State—Reimbursements to the salaries and expenses appropriation, fiscal year 1971 by area

[Amounts in thousands of dollars]

	Total
Africa	20,906
Near East	19,812
East Asia	24,175
American Republics	19,294
Europe	24,182
Subtotal	108,369
Domestic	34,472
Total	142,841

Mr. THOMSON. What are the areas in your budget requests that are below the minimum really needed to adequately carry out the function of your agency?

Mr. NEWSOM. Well, Mr. Congressman, we have attempted to present a budget request which is as tight as possible which takes into account the President's desire to reduce the number of Americans overseas that we feel still basically meets our requirements. I can't cite any particular area that we feel is weak.

Mr. HAYS. Mr. Newsom, if you do feel that there was an area that is weak you are prohibited under the regulations of the administration from saying so, the Bureau of the Budget and so on?

Mr. NEWSOM. All I know, Mr. Chairman, is that I can in good conscience present this budget as meeting our basic requirements.

Mr. HAYS. All right. You evaded the question pretty well. Let me put it another way.

Mr. MORSE. If the gentleman would yield——

Mr. HAYS. If you could not present it in good conscience you still could not say anything, could you?

Mr. NEWSOM. I would have to refer to Mr. Macomber for overall policy questions.

Mr. MORSE. Would the gentleman yield. I believe that these administrative practices grew up during the sixties, Mr. Chairman.

Mr. HAYS. All right. I am not going to quibble with you where it started, but the fact remains.

All right. You answer it, Mr. Macomber.

Mr. MACOMBER. It is not considered proper conduct by a witness to indicate that more resources could have been used, but the Office of Management and Budget cut back the requests. That is not considered proper performance by a witness.

Mr. HAYS. In other words, we have the third House of Congress which is not elected consisting of faceless men who nobody knows, and which really determines how much you get. All you are doing up here is sort of a ritual meeting dance, or something?

Mr. MACOMBER. No, that is certainly not so. Congress has the final word. There is a need in a great, huge bureaucracy to have a central budget authority that can look over all the budget requests of the various departments.

Mr. HAYS. While I am on the subject. There is an old Shakespearean quote, "Me thinks the gentleman doth protest too much."

You are rushing in and defending something which you must feel guilty about. I am not really blaming this administration any more than in the past. The bogeyman is the Bureau of the Budget and it goes on through any administration, and I think most Presidents, wittingly or unwittingly, become captive to it.

Governor, do you have any further questions?

Mr. THOMSON. Yes.

Since you suggest that the Congress has the final word, would it be appropriate for you to give us the information as to what items the Bureau of the Budget cut out of your request?

Mr. MACOMBER. Governor, when asked by the Congress it is permissible to give that information, and we will be glad to provide it to this committee.

(The information referred to follows:)

AMOUNT EXCLUDED BY OMB FROM AFRICAN AFFAIRS BUREAU REQUEST

In its allowance to the Department of State, OMB indicated informally that $88,000 was excluded for the Bureau of African Affairs.

Mr. HAYS. Well, I am glad you came to that decision rapidly because if you had said you were not going to give it I was prepared to adjourn the hearing and let you do without any money.

Any other questions, Governor?

Mr. THOMSON. That is all on my time, Mr. Chairman.

Mr. HAYS. I am giving you more time.

Mr. THOMSON. I will have to restrict my granting of time. I am through.

Mr. HAYS. I am going to be very flexible and give you all the time you want, Governor, because you used to deal with the budget yourself and presumably you may know a great deal more about it than any of us.

Mr. Fascell.

Mr. FASCELL. Thank you, Mr. Chairman. Mr. Newson, what is the breakdown—personnel—and what?

Mr. NEWSOM. Personnel and the maintenance of our diplomatic establishments.

Mr. FASCELL. What is that?

Mr. NEWSOM. Administrative support, supplies.

Mr. FASCELL. What is that?

Mr. NEWSOM. Administrative—paper, pencils, gasoline, communications, and travel. Because of the farflung nature of the African Continent, we have a considerable requirement for travel.

Mr. FASCELL. OK. I am looking at a chart, I hope you are looking at the same one on personnel. I says Africa, 5,541; United States 3,521; foreign nationals as of——

Mr. NEWSOM. As of December 31, 1971.

Mr. FASCELL. Right. Testimony already is that that is a decrease in personnel over the last fiscal year.

Mr. NEWSOM. Well, the decrease was in State Department personnel included in this.

Mr. FASCELL. OK. It is a decrease in personnel over last fiscal year, this fiscal year. Fiscal 1973 personnel requirements on this are a decrease over what is shown on this chart.

Mr. NEWSOM. No, Mr. Congressman.

Mr. FASCELL. Then I misunderstood the testimony.

Mr. NEWSOM. The total American and local personnel in the Bureau of African Affairs for 1973, is the same as we presented the budget as it was in 1972. However, not included in this request is a 5-percent reduction which will total 15 positions which will be presented subsequently——

Mr. MACOMBER. That is correct. The actual number that we are going to ask to be funded will be 15 less than your figures show. The bulk of the reductions will be in Washington, not abroad, and we have adjusted the total budget request to take that into account.

Mr. FASCELL. The total number of figures of personnel, United States and foreign nationals, as of December 31, 1971, was 8,664. That is also the budget request, but you are going to amend that to reduce it by the number of 15 for fiscal 1973.

Mr. MACOMBER. That is correct.

Mr. FASCELL. For Africa. And those are all State Department, that particular 15.

Mr. MACOMBER. And that will represent a saving of $225,000 which will be reflected in the total numbers that we are requesting from this committee.

Mr. FASCELL. All right. Now, in the other major categories of your budget, Mr. Newsom, what are the principal either increases or decreases, and what are they for and how much money is involved? Take the top three so I can get an idea of what happened to your budget.

Mr. NEWSOM. All right. We have a decrease of $18,300 which represents initial costs for furniture and furnishings for additional positions that were provided to us in 1972, costs which will not recur in 1973.

Mr. FASCELL. Taking all the items in your budget in terms of decreases, are you puting that on the top?

Mr. NEWSOM. Excuse me, Mr. Congressman. Let me get back to that.

Mr. FASCELL. Right. Don't give me stuff you want to put on the bottom, give me the stuff you want to get first crack at.

Mr. NEWSOM. The major increase——

Mr. FASCELL. All right. We are on the same wavelength now.

Mr. NEWSOM. Is for price increases.

Mr. FASCELL. I will be glad to take a decrease, don't misunderstand me.

Mr. NEWSOM. $241,000 being requested for price increases throughout the African Continent.

Mr. FASCELL. Is that averaged out?

Mr. MACOMBER. Yes, sir. That is averaged out, and that represents the same level of operating expenses as is covered by the appropriation of last year.

Mr. FASCELL. And averaged out, computerized?

Mr. MACOMBER. Yes. We would purchase basically the same amount of goods and services next year as we got last year.

Mr. FASCELL. What is the increase? What was it predicted on? You put an increased factor into it on the same budget and got the new budget for 1973.

Mr. NEWSOM. Three percent increase.

Mr. FASCELL. All right. Go ahead. That certainly seems reasonable enough.

Mr. NEWSOM. Then we have within-grade salary increases and overall wage increases for local employees which come to a total of $168,600. Then we have an annualization of increases that took place in 1972 for local employees of $42,200. We have $15,600 which is for the reopening of a post in eastern Nigeria, Port Harcourt, which I mentioned to you, Mr. Chairman. That is the annualization of the costs, annualization of additional consular positions in Durban and Casablanca which we also started in fiscal year 1972.

Now there is a figure for $46,000, which is the only really new element, and this is for additional Marine guard details. New details in two posts, and 12 additional Marine guard personnel at five posts. That is $46,000.

Mr. FASCELL. That is, the State Department on military personnel reimburses or pays direct?

Mr. MACOMBER. We pay the expenses of the Marine guard, the housing costs, whatever we supply them with at the post. The Marines are paid by DOD.

Mr. FASCELL. The Marines are in the other budget?

Mr. MACOMBER. Yes.

Mr. FASCELL. So the other is the support costs.

Mr. MACOMBER. Yes.

Mr. FASCELL. Let me interject. What is the purpose of all of the figures with respect to other Federal agencies, and their personnel listed on any of the charts having to do—is that because of State Department administrative responsibility?

Mr. MACOMBER. It is to show the committee the total number of personnel at the post. It is also useful in discussing reimbursements, but the budget that you are considering is only for the State Department personnel.

Mr. FASCELL. [Security deletion.]

Mr. MACOMBER. [Security deletion.]

Mr. Fascell, I think it might be useful for the committee to know that what Mr. Newsom has been going through are what we call mandatory increases and what the Appropriations Committees regard as mandatory increases. That is the formula for price increase, ingrade increase and wage increase and those are developed by a

formula. Then you have what we call increase support which is not mandatory but we come to the Congress asking for an improvement in this support area, and the only significant one in this Bureau is for additional Marine guards and they are the only real increases we are asking the Congress for.

Mr. FASCELL. I got that message all right, but I thank you for clarifying it on the record, Mr. Macomber.

Mr. HAYS. [Security deletion.]

Mr. MACOMBER. [Security deletion.]

Mr. FASCELL. [Security deletion.]

Mr. HAYS. [Security deletion.]

Mr. FASCELL. Mr. Chairman, could I get Mr. Newsom to just finish a category breakdown on the budget in brief here so we can grapple with it.

You just concluded, as I understand, the mandatory increases.

Mr. NEWSOM. The mandatory increases and the new improved support, there are three categories of decreases.

Mr. FASCELL. Before you get to the decreases let's finish with the increases. I overheard here somewhere I think, an increase in travel. Now where is that covered?

Mr. NEWSOM. No, I mentioned that as one of our major expenses, Mr. Fascell.

Mr. FASCELL. No increase in travel?

Mr. NEWSOM. We are not asking for an increase.

Mr. BRADFORD. Other than that it is included in the $230,000 for the increased prices.

Mr. FASCELL. But that is predicated on the same amount of travel for the last fiscal year so you have no increase in the travel in the budget, is that correct?

Mr. NEWSOM. That is correct, Mr. Fascell.

Mr. FASCELL. Go ahead with the decreases.

I can not imagine a Continent that big you would not have increased travel to 43 countries.

Mr. NEWSOM. Well, we have sought to keep within last year's limits subject to price increases and we feel we can do that.

Mr. FASCELL. Keep the Vice President out this year?

Mr. NEWSOM. Coming back to the decreases, Mr. Fascell——

Mr. FASCELL. Well, nobody else laughed. I thought it was funny as hell.

Mr. HAYS. That made me think of a question.

What did you ever do about the fellow who——

Mr. FASCELL. What is his name and where is he?

Mr. HAYS. Who invaded the Vice President's privacy in the game preserve? Is he still on the payroll?

Mr. FASCELL. Bert's a good guy. That is not fair.

Mr. HAYS. Agnew. I don't know whether he is a good guy or not.

Mr. FASCELL. Excuse the interruption.

Mr. NEWSOM. Mr. Fascell, we had in last year's budget $49,000 for the reopening of the post in eastern Nigeria. That figure was a one-shot expenditure and is not in the new budget. We had $18,000 for the establishment of new positions in 1972, new consular positions which will not be in this budget, and we had $19,400 for 2 extra days pay in the last budget and those are the items in our increases and decreases.

I might add that there is a figure for dollar devaluation which is being worked out and will be presented subsequently to the committee.

Mr. FASCELL. One final line of questions. What other funds are available to the African Bureau, if any, in terms of local expenditures?

Mr. NEWSOM. I want to be subject to correction on this. We have in a very few countries some local currencies generated by Public Law 480 agreements which we use but they are against appropriated funds.

Mr. FASCELL. Under the appropriation?

Mr. NEWSOM. That is right.

Mr. FASCELL. And those are generated and used pursuant to bilateral agreements?

Mr. NEWSOM. Yes, which cover U.S. Government uses.

Mr. FASCELL. And the funds for U.S. Government uses are appropriated in other words?

Mr. NEWSOM. That is right.

Mr. FASCELL. Is any additional authorization required? Is there anything in this bill, in other words, that covers that, or is that automatic under——

Mr. NEWSOM. The appropriations authorized in this bill will be actually implemented through the expenditure of local currencies where these are available.

Mr. MACOMBER. For example, Mr. Fascell, in the foreign buildings operation there are both U.S. dollar and foreign currency appropriations and they are both authorized in this bill or in your separate foreign building operations legislation.

Mr. FASCELL. There is no specific language in the pending legislation that is required to do that. That is what I am getting at.

Mr. MACOMBER. Well, the legislation that this authorization is coming up under is the legislation amendment to the foreign aid bill that says we have to get authorization, not just legislation.

Mr. FASCELL. That is what I was getting at.

Thank you, Mr. Chairman.

Mr. HAYS. Thank you. Mr. Morse.

The Chair is being very liberal on the 5-minute rule but I assume all these people in the room are Government employees and it is my observation that we ought to move along as fast as we can because this must be costing the taxpayers about $500 an hour.

Mr. MORSE. Looking around the room, Mr. Chairman, I just hope there is not a crisis any place.

Mr. FASCELL. There is.

Mr. BUCHANAN. If the gentleman will yield, that is subject to a good deal of interpretation.

Mr. MORSE. Mr. Chairman.

What nations on the African Continent apart from the United Arab Republic and Brazzaville are there with which we do not have relations?

Mr. NEWSOM. In the case of Brazzaville, our relations are suspended. In the case of Algeria and Sudan, these countries broke diplomatic relations after the 6-day war in 1967. In each of these countries we have interest sections, as we do in Cairo.

Mr. MORSE. Apart from those, are there missions in every other country?

Mr. NEWSOM. Yes, in all independent African countries.

Mr. MORSE. Do you expect any changes in the relations with Brazzaville?

Mr. NEWSOM. The President of Brazzaville made a statement to the French press agency a few weeks ago saying that the responsibility for a resumption of diplomatic relations rested with the United States. We don't know what the significance of that statement is but we hope to find out.

Mr. MORSE. Are funds built in your budget to accommodate that if that comes about.?

Mr. NEWSOM. We can make adjustments if that comes about. We already own property in Brazzaville in case there should be a resumption.

Mr. MORSE. How many military personnel apart from the military guards are there?

Mr. NEWSOM. Apart from Marine guards? We will have to give it to you for the record, but the number of military attaches in Africa is quite small.

Mr. MORSE. Could you provide for the record with the chairman's permission, a list of the attaches? I don't want their names. Also a list of any other military there may be.

(The information requested follows:)

BUREAU OF AFRICAN AFFAIRS POSTS WITH MILITARY ATTACHES

Country	Americans	Locals	Also accredited to—
Chad	6	1	Cameroon, Central African Republic, Gabon
Ethiopia	5	2	
Ghana	2	1	
Ivory Coast	4	2	Dahomey, Niger, Togo, Upper Volta.
Liberia	6	1	Sierra Leone.
Malagasy Republic	6	1	
Malawi	3	1	Zambia.
Morocco	13	4	
Nigeria	4	1	
Senegal	3	1	Gambia, Mali.
South Africa	12	4	Lesotho, Swaziland.
Tunisia	4	1	
Zaire	9	2	Burundi, Rwanda.
Total	77	22	

Mr. NEWSOM. We do still have two installations. The base at Kagnew and the communications facilities in Morocco.

Mr. MORSE. The criticism that invariably comes about the Foreign Service is that some of the posts abroad are overstaffed. I don't know whether that is accurate or not, but if you look at the number of people we have and one wonders whether or not there may not be some validity in that kind of criticism.

How does our representation compare with other important powers of the European nations? Do you have any offhand information? What was your own experience in Libya, for example?

Mr. NEWSOM. Generally speaking, we are large but not necessarily the largest in each African country. We will provide for the record comparative figures to the extent that we have them. Now what we have been trying to do in Africa with the help of our Foreign Service inspectors is to create a basic cadre which will amount to somewhere around five or seven people for the posts where our interests are minimal and then expand on that where our interests are greater.

The largest post we have in Africa in terms of State Department personnel numbers I think is 28.

(The information provided follows:)

Comparative cost information cannot be obtained. Below is a chart showing the comparative size of missions to 6 African countries:

	United States	U.S.S.R.	Germany	Japan	France	United Kingdom
Angola [1]	3	0	4	0	4	3
Central African Republic	9	7	3	0	15	0
Chad	9	25	3	0	31	0
Mauritius	8	14	0	0	11	13
Zaire	59	20	16	3	24	26
Zambia	13	24	7	3	13	35

[1] Consular posts.

Mr. MORSE. Twenty-eight. According to this list that I have before me there are 41 direct-hire United States in Nigeria.

Mr. NEWSOM. That includes two consulates.

Mr. MORSE. The largest embassy is 28?

Mr. NEWSOM. That is right.

Mr. MORSE. Where would that be?

Mr. NEWSOM. That is in Lagos, which is our largest post. These figures included some CIA personnel.

Mr. MORSE. Mr. Meyer has the responsibility for the AID operation in ARA as well as the diplomatic responsibility. You do not have the AID responsibility. What oversight do you have over AID activities in Africa?

Mr. NEWSOM. We have no formal oversight other than the normal coordination which exists in the Department. We have a very close working relationship with the AID Bureau under Dr. Adams. In one area our ambassadors in the field have complete responsibility, and this is in the area of the self-help fund which is used largely in connection with Peace Corps activities and in the smaller countries in Africa.

Mr. MORSE. Is that still $50,000 reimbursable?

Mr. NEWSOM. Yes. The total figure—total Africa—is in the neighborhood of $1.5 million.

Mr. MORSE. Whatever happened to the Korry report?

Mr. NEWSOM. Well, if you mean what has happened to the policies enunciated by the Korry report——

Mr. Morse. Yes.

Mr. NEWSOM. Basically we still have as our fundamental aid policy in Africa the development of regional and multidonor economic projects. We have, however, through those devices been able to provide a greater flexibility and I think a greater coverage than was the case at the time the Korry report was first implemented.

Mr. MORSE. Thank you, Mr. Chairman.

Mr. BUCHANAN. Mr. Newsom, I note that State Department has in Africa 867 Americans and 1,495 foreign nationals of whom direct-hire are 490 U.S. and 675 foreign nationals.

While the percentage of foreign nationals is not as high as I notice in some other areas, I wonder if you could give the committee the percentage or dollar amount of the budget represented by wages or salaries to foreign nationals.

It may be in the material.

Mr. NEWSOM. This is nonreimbursable. Those fully paid by the State Department, 867 positions costing $2,914,600.

Mr. BUCHANAN. What would your total be for the United States and foreign nationals?

Mr. NEWSOM. Salaries and——

Mr. BUCHANAN. Yes.

Mr. NEWSOM. The Americans represent $10.9 million.

Mr. BUCHANAN. Now what would be the range of positions held by the foreign nationals?

Mr. NEWSOM. They would range all the way from consular assistance and commercial assistance experienced people, who have been for many years with our posts and who would in effect handle everything but the kind of formal authorizations required by law by an American consular officer. They would represent senior people in the administrative area, accountants, maintenance supervisors, and range from this down to clerks and drivers, watchmen.

Mr. BUCHANAN. Do any of these hold positions that might be held by American citizens?

Mr. NEWSOM. We have to the fullest extent, Mr. Buchanan, sought to shift foreign nationals to positions that in some cases had in times past been held by Americans. Now in some cases where the availability of skilled and educated local employees might be less than in other cases, an American may hold a job which in another country a local national would hold, but we try to minimize that.

Mr. BUCHANAN. Now how do you arrive at wage and salary scales? Is this in terms of local wage rates or salary scales, or would you say a foreign national holding a job that might otherwise be held by an American would be paid according to the scale that the American would be paid?

Mr. NEWSOM. No, sir. We have a procedure by which we seek to keep our local employee wage rates in line with those in the country and those paid by other private—say a private American industry in a country to their local employees.

Mr. BUCHANAN. Thank you very much.

Thank you, Mr. Chairman.

Mr. HAYS. Mr. Zablocki.

Mr. ZABLOCKI. No questions.

Mr. BUCHANAN. Mr. Chairman, I have one other comment to make and just to reassure those assembled here, unlike the gentleman from Massachusetts, I am not upset or disturbed when I look out at this group in the room. I feel they are competent to handle whatever crises may arise.

Mr. HAYS. I think the gentleman from Massachusetts was worried if the crisis came up they would not hear about it.

Mr. MORSE. Nobody is watching the store.

Mr. HAYS. Anyone have any further questions of Mr. Newsom on Africa at this time?

Off the record.

(Discussion off the record.)

Mr. NEWSOM. Thank you, Mr. Chairman.

Mr. HAYS. The next on my list is Near East and South Asia, Mr. Sisco. Do you have a prepared statement?

STATEMENT OF HON. JOSEPH J. SISCO, ASSISTANT SECRETARY, BUREAU OF NEAR EASTERN AND SOUTH ASIAN AFFAIRS, DEPARTMENT OF STATE

Mr. SISCO. No, Mr. Chairman. I can give you a brief biographic sketch if you like.

I have been in the State Department since 1951. My education was at the University of Chicago, since I am from Illinois originally. I have a masters degree and Ph. D. from the University of Chicago. I served as an infantry officer during World War II.

Before assuming my present position I was Assistant Secretary for U.N. Affairs for 3 years, under the Johnson-Kennedy administration.

Mr. HAYS. I take it, Mr. Sisco, that you have no objection if we put this same chart in the record that we did on Africa.

Mr. SISCO. No, sir, no objection.

Mr. HAYS. Without objection.

(See fold-out table on the Near East and South Asia facing p. 135.)

(See appendix 9, p. 155, for Bureau of Near Eastern and South Asian Affairs fiscal year 1973 budget summary.)

Mr. HAYS. What do the 125 U.S. Government civilians in Greece do to occupy their time these days, Mr. Sisco?

Mr. SISCO. The breakdown I have, Mr. Chairman, is roughly as follows:

We have 23 that deal with political matters, six that deal with economic matters, nine deal with consular activities, and 87 deal with administrative activities.

Mr. HAYS. What is our policy toward Greece today? Is it better? I mean, apparently it is. I read in the paper some place that we are going to send 2,000 or 3,000 civilians.

Mr. SISCO. I think as you look at American policy in Greece, Mr. Chairman, from where I sit, I have to look at it from the overall political and strategic interest in the Mediterranean, in the Persian Gulf and in the subcontinent. We are up against, I think, a political strategy from the Soviet Union in the Mediterranean bulwarked by increasing military strength of the Soviet Union in this area. If the U.S. diplomacy in this area is going to have any real meaning and any real teeth, any real effectiveness, our diplomacy has to be backed by substantial strength in this area.

Now insofar as Greece is concerned, whatever one's views might be in terms of the internal developments in Greece, the fact of the matter is that Greece is strategically located, and is an important NATO ally. It is important to us in terms of our whole political and strategic interest in the area and therefore the kinds of things such as homeporting that you have alluded to, we find are necessary as a means to make our naval presence more effective in the area.

I don't think this ought to be taken as either approval or disapproval of the internal system in Greece. I think the reality is that Greece is there, we need some things in terms of our strategic interests. Our Navy people, for example, have examined what the possibilities were in terms of this homeporting arrangement and concluded that Greece was probably the best location. So that as I look at Greece, whatever one might feel in terms of the internal developments, I have to ask myself what is it that we do in relationship to this NATO

ally in order to assure that the southern flank of NATO is effective in order that we assure that the American presence meets the policy of Soviet opportunism in the area and meets the Soviet presence in the area.

Mr. HAYS. You are saying then that there would not be a possibility of having a homeport any place else in the Mediterranean than Greece?

Mr. SISCO. No, sir, I would not say it is impossible. I would say that the Navy has canvassed what the other possibilities are—Spain, Italy, and so on—and concluded that this was the best place.

Mr. HAYS. What is your opinion about it, the State Department's, or did they just do this on their own? Are they making foreign policy on their own?

Mr. SISCO. No, they consulted us and I think the considerations that went into the homeporting arrangement were simply this: A. We have cuts in the Navy that have occurred, as you know, over the last several years. We had to find some arrangement where the families of these people could homeport so that in this way family problems could be taken care of. In this way we do get more effective use of ships available. They looked at Italy, they looked at Spain and they concluded that Greece was really the best spot, in terms of location.

Mr. HAYS. How far down the line will families go? What rank of officer can have their families over there?

Mr. SISCO. This I don't know, Mr. Chairman. I would be very glad to put it in the record. We have been assured by the Navy that the kind of presence they have in mind, to use their term, is austere. We certainly hope that is the case and I think that the particular interest of the Navy also is that they hope that by being able to have families in this area that it will help in their eventual recruitment simply because it should help improve more——

Mr. HAYS. You are not telling me that there are going to be any families of seamen there.

Mr. SISCO. I don't really know, Mr. Chairman.

Mr. HAYS. Then don't be tossing the word "recruitment" around because my guess is that this is going to be families of fairly high-ranking officers who can get cheap servants by the dozen and that is the reason they picked Greece, and that is probably the only reason. You know, I have seen these people operate abroad. I am not exactly a novice around here. I have been around, I have traveled a little bit.

But I will be the most surprised fellow in Washington if there is one dependent of one seaman in this setup when and if it is arranged.

Mr. SISCO. I am told, Mr. Chairman——

Mr. HAYS. So morale—what are they trying to do, keep the morale of the officers up? If they have to work on their morale, maybe they ought to get new officers.

Mr. SISCO. I am told that all grades are involved, but I would be glad to check that.

Mr. HAYS. I would like to have that for the record because I just don't think that all grades are involved.

(The following information was provided:)

Both officers and enlisted men who are authorized by Joint Travel Regulations to move dependents on change of post will be authorized to move dependents to the homeport of the ship to which the principal is assigned. JTRs do not authorize transport for dependents of ranks from E–4 and below except for E–4s with more than six years' service.

Mr. HAYS. You have 125 civilians in Greece at the moment. How does this figure compare with previous years? I have been hearing about the reduction all along the line. Is it true here?

Mr. SISCO. Mr. Chairman, I would like to have my Executive Director address himself to that.

STATEMENT OF LEAMON R. HUNT, EXECUTIVE DIRECTOR, BUREAU OF NEAR EASTERN AND SOUTH ASIAN AFFAIRS, DEPARTMENT OF STATE

Mr. HUNT. Since 1967 we have reduced Americans and locals from 120 to 87.

Mr. HAYS. Just a minute now. We had a figure of 125 here a few minutes ago and you didn't challenge that.

Mr. HUNT. That is in our direct budget and it does not include the reimbursement positions.

Mr. HAYS. Go ahead.

Mr. HUNT. We have reduced from 120 in 1967, sir, to 87.

I am sorry. In the direct budget we have reduced from 50 Americans to 38 Americans since 1967.

Mr. HAYS. Well, what is your overall figure, has it been reduced?

Mr. HUNT. Yes, sir; it has been reduced proportionately. I do not have the figures.

Mr. HAYS. Thank you.

Governor Thomson.

Mr. THOMSON. Well, could you tell us, Mr. Sisco, a little bit about Israel? Do you have a larger direct employee staff in Israel than you do in Greece?

Mr. SISCO. Excuse me, sir.

Mr. THOMSON. The chart I have shows we have——

Mr. HUNT. We have a total of 39 Americans in Israel, sir. These again are direct positions.

Mr. THOMSON. How are we getting along in Israel?

Mr. SISCO. First of all, let me say that the United States has a special relationship with Israel. In terms of the amount of diplomatic intercourse between these two countries, it is both extensive as well as intensive. [Security deletion.]

Mr. THOMSON. Is there a growing problem of repatriating Jewish people from Russia to Israel.

Mr. SISCO. There certainly is Governor Thomson. [Secruity deletion.] For the first 2 months this year they have been averaging roughly about 3,000 Jews per month from the Soviet Union to Israel. [Security deletion.] This 3,000 average, assuming the Russians don't close off the tap, is likely to continue throughout the entire year of 1972. So we are talking about roughly 30,000 to 35,000 Jews from the Soviet Union to Israel in this year.

I understand that in view of the need for education, in some instances retraining, housing and the problems of location that on the average it will cost the Israeli Government somewhere between $30,000 to $35,000 per person in order to achieve this relocation.

So there is a real financial need in this regard.

We are being helpful financially, and our hope is that we can be helpful in areas such as housing.

As you know, we do provide very substantial foreign military sales credits. Moreover, we have a substantial Public Law 480 agreement with them. Also, we signed a housing agreement with them here about a month ago which would provide certain loans and in addition we will try to be helpful in terms of direct support as well. It's a big job and they are quite concerned about it. [Security deletion.]

Mr. THOMSON. [Security deletion.]

Mr. SISCO. [Security deletion.]

Mr. THOMSON. Well, what items did you request for your area that were eliminated from the budget that you thought were essential? Could you supply those for the record?

Mr. SISCO. Nothing was eliminated from our budget request.

Mr. THOMSON. Thank you, Mr. Chairman.

Mr. HAYS. Mr. Zablocki.

Mr. ZABLOCKI. Thank you, Mr. Chairman.

Mr. Sisco, on the basis of the clamor in this country for the recognition of Bangladesh and diplomatic relationship with that country, if that should occur what contingency in the budget is there for such a development? Do you have anything on the drawing board, is what I am talking about.

Mr. SISCO. Basically, Mr. Zablocki, I think we would over this current year really have to proceed on the basis of the personnel that we have there and if we found that we needed some others I think we would have to do some reprograming.

Mr. ZABLOCKI. Do I understand correctly that the personnel in East Pakistan now are included on the chart with those under Pakistan? May we have a breakdown? For example, out of the total of 47 how many U.S. personnel are in West Pakistan and how many in East Pakistan?

Mr. HUNT. Of the 47, 17 of them are positions that are in Dacca or in East Pakistan, sir.

Mr. ZABLOCKI. Can we assume the same percentage holds for the foreign nationals and the reimbursed contract personnel?

Mr. HUNT. Just about, sir.

Mr. ZABLOCKI. There are only two contracts in Pakistan?

Mr. HUNT. It would be just about that. There is a larger percentage of local employees on the reimbursable side because of the active AID program.

Mr. ZABLOCKI. Mr. Chairman, I understand this hearing is primarily to justify the budget request. However, since we do have Mr. Sisco here, could we have his views regarding the recognition of Bangladesh?

Mr. SISCO. Mr. Zablocki, the President made a statement on this just before he went to Peking and he made two or three points. One, there is no ideological problem as to Bangladesh as such. We recognize the reality that has resulted from the Indo-Pakistan war.

Secondly, regardless of the difficulties there is a tremendous reservoir of good will among the Bangladesh people for the United States. The President announced at that time that we would look at this thing in a very active way in this post-Peking visit period. From where I sit, the United States has one principal interest; namely, stability in this area, stability in Bangladesh, stability in India, stability in what is now West Pakistan. Without obviously committing the President, I think I am confident in saying that this matter will be under active consideration over the coming weeks and my own feeling is that you can expect an appropriate decision at a reasonably early date.

Mr. ZABLOCKI. An appropriate decision would mean that we would recognize or establish diplomatic relations with Bangladesh?

Mr. SISCO. I don't want to forecast one way or the other.

Mr. ZABLOCKI. If the United States recognized Bangladesh, what would be the reaction on the part of West Pakistan?

Mr. SISCO. [Security deletion.]

First, I am sure that we wanted to see what other countries were doing on this; some 50 plus have already recognized them.

Second, we wanted to see whether the Bangladesh leadership could effectively take over control of this area. [Security deletion.]

Mr. HAYS. Would you yield?

Mr. ZABLOCKI. Yes.

Mr. HAYS. You say it is an underdeveloped country. Now all the propaganda I read was that Bangladesh was the richest part of Pakistan and the West Pakistanis were exploiting the hell out of it. If what you say now is true, how could that be?

Mr. SISCO. I think that is totally consistent with what I describe it to be; it is exactly the richer part, the East is richer than the West. [Security deletion.]

Mr. HAYS. If the gentleman will yield further, tell us how much this is going to cost the poor old U.S. taxpayer, and how much we are going to have to give them?

I am not going to vote for any of it but I would like to know anyway how much it is going to cost.

Mr. SISCO. We have an interest in stability. [Security deletion.] We have committed ourselves to the following, Mr. Hays: There is an international program of relief assistance to care for these refugees, 10 million that are in the process of coming back from India. We announced just the other day a substantial beginning of a delivery of wheat and rice. [Security deletion.]

Mr. ZABLOCKI. There are some who say we should not recognize Bangladesh as long as the atrocities against the minorities in East Pakistan are continued.

Mr. SISCO. First of all, let me say, Congressman Zablocki, we are concerned about the treatment of these minorities in Bangladesh. The Biharis are the people, roughly a million and a half strong, who basically were in agreement with the policy of West Pakistan so the Bangladesh leadership has some rather strong feelings that these were people who cooperated with the West. But be that as it may, what we are trying to do is to encourage everybody concerned to avoid any kind of actions, atrocities, or otherwise. Our hope is that some way can be found so that all of these people can live together.

Now whether this is going to be possible or not, I don't know. For example, just last week there were reports about the possibility of some of these people who might not want to stay in the East being moved to West Pakistan. So all of our efforts will be obviously to try to do whatever we can to avoid any kind of atrocities, to encourage stability, and I think the questions of recognition of all of these factors has to be taken into account.

Mr. ZABLOCKI. Are they in control? What about the situation internally? What is the relationship between Bangladesh and the West? What kind of a situation can we create here so that we don't give the Communists an opportunity to exploit an unstable situation?

Mr. SISCO. This is a very complicated thing. [Security deletion.] I think we have proceeded in a very deliberate way. [Security deletion.]

Mr. ZABLOCKI. Then there will not be any great decision before April 1.

Just to repeat the question of the chairman, can you pick a figure out of the blue of an AID program for Bangladesh when we recognize or have diplomatic relations?

Mr. SISCO. We have not focused on this matter.

Mr. Chairman, I agree with you they will need a good deal of help but the only decision the President has made has been in terms of relief assistance in an international program where we do a portion of it but where we would expect the rest of the international community to pick up a large chunk of the tab.

Mr. ZABLOCKI. My constituents are concerned and can't understand if we are still concerned about communism and Communist aggression why then do we dance and dine and help Communists with their coats.

Mr. SISCO. Well, I think that my answer to that would be very simple, Mr. Zablocki. You are from Wisconsin and I am from Illinois, and I learned my politics in Cook County. My answer would be this: The Communists are not going to change their spots and I don't think we ought to take anything on faith. [Security deletion.] However, we do have an interest to try to arrive at understandings and agreements that are in our mutual interests where both sides have a vital interest in maintaining these agreements. So I think myself that the President has made a major breakthrough in opening this dialog with the Chinese Communists.

On the other hand, I think he has also made clear that while there are some real beginnings there are also some very substantial differences and this is going to take a good long while to work out.

Mr. ZABLOCKI. I fully agree with your point of view, but within that decision I hope we will also have a continuing resolve to not forsake our friends in order to gain some ground with our enemies. Is that still our policy?

Mr. SISCO. It certainly is, and I would agree with that 100 percent, Mr. Chairman.

Mr. ZABLOCKI. At times it appears as if we are willing to forsake our friends in order to gain some favor from our enemies.

Mr. SISCO. I don't think that is the case. Whenever you are in a period of change, whenever you are in a period of evolution in a state of relationships there is always a tendency for doubts to arise and for nations and people to question as to where matters stand.

I am confident that the United States is keenly aware that whatever understandings we are able to work out in time with the Communists certainly should not be done at the expense of our friends and allies.

Mr. ZABLOCKI. Although the NATO countries are not in your area, I hope you can assure the subcommittee the President, during his Moscow visit, will not agree to withdraw our military assistance in that area.

Mr. SISCO. Well, I would not expect so, Mr. Zablocki. I think that NATO is of major significance to us [security deletion]. The United States has committed itself to the notion of mutual balance reduction of forces, so that if there is reduction of forces eventually to take place

certainly the policy of the United States has been clear that this must be on a quid pro quo basis. For this reason, the administration and the executive branch has taken the leadership against any resolutions which would tend to press the executive branch to withdraw unilaterally.

Mr. ZABLOCKI. I understand that, but the executive branch has an uncanny way of reversing itself and taking a 360° change in position, as it has in the Far East.

Mr. HAYS. Would you want to define what you would understand balance reductions to be in the context of NATO where they can pull across the river and we have to pull across the ocean?

Mr. SISCO. Mr. Chairman, I am not competent to do that because, as I say, I think this is the area of my colleague, Mr. Hillenbrand, and I hope that I don't do him an injustice when I suggest that you refer that question to him.

Mr. HAYS. Well, we will be glad to do that, and see what he comes up with.

Mr. ZABLOCKI. Thank you, Mr. Chairman.

Mr. HAYS. Mr. Morse.

Mr. MORSE. Thank you, Mr. Chairman.

Mr. Sisco, how many people do we have in the Washington secretariat of the South Asia section?

Mr. SISCO. We have 117 people in the Near Eastern-South Asian Bureau.

Mr. MORSE. How many of those are professionals?

Mr. SISCO. We will have to put that in the record.

(The information follows:)

BUREAU OF NEAR EASTERN AND SOUTH ASIAN AFFAIRS—DOMESTIC EMPLOYEES

Officers	Clerks	Total
70	47	117

Mr. MORSE. I notice in Cyprus you have only 10 direct and 39 reimbursed. I just don't understand why there is such a large concentration of people there, and more significantly, why——

Mr. SISCO. I think Mr. Hunt can answer that question.

Mr. HUNT. There is a large radio relay base in Cyprus sir, and we have a large administrative local staff there to attend to the needs.

Mr. MORSE. I am talking about the U.S. nationals assigned to State.

Mr. HUNT. Yes, sir; and that also includes the Americans that run the radio relay base that is in Nicosia.

Mr. MORSE. And it is operated by the State Department, is that it?

Mr. HUNT. Yes.

Mr. MORSE. A departmental activity?

Mr. HUNT. Yes; it is a reimbursed activity.

Mr. MORSE. But it is an internal U.S. Government system?

Mr. HUNT. Yes.

Mr. MORSE. I see. Why do we have 85 people in Lebanon?

Mr. HUNT. Lebanon has become, sir, a regional center for the entire Middle East, and a good part of Africa, for communications and security personnel. We have a doctor there that travels throughout the area. So it is basically because of the regional aspects.

Mr. MORSE. Do I infer that the buildup in Lebanon has caused a cutback in other places?

Mr. HUNT. No sir. I think I can give you the cut in Lebanon if you would like to have that, sir. There has not been a buildup in the last few years.

Mr. MORSE. What does HEW have 15 people doing in Greece? Seven contract and eight foreign nationals.

Mr. HAYS. Building houses, probably. They are not doing anything in my district.

Mr. HUNT. This is a group that is handling social security affairs for American citizens who have retired in Greece.

Mr. HAYS. Is there any mail service between here and Greece?

Mr. HUNT. Yes, sir.

Mr. HAYS. Can't you send those checks by mail?

Mr. HUNT. I believe they are involved in investigating the eligibility of Greek or American citizens.

Mr. HAYS. When I go to Greece later on this spring I bet I'll find that they have investigated every beach in the country.

Mr. MORSE. The second item on the second country listed here is the Arab Republic, Egypt. I assume that means the United Arab Republic, Egypt.

Mr. HUNT. Yes, sir.

Mr. MORSE. We have 20 people there now. What are they doing, Joe?

Mr. SISCO. Again I think the usual panoply of activity, maintaining political relationships.

Mr. MORSE. What is the state of our relation now?

Mr. SISCO. We have what is called an interest section. It is headed up by a man at the ministerial level and they also have the same sort of a section here in Washington at the same level. We try for example, to keep them quite comparable.

Mr. MORSE. We are operating our own real estate there?

Mr. SISCO. Yes, actually we operate formally through the Spanish Embassy, and they operate here through the Indian Embassy.

Mr. MORSE. Thank you, Mr. Chairman.

Mr. HAYS. Mr. Fascell.

Mr. FASCELL. Thank you, Mr. Chairman.

Mr. Hunt, you have got 8,400 people assigned to your division. Is that up or down?

Mr. HUNT. We have had a reduction in our direct budget, sir, of 21.7 percent in the American staffing since 1967 and a 15.4-percent decrease in local employees.

Mr. FASCELL. Fiscal 1973 over fiscal 1972.

Mr. HUNT. In fiscal 1973 we are asking for 10 Americans and eight locals. We are decreasing our domestic staff by seven Americans so there is a net increase of three Americans and eight locals.

Mr. FASCELL. You have an 11-position increase for fiscal 1973 over fiscal 1972.

Mr. HUNT. No, sir. It would be an increase of 10 Americans and eight locals.

Mr. FASCELL. Eighteen.

Mr. HUNT. Eighteen total; yes, sir.

Mr. FASCELL. Ten percent of all your staff is in Afghanistan. Where?

Mr. HUNT. No, sir.

Mr. FASCELL. Now, it says according to this chart you have 821 out of about 8,400.

Mr. HUNT. Well, that would be largely because of the large Peace Corps in Afghanistan and——

Mr. HAYS. Maybe this committee better go to Afghanistan and take a look.

Mr. HUNT. In the AID program.

Mr. FASCELL. AID and Peace Corps make up the bulk of the total in Afghanistan?

Mr. HUNT. That is correct.

Mr. FASCELL. As against the State which only has a hundred people.

Mr. HUNT. Yes, sir.

Mr. FASCELL. Direct and foreign nationals.

Mr. HUNT. Direct and foreign nationals.

Mr. FASCELL. Mr. Sisco, I don't want a generalization or philosophical or ideological statement. What would happen if we pulled the 6th Fleet out of the Mediterranean Straits.

Mr. HAYS. You would have a lot of disappointed sailors.

Mr. SISCO. Well, one, a tremendous loss of confidence in the United States.

Mr. FASCELL. By whom?

Mr. SISCO. Among many friendly countries, and I could tick them off for you.

Mr. FASCELL. No, that is OK, that is an opinion.

Why?

Mr. SISCO. Why?

Mr. FASCELL. Yes, why.

Mr. SISCO. Because of the fact that the American presence in the Mediterranean is considered by these countries as a protection vis-a-vis the Soviet Union.

Mr. FASCELL. I understand that, but why?

Mr. SISCO. Because we have an interest in these countries to be able to stand on their own two feet.

Mr. FASCELL. I understand that. Why is it a protection, Mr. Sisco?

Mr. SISCO. One, we have got important strategic interests in this area.

Mr. FASCELL. I understand that but why is the presence of the 6th Fleet in the Mediterranean a protection so that it becomes political necessity?

You are not going to use the destroyers, you are not going to use the PT boats, you are not going to use the light cruisers. You are going to use the aircraft carrier as a floating base. What is the impact of the military strength we are talking about in the Mediterranean? Why can't you have the submarines out of the Atlantic with their missiles? They go just as far and go to the same place and have the same strength.

Mr. SISCO. Well, because of the fact that in order to give confidence to specific areas locally you have got——

Mr. FASCELL. All right. For example, for who?

Mr. SISCO. You have to have a local presence.

Mr. FASCELL. For who? Who needs that confidence locally? Certainly not the north bank of Africa.

Mr. SISCO. On the contrary. I think countries such as Lebanon, countries such as Jordan, our NATO allies who have responsibilities

for the southern part of the flank of NATO. Our physical presence in the area is a continuing manifestation of our interest, and a reflection of a capacity to apply force locally if that is necessary, and that is a deterrent.

Mr. FASCELL. You believe that?

Mr. SISCO. I certainly do.

Mr. FASCELL. So you demand the 6th Fleet as part of our policy?

Mr. SISCO. I not only believe the 6th Fleet is an important adjunct of our policy. I would like to see the 6th Fleet strengthened.

Mr. FASCELL. You obviously are going to get your wish on that. We are going to match the Russians man for man, ship for ship, and torpedo for torpedo.

Mr. ZABLOCKI. We should.

Mr. FASCELL. I don't know whether we should or not, Mr. Zablocki. I am just inquiring what part in our policy the whole thing plays and I am trying to examine it without being argumentative about it.

Mr. HAYS. Would the gentleman yield to me?

Mr. FASCELL. Certainly.

Mr. HAYS. I never thought I would find myself on the side of Mr. Sisco but I think——

Mr. FASCELL. I didn't know that I have advocated anything yet.

Mr. HAYS. I will go along to this degree, that in the way I see it—and I have made numerous trips and have numerous contacts with the NATO countries—I don't know that our military presence there would be decisive in the case of an outbreak, but I do think that it does give these people who are our allies the courage to be our allies.

I don't know whether you were at that luncheon the other day or not, but the Norwegian parliamentarians who were here said:

> We look at the Russians eyeball to eyeball across the common frontier and we think maybe it takes a little more courage to be a member of NATO in that situation than it does if you are looking at them across a 3000-mile ocean.

And I am inclined to agree with that.

So if I am in disagreement with you, Mr. Fascell, to the point I am—I am sorry. I think it is because of the intangible unmeasurable feeling that it gives to these people that they are not going to be on the losing side in case anything happens. I just can't conceive that any Western European nation would think that we would react in case the Russians moved if we didn't have any Americans over there.

Mr. FASCELL. Well, that may be very true and I have not argued the point one way or the other. I am just trying to find out what part of the policy the military aspect of this plays, and Mr. Sisco answered. I think what he said is that we would not have any policy if we didn't have the Navy in the Mediterranean. I think that is what he said.

Mr. SISCO. I think I would basically agree with that, and I would particularly agree with what Congressman Hays said, and I think he put it very well indeed.

Mr. FASCELL. Very well.

Now let me get specific. Did you or did you not request of the Department of Defense the homeporting arrangement that is going to be made in Greece for additional naval presence, and if so, why?

Mr. SISCO. I would not say we took the initiative in requesting it but it was fully discussed between the State Department and the Defense Department.

Mr. FASCELL. It was not a policy decision?

Mr. SISCO. I don't accept that at all.

Mr. FASCELL. Then tell me why.

Mr. SISCO. It was a policy decision in which the political, strategic, and military considerations were all weighed.

Mr. FASCELL. Where was your input at the beginning, Mr. Sisco?

Mr. SISCO. I think I expressed it at the outset; namely, you have got to weigh here the political considerations in terms of whether we are satisfied or dissatisfied.

Mr. FASCELL. I understand all that, and I am with you. OK. Let's just leave that aside so that we don't get defensive about what I am trying to say. OK. I am for the 6th Fleet being in the Mediterranean and beefed up. All I want to know is whether or not you made the policy decision.

Now you told me you didn't. You told me it was not initiated by you. Now that raises a question to my mind. It seems that this ought to be inquired into and that is all I am trying to do.

Obviously if you didn't participate in the initial decision, you cannot comment.

Mr. SISCO. I didn't say that, Mr. Congressman. I said that the matter was initiated by the Navy simply because it was basically a move in terms of trying to make the Navy more effective in the Mediterranean. The political considerations were weighed alongside the military and the strategic considerations. The fact that I said to you that we did not initiate it, you should not come to the conclusion that we were not involved in the decision. We were and are.

Mr. FASCELL. I didn't conclude that at all. I didn't conclude that at all. I am curious, and Mr. Hays put his finger right on it. The Navy has had substantial cutbacks for a long time and I have been opposed to those. I am going to vote to increase the Navy budget this time when the Defense budget comes around, but I don't think it is good policy because of economic reasons to take the shore establishment and move it overseas and then adopt it as part of your foreign policy, Mr. Sisco.

Now that is what seems to be going on. That is all. It happens to be convenient and useful and you can therefore rationalize both from a foreign policy standpoint and the military policy standpoint what happened. All I am trying to do is to find out in the justification what came first, the chicken or the egg. So what is the extent of the naval presence that is going to be so important to back by strength the policy that already exists and is well known.

Mr. SISCO. Well, I don't think there is any increased strength that is involved, it is a question of making more effective the presence that you have.

Mr. FASCELL. Now again you confuse me because that indicates it is a military rather than a foreign policy necessity. There is something lacking in the 6th Fleet in the Mediterranean; that makes the 6th Fleet more effective if you take something and you put it over in Greece; and homeport it and bring the whole bunch of people over there and that is some way going to make the Navy more effective. Well, what is the lack and what has that got to do with our policy? I mean I am struggling with this thing. I am just inquiring.

Mr. SISCO. One of the results will be more effective use of ships by keeping a carrier on station for 2 years rather than rotating every 6 months which requires more carriers: one on station, one preparing to replace, and one in maintenance.

Mr. FASCELL. For whom?

Mr. SISCO. For our Navy. Secondly, if you are trying to maintain at least two aircraft carriers in the Mediterranean, you are in a better position because of this presence in the Mediterranean.

Mr. FASCELL. Is an aircraft carrier going to be homeported in Greece?

Mr. SISCO. I don't know what the specific details are in terms of what will be homeported and what will not.

Mr. FASCELL. Mr. Chairman, I think it would be interesting for us to find out. I think it would be kind of important to determine from both the military standpoint what the alleged lack is and from the policy standpoint what it is going to contribute.

Mr. HAYS. I think it would, too, but I think I can predict an answer from the Navy. They like to snuggle up to dictatorships and I suppose they like to associate with their people.

Mr. FASCELL. The Navy wants to have homeporting in Greece. Honestly, I can appreciate the military aspects of it. I don't understand where that has any relationship with the policy. Maybe I am being obtuse.

Mr. HAYS. You are not being obtuse. When they come in here and insult your intelligence by saying to upgrade the morale of the Navy, you have a legitimate right to ask lots of questions. I said before and will say again, there is not going to be one dependent of one enlisted man who is going to see that homeport. It is going to be the officers' families and their servants.

Mr. FASCELL. It seems to me we need some answers. Are we adding any aircraft carriers? No. Are we going to keep them on station? Yes. Are we going to add more nuclear submarines, missiles? If so, how many? The policy considerations of this move are more important than saying we are going to add more because the Russians are there in strength—Hell, they have been there in strength.

Mr. HAYS. I don't know if you were here when I spoke of building the naval attaché residence in Ireland. We have as much business having one in Ireland as one on the moon, because the whole Irish Navy consists of two destroyers; I guess you would call them destroyer escorts to be correct. That is it. But the State Department was in here a few years ago wanting to build an attaché's residence at that time for, as I recall, $75,000. That was 12 or 14 years ago. You can translate that today as $125,000 to $150,000 residence for a naval attaché, and it made as much sense as this homeporting business in Greece.

Mr. FASCELL. What I am getting at, here the Russians are increasing their activity in the Indian Ocean and we are going to have to match them vessel for vessel. How much are we going to put in the Mediterranean? How much are the Russians? Are we behind? Has our substantial strength been weakened and therefore affected our foreign policy because the Russians have outmanned us, outgunned us, and outtonned us in the Mediterranean? I mean what is it we are really talking about? At what level does the policy change? What were the bases of the consideration that went into that decision that required this kind of an accelerated action on the part of the United States?

That is all I am trying to find out. If it took a National Security Council study to arrive at the decision, was it in the nature of a crisis? Was it a routine thing? What is it going to mean in terms of our budget?

Mr. HAYS. You don't think anybody in the Navy ever considered any of those factors?

Mr. FASCELL. No; I am talking about the State Department. I know the Navy.

Mr. HAYS. The Navy said, "It would be nice if we had it," and the State Department said that they did too. That is about the sum and substance of it.

Mr. FASCELL. I cannot argue with them about that.

Mr. HAYS. You did not have any task force study in this, did you?

Mr. SISCO. We studied all the implications of this, yes.

Mr. HAYS. How many man-hours did you put in on that?

Mr. SISCO. I would be very glad to put something in the record. I don't know. This is a matter that has been under study for some time.

Mr. HAYS. Like who would be doing the study, Mr. Sisco, some of your subordinates or somebody?

Mr. SISCO. People in our Bureau, people who deal in the State Department with political military relationships.

Mr. HAYS. Give me some names, not today but I would like to call them in. We have a little subcommittee on nonessential employees, maybe they can get some ideas from us.

(The information follows:)

HOMEPORTING IN GREECE

Those in the Department of State most directly involved in the issue of homeporting in Greece were:

Joseph J. Sisco, Assistant Secretary, Bureau of Near Eastern and South Asian Affairs.

Ronald I. Spiers, Director, Bureau of Politico-Military Affairs.

Rodger P. Davies, Deputy Assistant Secretary, Bureau of Near Eastern and South Asian Affairs.

Jonathan D. Stoddart, Director, Office of International Security Operations, Bureau of Politico-Military Affairs.

George T. Churchill, Director for Greek Affairs, Bureau of Near Eastern and South Asian Affairs.

Col. Alain G. Boughton, Office of International Security Operations, Bureau of Politico-Military Affairs.

While it is impossible to make an exact computation of time devoted to this issue within the Department, it is estimated that the above-named officials spent roughly 500 hours on homeporting during the last quarter of 1971 and the first quarter of 1972. In addition, considerable time was spent on this subject by other officers of the Bureau of Near Eastern and South Asian Affairs, the Bureau of Politico-Military Affairs, and the Bureau of Europeon Affairs, and by secretarial staff.

Mr. FASCELL. Mr. Chairman, one thing and I am going to drop it. What is your responsibility in the Indian Ocean?

Mr. SISCO. Well, parts of it. My part of the responsibility relates to India and Pakistan, Ceylon, Nepal.

Mr. FASCELL. Is not the major consideration there the increasing Russian presence in the Indian Ocean?

Mr. SISCO. It is.

Mr. FASCELL. Thank you, Mr. Chairman. You have been very patient and courteous.

Mr. HAYS. Mr. Buchanan.

Mr. BUCHANAN. Thank you, Mr. Chairman.

Mr. Secretary, do I assume correctly that the same basic answer applies as to foreign nationals employed in the Near East as in the case of Africa, that this would be a fairly wide range of responsibilities but that the pay scales would be determined according to local wage and salary scales?

Mr. SISCO. Yes, sir.

Mr. BUCHANAN. And would this apply throughout, Mr. Macomber?

Mr. MACOMBER. It would, Mr. Buchanan.

Mr. BUCHANAN. Thank you very much.

Mr. Secretary, going back for a moment to Bangladesh, I believe it is correct that the present leader of Bangladesh is scheduled to go to the Soviet Union for a 5-day visit. Do you see any implications?

Mr. SISCO. Well, the principal reason for the trip is, in our judgment, to discuss the question of future relationships between the Soviet Union and Bangladesh politically, economically, and so on.

Mr. BUCHANAN. I don't know whether this has any bearing on our own position but——

Mr. SISCO. This is one that we would like to see what comes out of this among other things as we weigh the question of recognition.

Mr. BUCHANAN. Thank you very much, Mr. Secretary.

Thank you, Mr. Chairman.

Mr. HAYS. Mr. Sisco, I am sure you are going to say this is not your field, but you have pretty positive opinions on things and I like people to do that even if I disagree with them, because I also have opinions on things. I came across this article which Miss Peak found for me. I am going up to Princeton one of these days to speak to the Woodrow Wilson School of Public and International Affairs—I don't know if I have a message for them or not—but the background. She came up with an article in the Washington Post, in fact, Monday of this week. It says:

FOREIGN SERVICE TUNED OUT BY STUDENTS

From 1967 to 1970 not a single graduate of the Woodrow Wilson School of Public and International Affairs joined the Foreign Service of the United States.

Then further down, and I am only going to read these two paragraphs, it says:

Former Undersecretary of State George W. Ball, recently commenting on the spate of summitry that is displacing traditional diplomacy, wrote recently: "Able men, with proper pride in their professional skills, will not long tolerate such votes of no confidence, so it should be no surprise that they are leaving the career service, making way for mediocrity with the result that, as time goes on, it may be hopelessly difficult to restore the (State) Department to the level of effectiveness required by the urgent problems of the day.

Then it goes on to say students from the Johns Hopkins School of Specialized Study, Princeton, Harvard, and so on just say in effect the devil with the State Department, I want no part of it.

Have you any comment about that?

Mr. SISCO. Well, I am not a very good person to ask that question of, Mr. Chairman, because I have been in the State Department for 20

years and I think that I have had a very interesting and a very fruitful career and I would not change it, speaking personally.

Now if I were a young man—and I speak to, a lot to, young people and they ask me this question, "Should we get into the international affairs, what should we do?" There are a lot of factors that determine which way a man decides to go. If I were a young man I would probably be in a little greater dilemma today than I was right after World War II. I came out of the Army and—I want to make a comment on this and I want to personalize it for a reason.

You have today two great demands. We see all of these domestic problems that confront us, the inner city, drugs, and so on and you have obviously the whole field of international affairs. If I were 25 years old today and was motivated by public services, I think I was and am, I would have a little more difficult time determining whether I would try to focus on domestic affairs today as against international affairs.

Mr. HAYS. What I wanted to say, and I don't want to break up your continuity of thought. The article goes on to say that these people obviously have an interest in foreign affairs or they would not be in these highly specialized schools. They are turning to the international organizations and away from the State Department, and goodness knows I think it needs all of the fine young minds that it can get its hands on.

Mr. SISCO. I would agree and I think Mr. Macomber would have to address himself to that question more broadly.

Mr. HAYS. I will ask this question of Mr. Macomber later on but I wanted your opinion.

Mr. FASCELL. The gentleman is about to speak.

Mr. MORSE. I would like to point out one thing. This is an article by Marilyn Berger, the second of two articles. The first article related to the fact that the intellectuals that were brought into this Government back in the early sixties and did something that in retrospect don't seem too wise have eroded the power of the State Department.

Mr. HAYS. Are you from Harvard?

Mr. SISCO. No, sir; from the University of Chicago and proud of it.

Mr. HAYS. Off the record.

(Discusion off the record.)

Mr. BUCHANAN. Would the gentleman yield? I would say that it occurs to me that it might be the best thing that happened in the State Department if they had to reach out to places like the University of Alabama and other such institutions which graduate a very great number of high caliber people who have had a very hard time getting into the State Department through the years because of some of these particular institutions that have been favored.

Mr. HAYS. Let me say, Mr. Buchanan, I have made that point over the years. They ought to have a broader cross section and I would not even bar the University of Alabama. I think there is some significance to this article because it not only quotes these two schools but it quotes deans of schools, a pretty good cross section of the country, not only Harvard and Princeton and Johns Hopkins, but other schools where the young people are just saying, "I don't want any part of the State Department." I think that is too bad.

Mr. MACOMBER. That article has a major internal inconsistency in it. It is quite true that it points out there are other interests on the campus and that the young people have other interests besides foreign affairs. The State Department has more applications now than it ever had before in the history of the State Department. Nineteen thousand people applied to take the Foreign Service exams this year. The highest figure we ever had before was about 11,000.

Mr. HAYS. That may or may not mean anything. When I look at some of the kinds of people that you are getting in the State Department, sheer numbers don't impress me. When I had, as I did have before me some years ago, one of our examining panels who failed a boy who had been at the top 1 percent of the written exam simply because his father was a Congressman and when I gave them an oral examination and they all miserably failed it they could not even get 20 percent on my examination, not one of them. That is the truth. I think I made a point to them.

Mr. FASCELL. Wayne, I would hate to take one of your examinations.

Mr. HAYS. Let me tell you some of the kinds of questions the chairman of the thing asked. He was one man in all the years I have been in Congress I even stayed all night in his house—I didn't know that then but when he sat down in front of me I felt a little bad about it so I tried to make the exam easy for him. I said, "You are from South Carolina." I asked "Would you agree with me that probably the best known South Carolinian in American history was John C. Calhoun?" And he said, "Yes."

So I said I want to make this fair. All three of you can get together and if you come up with an answer that will be the correct answer. I said, "John C. Calhoun held five positions under the Government of the United States of America; can you name them?"

He named one. You know, a kid from any high school in Ohio could name at least two. So all the point I was making is that any given panel can fail any given applicant if they want to.

This boy's father was a Congressman and they asked, "Do you know anything about opera?" He said, "No," so they asked him all questions about opera.

Mr. MORSE. I don't think the State Department is ready for you.

Mr. HAYS. Well, there is some debate about that. Some people think 6 weeks of me and it would be a changed place.

Mr. ZABLOCKI. That is an understatement.

Mr. MACOMBER. I agree with that, Mr. Chairman.

Mr. HAYS. Don't make any remarks that you will regret later.

Mr. FASCELL. Don't make any statements you will regret later.

Mr. MACOMBER. We have gotten more applicants and more high quality applicants and I regret that one of the professors quoted from one of the eastern seaboard institutions referred to in that article does not have anybody in his class applying. We are getting first class applicants. Our problem is not that we are not getting good applicants but when 19,000 people sit down and apply to take the exam, actually there is always a dropout between the 11,000 and 12,000 who actually take the exam and that is for 60 places available. So our problem is a real problem.

Mr. HAYS. How many did you have last year?

Mr. MACOMBER. Between 6,000 and 7,000 actually took the exams.

Mr. HAYS. You are not so well insulated in this administration and I am going to be polite. The baloney they pass out—and I will not use Harry Truman's favorite expression. You know, there is a terrific unemployment problem in this country and people are trying to get jobs where they can find them. Do you think that might have something to do with it?

Mr. MACOMBER. I think that had something to do with it but I don't think it wound up doubling the number of applicants, no. We went to many, many more campuses than before. We consciously went to many more universities to try to get people.

Mr. HAYS. Now I have news for you, my friend, about doubling the number of applicants. Years ago we had exactly two people in my local office in the year of 1970. We had two people come in the office asking me to help them get a job. You know how many we had last year? Two hundred seventy-three. We didn't double. I tell you there are a lot of people hunting work and that is the reason you have people coming in to take your examination, not because they think it is the greatest place on earth to work.

Mr. MACOMBER. The article itself basically said there are certain eastern seaboard establishments that don't seem to be getting their people into the State Department.

Mr. HAYS. It does not say that. It says their people are not applying to the State Department.

Mr. MACOMBER. They are not coming in as much. The fact is we are still getting people from those institutions. I would have to check the applications this year.

Mr. HAYS. I am not pressuring you to take them from any institution. I am just saying if I were a young man and I know going into the State Department is a dead-end street because you would probably have some professor from Harvard coming in and making the decisions and not even the Secretary of State—I am not trying to denigrate him—knows what is going on, who would want to work for an organization like that? That is exactly what you have today. I think history, and I am a former history teacher, 20 or 30 years from now will say the most disastrous thing that happened to the American Republic in this century, maybe even since the birth of Christ, was when Kissinger arrived in Washington because I think he is an unmitigated, free-wheeling disaster. Outside of making the lives of a few Hollywood starlets more interesting, I don't think he has done very much for the country. And that will stay on the record.

Mr. MORSE. I am sure he stays on the record.

Mr. HAYS. He knows who I am which is all right with me. I speak very highly of him on the social side.

Anybody else have any questions?

Mr. MORSE. I would like to make a comment.

Mr. HAYS. You want to defend Mr. Kissinger?

Mr. MORSE. We don't help the State Department by making these sorts of analyses. I am not sure it is as bad as you think.

Mr. HAYS. You want me to make an analysis that I don't believe in?

Mr. MORSE. No. I can't imagine you doing that.

Mr. HAYS. I can't, either.

Mr. MACOMBER. The point is, Mr. Chairman, that there has been some denigration in the State Department. There have been some

statements made in the Government as well as outside the Government but the fact is there is an awful lot of newspaper talk which highly exaggerates and implies that the State Department is no longer important. That is baloney.

I agree with you, however, if this keeps up it will have a bad effect on the State Department, they will begin to believe it and it will become a self-executing process. It was the State Department that started all this pressure to change the China policy, it was the State Department that prepared the basic position papers and so on. You cannot just have a small staff anywhere.

Mr. HAYS. Maybe it would be better if you didn't say that because if the China record turns out to be a disaster you might not want to have it on the record that you had anything to do with it.

Mr. MACOMBER. I am making the record of what is the fact.

Mr. HAYS. You know Willy Brandt got the Nobel Peace Prize on the phoniest thing that you can possibly imagine, his detente with East Germany. I would like to know what they agreed to do, what they did in 1946, and didn't do. They didn't do it then and I don't know if they are going to do it now. They guaranteed free access to Berlin. That was in the 1946 agreements. Am I right or wrong?

So, you know, maybe Mr. Nixon will get the Nobel Peace Prize, too. I am beginning to believe as I said in a lecture the other day at a university that the Nobel Peace Prize is given on the basis of who has talked to the most Communists recently.

Mr. MACOMBER. I must say we are concerned about the misimpression getting across and we recognize this concern of ours. We have been cut, a fifth of the Department has been chopped away in the last 4 or 5 years.

Mr. HAYS. That is what we are trying to get to. We are asking repeatedly, are you permitted to ask for as much money as you need to do the job? You know we had an unprecedented thing not only for me personally but for the Congress and for the House Administration Committee. We gave two chairmen the other day more than they asked for and they said they would be insulted if we gave it to them. We gave it to them anyway on grounds that they were not doing what they were supposed to do, and maybe a few more staff members would help them get the job done, and I can name names. There is dry rot up here as well as downtown.

Any other questions?

If not, the committee will be adjourned until 10 o'clock tomorrow. We will start where we left off today which will be with Latin America.

One final question before we go. Do you feel any pressure down at the State Department from the numerous very well paid lobbyists that the Greek Government has in this country?

Mr. SISCO. No, sir.

Mr. HAYS. You don't hear from them or see them or know of any of their effects at all?

Mr. SISCO. No, sir.

Mr. HAYS. You do know they exist?

Mr. SISCO. Yes, sir.

Mr. HAYS. All right.

(Whereupon, at 12:10 p.m., the subcommittee adjourned, to reconvene at 10 a.m., Thursday, March 2, 1972.)

DEPARTMENT OF STATE AUTHORIZATION FOR FISCAL YEAR 1973

THURSDAY, MARCH 2, 1972

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
SUBCOMMITTEE ON STATE DEPARTMENT
ORGANIZATION AND FOREIGN OPERATIONS,
Washington, D.C.

The subcommittee met in open session at 10 a.m., in room 2200, Rayburn House Office Building, Hon. Wayne L. Hays (chairman of the subcommittee) presiding.

Mr. HAYS. Mr. Bingham.

STATEMENT OF HON. JONATHAN B. BINGHAM, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. BINGHAM. Mr. Chairman and members of the subcommittee, I appreciate this opportunity to appear today in support of legislation that would specifically authorize the Secretary of State to provide aid to Israel to help with the cost of resettling Jewish emigrants from the Soviet Union. My proposal in this regard is embodied in H.R. 13022, the Soviet Jewish Refugee Assistance Act of 1972, which would earmark $85 million for this important purpose in the coming fiscal year 1973. That legislation has been cosponsored by a bipartisan group of 62 Members since I first introduced it with my colleague from New York, Mr. Halpern, on February 8. I would like to say I am presenting this testimony today on his behalf as well as on my own.

In his purported autobiography, "Khrushchev Remembers," the late Soviet Premier wrote:

> Let them live where they want. I think the time has come to give every Soviet citizen that choice * * *. I have no doubt that it is practically as well as theoretically feasible for us to open our borders. If it were not feasible, then what kind of freedom would we have?

Whether or not those are Krushchev's authentic words, they were prophetic. We are now witnessing a most significant change of Soviet attitude and practice with regard to release from the Soviet Union of Jewish citizens who wish to emigrate, most of them to Israel. The evidence is striking. In contrast to a decline in Soviet Jews released from the Soviet Union from 2,000 in 1969 to only 1,000 in 1970, the exodus of these refugees jumped to about 15,000 in 1971. That increase was partly due to a yearend surge in which, in the last month of 1971, over 3,000 Soviet Jews appear to have reached Israel—roughly three times as many as in all of 1970. That rate of Soviet Jewish refugee

arrivals in Israel is continuing thus far in 1972, raising the likelihood that 40,000 or more will reach their homeland before year's end.

Mr. Chairman, for us as citizens of a nation built by immigrants, this is a gratifying and heartwarming development. Like so many developments emanating from the Kremlin, its causes are unclear. But certainly much of the credit must go to pressures exerted by concerned governments and groups—both Jewish and non-Jewish—around the world. A great many Members of this Congress have expressed support for the basic humanitarian rights of Soviet citizens and all peoples to emigrate. I myself, in 1967, circulated a statement which, among other things, called for a translation into deeds by the Soviet Government of Premier Kosygin's declaration that all citizens, including Jews, were free to leave the Soviet Union to join relatives and coreligionists abroad. That statement was signed by 300 Members of the House, including nine of the 11 members of this subcommittee who were then in Congress. Since that time, many of us have taken other initiatives toward the same ends, and now it is coming to pass.

But there are worrisome side effects for the young State of Israel. Those side effects involve the social and economic costs of integration and settlement. Those costs are considerable. There is little we can do directly for Israel to help with the actual process of settlement. But we can help with the economic costs. We have done so in the past with regard to settlement of refugees in other nations of the world—South Korea, Nigeria, Bangladesh. As my legislation indicates, I feel it imperative and right that we do so now for Israel.

The $85 million I propose, Mr. Chairman, represents only a small fraction of the costs to the Israeli Government. It amounts to about $2,000 per refugee based on the anticipated influx of slightly over 40,000 refugees per year. Most Soviet Jewish refugees arrive with nothing, having been heavily taxed (visas to leave the Soviet Union currently cost 900 rubles—$1,000) and stripped of their possessions before leaving. Just recently the Israeli Absorption Ministry has had to increase payments to Israeli families for temporarily housing immigrants by 37 percent, from $1,190 to $1,900 per refugee, and that is only a small initial cost. The Israeli Government this year allotted a record $650 million to provide for immigrants—much of that amount made available by cuts in other crucial budget categories, including defense.

Mr. Chairman, it might seem that a specific authorization such as that contained in H.R. 13022 would not be necessary in view of the open ended authorization for refugee assistance contained in the Migration and Refugee Assistance Act of 1962 (Public Law 87-510). However, the Foreign Assistance Act of 1971 (Public Law 92-226) containing a superseding provision requiring specific authorization for any appropriation to the Secretary of State "under any law for any fiscal year commencing on or after July 1, 1972 * * *." And that, of course, is the reason you are having these hearings.

Furthermore, Mr. Chairman, there is no indication that the Department of State has any intention of requesting any funds for asstance to refugees in Israel. On the contrary, I have here a letter from the Department of State, signed by David M. Abshire, Assistant Secretary of Congressional Relations, dated February 7, 1972. That

letter is addressed to our colleague, the chairman of the Subcommittee on the Near East, Mr. Hamilton, and is in response to a letter of January 31, 1972, from Chairman Hamilton to Secretary Rogers inquiring about current amounts and sources of assistance provided by the United States to Soviet Jewish refugees.

The Department's reply indicates that we are providing small amounts of assistance to defray the costs of caring for these refugees briefly in Europe, and for transporting them from Europe to Israel. The Department expresses its intent to request appropriations to continue that type of assistance, which is certainly commendable. That intent, I believe, is reflected in the $8,212,000 authorization the Department has now at least informally requested for fiscal year 1973. However, it also states:

> No U.S. aid, direct or indirect, is granted to any of these refugees in Israel . . . nor has it been decided whether any programs will be initiated in Israel.

I would provide the full texts of the letters and I request that they be inserted at this point in the hearing record.

Mr. HAYS. Without objection they will be inserted at this point.

(The letters follow):

COMMITTEE ON FOREIGN AFFAIRS,
January 31, 1972.

Hon. WILLIAM P. ROGERS,
Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: Over the past several months, the Soviet Government has been issuing an increasing number of exit permits for Soviet Jews wishing to emigrate to Israel or other countries. Apparently, those who do leave pass through Vienna or other West European cities enroute to their destination.

The sudden increase in the number of these refugees raises several questions concerning the sources of their financial support after leaving the Soviet Union. Although a vast proportion of their support probably comes from international Jewish organizations and the State of Israel, the United States does have emergency funds available for refugee aid. What financial support, if any, does the United States now provide for these refugees either in transit or in Israel? If this aid is for transit expenses, what has it amounted to for the last several months? Does the United States plan to extend any aid to these refugees in Israel? If the United States does now provide any aid, from what funds does this aid come and how much is available from these sources? In addition, how much is available under the Refugee and Migration Act (22 U.S.C. 2601(c)) for fiscal year 1972?

I thank you for answering these questions and would appreciate a reply by February 8th.

Sincerely yours,

LEE H. HAMILTON,
Chairman, Subcommittee on the Near East.

DEPARTMENT OF STATE,
Washington, D.C., February 7, 1972.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on the Near East,
Committee on Foreign Affairs,
House of Representatives.

DEAR MR. CHAIRMAN: The Secretary has asked me to reply to your letter of January 31 concerning U.S. assistance in behalf of Jews after they leave the USSR.

The United States does assist these refugees in Europe. Through a contract with the American Jewish Joint Distribution Committee (AJDC), the Department of State contributes $25.00 per person for the care and maintenance during the one or two days most stay in Vienna on the way to Israel under the U.S. Refugee Program (USRP). The Intergovernmental Committee for European

Migration (ICEM), to which the U.S. contributes, pays part of the transportation costs from Europe to Israel. No. U.S. aid, direct or indirect, is granted to any of these refugees in Israel.

In the past 6 months, USRP has paid $200,000 as its share of this program. ICEM has also expended considerable sums for the same period. The appropriations for both these programs are authorized by the Migration and Refugee Assistance Act of 1962. The USRP budget request for FY 1972 under this act is $2.9 million. The Department is requesting $2.4 million for FY 1973. We are also considering a supplemental request for USRP of an additional two or three million dollars. The amount requested for ICEM for these periods are $3,250,000 and $3,225,000 respectively.

The Department of State, in conjunction with other agencies, is considering, on an emergency basis, proposals to increase its aid for Soviet Jews going to Israel. No decisions have been made on the type or amount of the aid, nor has it been decided whether any programs will be initiated in Israel. As soon as firm determinations are made, however, we will let you know.

I trust this information is useful and if there is anything further I can do, please call on me.

Sincerely yours,

DAVID M. ABSHIRE,
Assistant Secretary for Congressional Relations.

Mr. BINGHAM. Mr. Chairman, I think this Nation can be exceedingly proud of the generous assistance it has provided in the past to refugees in many areas of the world and to governments faced with the severe problems of accommodating and absorbing large numbers of refugees. The assistance we have provided, both bilaterally and through various international channels, has most certainly eased and averted much human suffering, and has contributed to the security and stability of the nations involved. We can do no less for Israel, to whose security as a nation and welfare as a people we have long been committed. I think it appropriate and essential that the Congress and this committee take the initiative now to assure that adequate funds will be available to provide needed assistance to Israel for its mounting Soviet refugee resettlement costs, and to provide the Secretary of State and the administration with a clear directive in this regard. I therefore urge you to include the substance of H.R. 13022 in the State Department Authorization Act for fiscal 1973 which you will act upon in the near future.

I just would like to add one word, Mr. Chairman, and that is that I trust that there will be no confusion between this proposal dealing with the costs of resettling refugees and the need for supporting assistance for Israel which I understand such request is pending and that those funds would be handled under the Foreign Aid Act, and it should be very clear that both are needed. This is not an alternative in any sense to the need for a supporting assistance.

Thank you, Mr. Chairman.

Mr. HAYS. Thank you, Mr. Bingham.

Mr. Bingham, as you are perhaps aware, this item has not been budgeted and there are a lot of people around this Hill, of whom I am not one, who think that the Budget Bureau if not God is certainly His right hand department on earth. Do you think if we included an item of this magnitude that was unbudgeted we would have much trouble on the floor about it?

Mr. BINGHAM. I personally think we ought to do what we think is right, Mr. Chairman, and I think that I suspect that the response would be favorable to this proposal on the floor. Obviously, as you

suggest, we cannot be bound by what the budget contains. This is a need that has perhaps emerged in full and in its full extent in the recent months, and of course the budget process goes back many months. I suppose that the budget that you are now considering was framed in larger part starting perhaps last June or July so that I don't think that we should be inhibited by that fact and I would hope and expect that this bill would be very favorably received.

I understand that on the Senate side the corresponding bill which was introduced initially by Senator Muskie and Senator Javits now has 40 cosponsors, almost a majority there, so that I think the reaction in the Congress would be favorable.

Mr. HAYS. I have only one other question. How did you arrive at the figure of $85 million?

Mr. BINGHAM. I must confess that this was a figure that we arrived at in consultation with Senator Muskie's people with whom we worked closely in the preparation of this legislation. It is derived largely from the idea that $2,000 per person based on an anticipated flow of 40,000 refugees for the year is a reasonable amount; it could be more, it could be less. There is nothing sacred about this figure. As I have indicated, there is no question that this will be only a small fraction of the cost of this resettlement program to the Government of Israel and I am not suggesting that this figure is in any way sacred.

Mr. HAYS. Thank you, Mr. Lloyd.

Mr. LLOYD. Just a little clarification, Mr. Bingham. The exodus of the refugees jumped to about 15,000 in 1971. I assume there were 3,000 of this 15,000 who ended up in Israel. Am I right?

Mr. BINGHAM. No. I think if I indicated——

Mr. LLOYD. Perhaps 15,000 is an accumulative figure. It is on page 1.

Mr. BINGHAM. They practically all have gone to Israel. The 3,000 is a part of the 15,000.

Mr. LLOYD. Well, now, is the 15,000 an accumulated figure?

Mr. BINGHAM. No, that is the figure for 1971.

Mr. LLOYD. Of the Jews who left Russia?

Mr. BINGHAM. Yes; and practically all of them went to Israel.

Mr. LLOYD. I thought you had here that 3,000 appeared to have reached Israel.

Mr. BINGHAM. No, that was the month of December.

Mr. LLOYD. The last month?

Mr. BINGHAM. The last month of 1971.

Mr. LLOYD. So virtually the total immigration of Russia is going to Israel, is that right?

Mr. BINGHAM. Yes.

Mr. LLOYD. No more questions, Mr. Chairman.

Mr. HAYS. Mr. Fascell.

Mr. FASCELL. Thank you, Mr. Chairman.

Mr. Chairman, first let me commend our colleague from New York in his leadership not only in this matter but joining with others to bring about some action in the Congress.

Of course, I support aid to Israel, as the gentleman knows, both in terms of supporting assistance and humanitarian programs. The thought that occurs to me with respect to this proposal is that with, I believe, 2.5 million Jews in Russia, and I have no idea—Do you have any idea what the potential of total immigration might be?

Mr. BINGHAM. I don't think anybody knows that.

Mr. FASCELL. I would guess if I were a Jew in Russia I would leave too, so that makes all 2.5 million of them.

Mr. BINGHAM. I know that the Soviet Union has been insisting that not too many want to leave. I think what has happened already indicates that that is not so.

Mr. HAYS. Could I amend your statement to say, "If I were in Russia, I would want to leave"?

Mr. FASCELL. Period.

Mr. HAYS. Whatever my background is.

Mr. FASCELL. The thing is that our motives are pure and humanitarian. It may not appear that way on the other side, it occurs to me, either from the Arab viewpoint or from the Soviet viewpoint, and it is going to take a lot of money. I wonder if some consideration should not be given to using U.S. assistance either through international established institutions or through some other new consortium to provide the money that Israel needs. This money sought here today is going to be a drop in the bucket. Of course, we could make a good start if we take the initiative and go on and do it, but it seems to me we have been so successful in humanitarian efforts by getting additional capital efforts from other nations who feel the same way as the United States in trying to help Israel, and secondly, it would have the additional value of sensitizing other people. What do you think about that?

Mr. BINGHAM. First let me make two comments in relation to that, Mr. Fascell. First of all, it is quite extraordinary that up to now, at least, the Arab governments have not made a big issue of this migration. Whether that has to do with their relations with the Soviet Union and they don't want to be appearing to criticize the Soviet Union for leaving these people out or whatever it is, it does not seem to be a big political issue at this point.

Mr. FASCELL. I meant the sole financial support by the United States.

Mr. BINGHAM. As far as that is concerned, I assume you don't mean a United Nations body because the United Nations has shown, unfortunately, because of the weight of the votes and so on it has not been by any means impartial toward Israel, it has tended to reflect an anti-Israel attitude. I would hope that action on the part of the United States in this regard could lead to action by other nations well disposed to Israel and that it would certainly make a lot of sense for the administration to work in that direction. Our efforts, for example, in refugee relief in Bangladesh have been in cooperation with other governments.

Mr. FASCELL. Right. That is all I had in mind.

Mr. BINGHAM. There is no reason why it can't be, but I would say we ought to proceed, in any event, and then try to work it so other nations come along.

Mr. FASCELL. In other words, you are not adverse to the idea?

Mr. BINGHAM. Certainly not.

Mr. FASCELL. I think it would be helpful and I gather that is what you think as long as it does not go through the U.N. There is the European Committee on Migration, or you could set up an ad hoc consortium to do it. It seems to me there would be a great deal of gain in multilateral return and you would produce more money for Israel and United States authorization for participation.

Thank you.

Mr. HAYS. Mr. Fascell, the only comment I would have about that is that if we set up an international consortium, it would wind up with a bureaucracy of 500 people averaging $20,000 each. It would cost $10 million before you got the first dime to Israel.

Mr. FASCELL. No, Mr. Chairman. But perhaps it could be done with reimbursable personnel on loan without additional cost.

Mr. HAYS. But no international organization operates with reimbursables. I have been connected with a couple of them.

Governor Thomson.

Mr. THOMSON. No questions.

Mr. HAYS. Mr. Macomber, would you like to respond or make any comments? I though I would like to put you on the spot the first thing this morning. If you would like to be heard on this, now would be the time it seems to me.

STATEMENT OF HON. WILLIAM B. MACOMBER, JR., DEPUTY UNDER SECRETARY FOR MANAGEMENT, DEPARTMENT OF STATE

Mr. MACOMBER. Thank you, Mr. Chairman. We have in the room in anticipation of this proposal by Congressman Bingham Mr. Frank Kellogg, who is head of our refugee office and he would be prepared to make a statement.

Mr. HAYS. Will you come forward and make your statement?

STATEMENT OF HON. FRANCIS L. KELLOGG, SPECIAL ASSISTANT TO THE SECRETARY FOR REFUGEE AND MIGRATION AFFAIRS, DEPARTMENT OF STATE

Mr. KELLOGG. Good morning, Mr. Chairman.

Mr. HAYS. You have a refugee office, too. I imagine if somebody came in here wanting to use a new exotic spray material against malaria mosquitos you would find someone who was head of the mosquito problem in the State Department.

Mr. FASCELL. I found out one thing, Mr. Chairman. The answer to everything is there somewhere if you can just find it.

Mr. KELLOGG. Mr. Chairman, let me say at the outset that my office the Department of State, and the administration are very sympathetic to the plight of Soviet Jews. We recognized the problem that they have in living behind the Iron Curtain and the extreme danger and difficulty they have in getting out. In addition, Mr. Chairman, I would like to say that through my office the Department of State is already aiding Soviet Jews and I would like to describe that if I can briefly.

Through our U.S. refugee program we provide care and maintenance in the transiting of Soviet Jews from behind the Iron Curtain to Israel. In addition, ICEM, the International Committee for European Migration, which Mr. Fascell has already mentioned this morning, is helping to provide transportation for these refugees.

Mr. HAYS. If I may stop you there, what is the difference between I–CEM and IC–EM?

Mr. KELLOGG. They are one and the same.

Mr. HAYS. Why don't we call it one or the other? You remind me of the old story of Lord Bossom who is now dead but he was a Canadian architect who went to England and sat in the House of Commons. I am sure I won't do any damage to his memory because he told me this story himself with a great deal of glee. When he made his maiden speech Churchill was sitting on the front row and he was hard of hearing and he nudged his aide and said, "Who is that chap?" His aide said, "That is a new chap by the name of Bossom, B-o-s-s-o-m." Churchill said, "A horrible name, it is neither one thing nor the other."

Mr. FASCELL. Mr. Chairman, the Ambassador has already made up his mind it is going to be pronounced I–CEM but you don't say "submittee," you say "committee," so it might as well be I–CEM.

Mr. KELLOGG. At this point it is entirely up to you.

Mr. HAYS. I don't care what you call it, don't confuse me. There are enough alphabetized agencies without having two for the same agency.

Mr. KELLOGG. Yes, sir.

In any event, through my office this aid is already being given to Soviet Jews for getting out of Russia and this being done through contracts between USRP and the voluntary agencies during the interim trip and with I–CEM, if you prefer, sir. Regarding getting the refugees to Israel, something is already being done. I think I can say that, in connection with Mr. Bingham's comment that the administration apparently has given no indication of any intention of requesting any funds for additional assistance, plans are underfoot to extend this help and increase it to help these unfortunate refugees.

Mr. HAYS. Well, are you finished?

Mr. KELLOGG. If I may, sir, just a further comment.

The Department has at the request of Congress come out with an agreed upon opinion on the bills that have already been submitted. When that opinion reached the highest policy circles it became apparent that this was not just one isolated problem that could be broken away from the whole complex aspect of the internal economy of Israel so that at this particular moment a complete study is being made of how to assist Israel in the best possible way.

Mr. HAYS. I am sure there would be a study made.

If you will pardon me another story Denis Healey told the other night, he said—this reminds me of the State Department, too—speaking after dinner and he was kidding Brad Morse a little bit at this dinner which was a public dinner. He had something for the Democrats, too, but I don't remember that.

He said, you know, he had always been concerned about the Republican Party; he never quite understood it until he met Brad Morse. He said that he knew there were conservative Republicans who didn't want to do anything about anything at any time, and then he said there are liberal Republicans like Brad Morse who want to do something, but not just now.

Now that is the kind of view the State Department takes as I get it—you want to do something but not just now.

Mr. KELLOGG. Well, Mr. Chairman, this program of which I spoke has been in being for some little time.

Mr. HAYS. How much is it costing?

Mr. KELLOGG. The figure that Mr. Bingham mentioned in his opening remarks of just under $3 million is part of that program. In other

words, it provides the funds for this particular assistance to refugees as well as to others.

Mr. HAYS. How long do you think it will take the State Department—you know, if we were going to follow your advice, which we might or might not, how long do you think it will be before you have some advice ready for us?

Mr. KELLOGG. I believe it will be forthcoming very shortly, Mr. Chairman.

Mr. HAYS. Can you say what is forthcoming very shortly means in a time reference? Would that be 2 weeks, 30 days, 6 months?

Mr. KELLOGG. I think it would be in the neighborhood of the next 30 days. I had hoped to give you a definitive position and would have been able to, I believe, sir, if it had been just on the Soviet Jewish situation as an isolated part of an overall problem, but in the context of the entire and much broader problem that obviously takes a little bit more time.

Mr. HAYS. Well, you can make it as complicated or not complicated as you want. It is like a trip to Europe. You can buy a ticket and get on the plane and go or you can research where the plane has been before it came to you, where it is going after you get off, whether the country you are going to wants you to land there and a lot of other things, and if you study it long enough you can find some reason for not going.

I don't mind having the recommendation of the Department but we are going to mark this bill up before 30 days. I will give you my word on that because I am not going to be one fellow who is responsible for Congress being around here next October. So if you really want us to consider your judgment when we come to this item, you better have something up here in the next couple weeks.

Mr. KELLOGG. Yes, sir.

(The State Department report follows:)

APRIL 10, 1972.

Hon. THOMAS E. MORGAN,
Chairman, Committee on Foreign Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Thank you for your letter of February 22, 1972 giving us an opportunity to comment on bills H.R. 13022, 13030, 13070, 13204 and 13233 designed to assist Jews emigrating from the USSR.

The Department of State shares with the sponsors of these bills sympathy for the plight of those Jews who wish to leave the Soviet Union and a desire to help those who are able to leave. For some time now we have been providing concrete assistance in a variety of ways under authority of the Migration and Refugee Assistance Act of 1962. The U.S. Refugee Program (USRP), through a contract with the American Jewish Joint Distribution Committee, contributes to their care and maintenance while they are in Europe. The Intergovernmental Committee for European Migration (ICEM), to which the U.S. contributes, defrays part of their transportation costs from Western Europe to Israel. The Department has been actively exploring in discussions with representatives of Jewish agencies means by which we can be of further assistance. We are considering several possibilities, including a larger contribution for care and maintenance and an increase in the USRP loan fund administered by ICEM, so that more of the transportation costs can be met from this source. In FY 1973, we expect to assist about 67,000 refugees from Eastern Europe, of whom 50,000 will be new arrivals. Included in the latter figure will be about 40,000 Jews from the USSR and other Communist countries.

We signed with Israel February 16 an agreement guaranteeing $50 million in private loans for middle-and-low-income housing construction in Israel. Israeli housing authorities estimate that over one-half of this amount will go to meet

the most critical need of the arriving immigrants—housing. Moreover, during the present and past fiscal years we have helped Israel with assistance of all types of over $1.1 billion to carry the heavy burden of its defense expenditures and so enabled it to continue to absorb large numbers of immigrants, 36,000 last year, of whom 14,000 were from the Soviet Union.

The problem of the absorption within Israel of these refugee immigrants from the USSR, which the bills noted above are designed to help alleviate, is of course an important aspect of the overall problem raised in connection with resettlement of the refugees. This must be considered in the broad context of helping Israel meet foreign exchange shortages in a way that most effectively uses available resources. As noted above, this administration in the present and past fiscal years is already providing $1.1 billion in economic assistance of all forms. Israel's foreign exchange requirements for the program for the resettlement of the refugees within Israel, which are not yet precisely known even by those closest to it, must be considered within the context of Israel's overall assistance needs, which we keep under continuing review. While not yet in a position to estimate accurately what the additional foreign exchange costs to Israel of resettling Jewish refugees from the Soviet Union will be, we are requesting $50 million in supporting assistance for Israel for FY 1973 to help meet its overall foreign exchange requirements, which of course include the foreign exchange component of refugee resettlement programs. The State Department will continue to keep the needs resulting from the Russian Jewish Refugee flow under careful review.

The Office of Management and Budget advises that from the standpoint of the Administration's program there is no objection to the submission of this report.

Sincerely,

DAVID M. ABSHIRE,
Assistant Secretary for Congressional Relations.

Mr. HAYS. Mr. Lloyd.

Mr. LLOYD. No questions. Thank you.

Mr. HAYS. Mr. Fascell.

Mr. FASCELL. No questions.

Mr. HAYS. Governor Thomson.

Mr. THOMSON. I would like to know where the $3 million goes that you say is now being spent. What do you use the money for in aid of these refugees?

Mr. KELLOGG. Well, Mr. Thomson, the portion that is allocated to the Soviet refugees provides care and maintenance during the time that they are in Vienna in transit to Israel and possibly in smaller numbers in Rome for those in transit to the United States. In addition to that ICEM, as I mentioned before, sir, is helping with the transportation to Israel and the U.S. Government from the $3 million to which you have just referred supports ICEM in that program.

Mr. THOMSON. You mean pays for their transportation?

Mr. KELLOGG. A portion of it, yes, sir.

Mr. THOMSON. That is all.

Mr. HAYS. Mr. Kazen.

Mr. KAZEN. No questions.

Well, Mr. Chairman, thank you.

Is there any other refugee problem that is comparable to this one?

STATEMENT OF RAYMOND W. LAUGEL, DIRECTOR, OFFICE OF REFUGEE AND MIGRATION AFFAIRS, DEPARTMENT OF STATE

Mr. LAUGEL. Sir, there are from the Iron Curtain countries but not in comparable figures. There was the Czechoslovak crisis in 1968, as you recall, and they came pouring out by the thousands, not only from Czechoslovakia but from other countries.

Mr. KAZEN. Is the procedure that was used there the same one that you use here?

Mr. LAUGEL. The fact of the matter is that the care and maintenance for these refugees would be the same as you see it. It is done through contracts with the voluntary agencies, these very dedicated individuals who really do the job for us and we assist them. Otherwise, it would cost the United States millions of dollars for social workers in the field. Of course, the countries of first asylum, such as Austria, Germany, and Italy—carry the major share of the financial burden.

Mr. KAZEN. Thank you, Mr. Chairman.

Mr. LLOYD. Mr. Chairman.

Mr. HAYS. Mr. Lloyd.

Mr. LLOYD. I have a constituent who told me that he had paid between $5,000 and $10,000 to have a relative leave Russia and go to Israel. What are the mechanics? Will Israel accept any Russian Jewish refugee that is able to get out of the country?

Mr. KELLOGG. I believe you have asked two questions, one whether or not Israel would accept all refugees. My understanding is the answer to that is "Yes."

Mr. LLOYD. Regardless of their ability to eat?

Mr. KELLOGG. I believe that is correct, including their training or to what extent they can support the country when they arrive there. I believe the answer is that they will accept them; yes, sir.

The other part of your question relates to the cost of a refugee getting out of Russia and arriving in Israel, am I correct?

Mr. LLOYD. Yes.

Mr. KELLOGG. The exit permits and documents are approximately $1,800 per individual, and the average fare from Moscow to Vienna is an additional $86. The average care and maintenance cost in Vienna comes to $50, and the Vienna-to-Tel Aviv air fare is $100. That totals $1,316.

Mr. LLOYD. How many individuals have we paid that money for to date?

Mr. KELLOGG. We pay only a portion of that total. We contribute through the USRP program which is administered by my office through contracts with the voluntary agencies, the care and maintenance portion of that total, and through ICEM a portion of the fare from Vienna to Tel Aviv.

Mr. LLOYD. And the majority of the $3 million has been spent for that purpose; is that correct?

Mr. KELLOGG. The majority portion? No, sir, I would not say it was the majority portion. The $3 million goes to a great many refugee problems and programs around the world. Only a portion of it.

Mr. LLOYD. How many refugees do you estimate that we have assisted up to now, Soviet Jewish refugees?

Mr. KELLOGG. I think I can give that to you completely accurately. During 1971, Mr. Lloyd, 8,392 individual Soviet refugees have been aided.

Mr. LLOYD. All to immigrate to Israel?

Mr. KELLOGG. Yes, sir; entirely.

Mr. LLOYD. Have we assisted any other Soviet Jewish refugees?

Mr. KELLOGG. In smaller numbers to other countries.

Mr. LLOYD. Thank you.

Mr. HAYS. Any other questions?

Thank you.

Before the committee goes into executive session, Mr. Macomber, have you read Art Buchwald's column on State?

Mr. MACOMBER. Yes, I have, Mr. Chairman.

Mr. HAYS. I don't want to make any comment publicly.

Mr. MACOMBER. I have been commenting on that subject for the last 2 days and I don't have anything to add to it, Mr. Chairman.

Mr. HAYS. At this time the committee will go into executive session to hear various Assistant Secretaries for East Asia, Inter-American Affairs, et cetera. The Chair will have to ask all of those who are not members of the Secretaries' staffs to leave the room at this time.

(Whereupon, at 10:40 a.m., the subcommittee proceeded in executive session.)

EXECUTIVE SESSION

Mr. HAYS. The subcommittee will be in order.

At this time we will hear the Honorable Winthrop Brown.

STATEMENT OF HON. WINTHROP G. BROWN, ACTING ASSISTANT SECRETARY, BUREAU OF EAST ASIAN AND PACIFIC AFFAIRS, DEPARTMENT OF STATE

Mr. BROWN. Mr. Chairman.

Mr. HAYS. I understand Mr. Marshall Green, who is the Secretary, is on an extended explanation tour trying to tell the rest of the countries in Asia that the President didn't sell them out to Peking. Is that about an accurate description of it?

Mr. BROWN. He is on a briefing trip.

Mr. HAYS. Well, you have your terminology, you heard mine.

Do you have a statement, Mr. Brown?

Mr. BROWN. I believe you wanted a biographical sketch to begin with.

Mr. HAYS. Yes.

Mr. BROWN. I was born in Maine, and attended Yale University and Yale Law School. I practiced law in New York for approximately 10 years, joined the Lend-Lease Administration in 1941 when it was just getting started. I served with Governor Harriman in London for three and a half years during the war, entered the State Department in 1945 and occupied various posts in the commercial policy and trade agreements field, among them in particular, work on the great tariff negotiations of 1947 resulting in GATT.

I was Economic Minister in London for 5 years and then went to Delhi, India, as the Deputy Chief of Mission. After that I was appointed Ambassador to Laos where I spent 2 years. I was then for 2 years the Deputy Commandant for Foreign Affairs at the National War College. I was then appointed Ambassador to Korea where I spent 3 years. Then for a year and a half I was special assistant to the Secretary of State for Liaison with the Governors of various States in this country. I then became in May 1968 the Deputy Assistant Secretary in the East Asian Bureau in the Department, which is the position I now hold.

Mr. HAYS. How much of the money in the bill is for your specific department, Mr. Brown?

Mr. BROWN. We are asking for a total of 728 American jobs of which 142 are in Washington and 586 overseas, plus 909 local positions overseas. The total that we are asking for is $23,955,500 for fiscal 1973. This represents an increase of four positions and approximately a million and a quarter dollars over 1972. That increase is primarily in the unavoidable price increases in the various countries, mandatory salary increases and that kind of thing, plus the opening of a new consulate in Naha, to take over when Okinawa goes back to Japanese administrative control.

Mr. HAYS. Have you given any thought or study to representation on Mainland China, or is that too far down the road?

Mr. BROWN. I think that is too far down the road.

May I say that the 5-percent cut that Mr. Macomber has spoken about is not reflected in the figures I gave you. That would represent a 51-position decline so that the net that we would be asking you for is 47 positions.

Mr. HAYS. Well, why was that not included in the figures? Are you going to do it or not?

Mr. MACOMBER. Yes, sir.

Mr. Chairman, the cuts were made so late it was not possible to reflect them in the Bureau. They are in the total request before you but not in the individual Bureau.

Mr. HAYS. Will there be any reduction in our presence in the Embassy other than military on Taiwan as a result of the President's trip?

Mr. BROWN. No, sir.

Mr. HAYS. How many people do we have in Taiwan?

Mr. BROWN. If you will give me just a moment; 27 Americans and 50 locals.

Mr. HAYS. Governor Thomson.

Mr. THOMSON. I have no questions.

Mr. HAYS. Mr. Zablocki.

Mr. ZABLOCKI. I have no questions.

Mr. HAYS. Mr. Lloyd.

Mr. LLOYD. No questions, Mr. Chairman.

Mr. HAYS. Mr. Fascell.

Mr. FASCELL. Thank you, Mr. Chairman.

Mr. Brown, is there any change reflected with respect to personnel in Thailand?

Mr. BROWN. In terms of the Embassy, no, sir. We have had a rather substantial reduction of the total American presence in Thailand over the past 3 or 4 years.

Mr. FASCELL. What is the magnitude of that just as an estimate? You don't have to be specific.

Mr. BROWN. Well, we had about 48,000 military, about 2,000 civilians. That military has been reduced by about 18,000. So there are now roughly 30,000 military and about 2,000 official civilians, and about 2,000 civilians unofficial.

Mr. FASCELL. Give us a profile over the same period of time for Laos and Cambodia.

Mr. BROWN. I don't know that I have that but, I can certainly supply it.

Mr. FASCELL. All right.

(The following information was supplied:)

Prior to our resumption of diplomatic relations with Cambodia in July 1969, there were no United States Government employees in that country. At present we have 158 authorized positions in our Embassy in Phnom Penh. Of these, 97 are military personnel and 61 are civilian. As you know, there are no U.S. combat troops or advisors in Cambodia.

The total numbers of American direct hire and contract employees in Laos on March 6, 1970, 1971, 1972 were 1040, 1225, 1239, respectively.

Mr. BROWN. Cambodia, as you understand, we had to reestablish an embassy there because our relations were broken off for several years.

Mr. FASCELL. So a profile of personnel there would not really be meaningful in any sense.

Mr. BROWN. No, sir.

Mr. FASCELL. I just have one other question.

Mr. Brown, you have had an amazing career of service to this country. When were you Ambassador to Korea?

Mr. BROWN. From June 1964 to about June 1967.

Mr. FASCELL. The 7th Fleet is out there somewhere.

Mr. BROWN. Yes, sir.

Mr. FASCELL. Can you give me an example of how the 7th Fleet question either in terms of size or deployment in any way entered into whatever decisions or recommendations you may have made to Washington? Just any example that comes to mind.

Mr. BROWN. The presence of the 7th Fleet of course is the most important single element in our whole military posture of deterrence in the area, not just Korea. The fact that we are capable through the presence of the 7th Fleet to mobilize substantial forces at any moment that it might be necessary is again a tremendously important thing in terms of our relationship with Korea.

It is a very extraordinary thing that the city of Seoul, which is a city now of 5 million people which is north of the Han River and only about 30 miles away from the demilitarized zone where there are armies facing each other, the confidence that has resulted in that city growing into a bustling, active, dynamic place is based tremendously upon their faith in the American promise to come to their help if they are attacked, and the 7th Fleet out there across the horizon, the knowledge that it is there and available, is a tremendous element in that attitude of confidence.

Mr. FASCELL. From an ambassador's viewpoint, the size and deployment of this force which backs up your policy decision, how is that determined and what part did you play in it, if any?

Mr. BROWN. I didn't play any part in such questions as whether there be two carriers or three carriers, or one wing or five wings, that kind of thing.

Mr. FASCELL. That is totally a military decision?

Mr. BROWN. That is a military decision. What I was concerned about when I was in Korea was that there should be a substantial American military presence available if it was needed.

Mr. FASCELL. And the parts of that substantial military presence are support for South Korea and troops, support of Taiwan, and the 7th Fleet. What are the other protection of our Pacific Force?

Mr. BROWN. When I was there we still had two divisions in Korea. But as in every other place, we have been trying to get these countries as they became stronger, more secure, more self-confident, to take over more of the responsibilities for their own protection, as well as for their own development. So a little over a year ago we moved out one of our two divisions and we moved the other one away from the front line and into a reserve position.

At first the Koreans felt very anxious about that and they were worried. Some said this shows that your interest in us is declining. But as they thought about it and talked with us they have come to have a considerable pride in the fact that Koreans are manning the whole line between themselves and the Communist North and that they are doing this without the necessity of American troops on the line.

On the other hand, they are still in a position where a significant American military presence in the country itself is the one sort of tangible Rock of Gibralter on which they can base their future safety.

Mr. FASCELL. Mr. Chairman, if you permit me I have one final question. I am trying to grapple with this position of the interplay between military and foreign policy implementation and also its formulation. I will give you a hypothetical in the consequence of the President's trip, and in an effort to reach some new arrangement—I won't even label it as rapprochement or detente, or anything else, because I don't know, really.

Let's assume for the moment that a decision has been made to move the 7th Fleet and to change its position out of the Straits so it is not over the horizon, it is now more in international waters.

Mr. BROWN. [security deletion].

Mr. FASCELL. [security deletion]. What I need to know is obviously that is a military decision but it, obviously, as you pointed out, has substantial policy questions involved in it. What I am trying to struggle with is at what point you as a top official or your superior in the East Asian Bureau, get involved in the decisionmaking process. And I am not sure yet. I tried to do this yesterday with Mr. Sisco, but I think we did not get together on the effort.

Mr. BROWN. For example, Mr. Fascell, when I got to Korea we had about 64,000 troops there. The whole question of how many we needed to keep in Korea, the general size and composition of the Korean forces themselves, have been under continuous review and discussion.

Mr. FASCELL. You mean with the country team?

Mr. BROWN. With the country team. General Michaelis, General Beach, General Howze—I suppose I saw them at least once every few days, and sometimes more often than that. While obviously I did not have the qualifications to be an expert on whether you needed *x* kind of equipment or *x* numbers, but I could discuss the broad categories and types of not only forces that were needed on the Korean side but also on ours, as well as the general categories of equipment.

[Security deletion].

Then our views were sent back as a joint message and if we disagreed that was indicated. Then our people here in Washington in the Defense Department and in the State Department took that material and made their decision.

Mr. FASCELL. Thank you, Mr. Brown.

Mr. HAYS. Mr. Kazen.

Mr. KAZEN. Just one question, Mr. Chairman.

What is our present situation in Okinawa as far as personnel is concerned?

Mr. BROWN. You mean military, sir, or civilian?

Mr. KAZEN. Civilian. How many?

Mr. BROWN. We have three, a political adviser to the commanding officer who is in charge of the Armed Forces in Okinawa and a secretary, and then one in the civil administrator's office. Now when Okinawa goes back to Japan we will open a consulate and there will be about eight people.

Mr. KAZEN. In other words, there will be an increase in the personnel?

Mr. BROWN. Yes, but when the military administration ceases our civilians who are working now as advisers to them will go over into the consulate and continue as a civilian function.

Mr. KAZEN. So what will be your permanent American component on Okinawa once it is turned over to Japan?

Mr. BROWN. Eight Americans and a dozen locals.

Mr. KAZEN. Eight Americans and a dozen locals.

Mr. BROWN. It will be a medium-sized consulate.

Mr. KAZEN. Will you have to put up the building for them or will the building already be there?

Mr. BROWN. I think we are renting office space. That will have to be provided and the funds for it are in our program.

Mr. KAZEN. You don't intend to purchase any property there?

Mr. BROWN. No, sir.

Mr. KAZEN. Thank you, sir.

Mr. HAYS. Mr. Morse.

Mr. MORSE. Mr. Chairman, I have no questions.

Mr. HAYS. I have just—I guess it is not a question, Mr. Brown—just a comment. You are talking about the 7th Fleet being in fact a bulwark of our defense out there. Does anybody believe that besides the Americans?

Mr. BROWN. Yes, sir.

Mr. HAYS. They do?

Mr. BROWN. They do.

Mr. HAYS. Well, it sure has been a brilliant thing in the 6 or 8 years we have been in South Vietnam. There is a little nation we have not been able to defeat with the 7th Fleet, goodness knows what Air Force, and 500,000 ground troops. I don't know why anybody would think that the 7th Fleet would be any great shakes if something broke out in Far East. They might make a couple bombing runs but they don't seem to be very effective; do they?

Mr. BROWN. Yes, I think they have been quite effective.

Mr. HAYS. Well, Mr. Brown, if you have some spare time sometime maybe you will come out and tell my constituents how you come to that conclusion, because they don't think they are very effective. You know, out in eastern Ohio we figure if you get in a war you win it, you don't piddle along for 6 or 7 years. Nobody in my district thinks we have been very effective militarily at all. In fact, the decision has been made that we could not win, that we are getting out. Is that not about right?

Mr. BROWN. We have followed the basic approach that we will be reducing our own presence as the local troops become more and more

able to take care of their own problems. The Vietnamization program is the carrying out of that particular line of policy in Vietnam.

Mr. HAYS. Have you seen these stories floating around about this intelligence paper that somebody got? I don't know if it is authentic or not, but there has been quite a bit in the press about the North Koreans' plan to attack South Korea.

Mr. BROWN. That is what the South Koreans keep saying.

Mr. HAYS. Well, I ask you specifically, have you seen any stories in the press about a specific piece of paper?

Mr. BROWN. No; not on a specific piece of paper. But I do know that our judgment is that an attack by the North Koreans is not imminent. [Security deletion.]

Mr. HAYS. The Chinese would not move in if we went up the Yalu River, but that judgment turned out to be slightly faulty; didn't it?

Mr. BROWN. The only thing you can do is make the best judgment you can and act upon it.

Mr. HAYS. And you think they have?

Mr. BROWN. No; I don't think it is in their interest, I don't think it will be supported by the Chinese or the Russians. They are much too busy concerning their own problems with each other and the North Koreans certainly can not sustain any long-term operation without their support.

Mr. HAYS. Well, maybe it would be interesting for you and Mr. Laird to get together. Right now, of course, it is budget time, we are going to be attacked all over the place.

Mr. BROWN. Mr. Chairman, may I add that one of the main reasons why we don't think that they are likely to attack is that we still are there, we still have our defense commitment and our security treaty and we have the 7th Fleet in the background. That has been one of the main elements of deterrence, one of the main reasons why the North Koreans have not attacked. They certainly have the capacity.

Mr. HAYS. Mr. Zablocki.

Mr. ZABLOCKI. Ambassador Brown, how do you read the reports of the supposed progress by the International Red Cross between North and South Korea? Will something come of this? Is there any hope or prospect, any opportunity?

Mr. BROWN. This is again the beginning of a long process, Mr. Zablocki. The hostility between the two sides, the completeness of the Iron Curtain between North and South Korea is probably greater than any other—much greater, for example, than it is between the two Germanys. It is pretty well a hermetically sealed line and they sit on either side and bristle at each other and hurl invectives back and forth. Then several months ago the proposal was made by the South, let's see if we can't begin some kind of a contact, first of all on humanitarian things such as finding the divided members of families and they then get together and perhaps have some kind of an interchange, in other words, take steps which would gradually break through the impenetrable barrier.

That caused a reaction on the other side and they said "yes," so they are sitting down together in a surprisingly cordial atmosphere and they have agreed that they will meet in each other's capitals which is a very surprising thing for the North to be ready to do.

This is a very cautious feeling out on both sides and they are going very slowly and are going to keep on going, very slowly. But we think

it is a very good sign. We think it is a sign of increased confidence of the South Koreans in themselves because they would never have dared to do that a few years ago, and would not do it now if they had not felt really pretty sure of themselves, and felt that they will be able to deal with the other side in a fairly strong position.

So, one can only hope and one can only say that as compared with the implacable hostility manifested between the two sides for so many years, we now have a beginning of a dialog. This was their decision and we heartily approve of it. We just keep our fingers crossed and hope but don't expect anything very quickly. We have been very cautious.

Mr. ZABLOCKI. Mr. Brown, on the other hand, the North must be very sure of themselves to agree to such an interchange? However, is it not true that both in the North and in the South the leadership has so entrenched itself that a unification or settlement of the differences between North and South Korea are even further apart than they ever have been, and the longer the time goes on the less chance of any resolution of the problem?

Mr. BROWN. You are absolutely right that the idea of unification is way down the line. It is an ideal that they care about, that they have in mind, but they recognize it is way down the line. So the question is what do you do in the meantime? You can have a state of total military hostility or do you try and find some modus vivendi which will have advantage for both sides? I think they have chosen at least to try the second of the two. [Security deletion.]

Mr. ZABLOCKI. Thank you, sir.

Mr. FASCELL. Mr. Chairman, I would like to pursue something here, if I can, in that same general area.

Now, with Taiwan no longer being a military peg in terms of defense perimeter or at least lessening in degree as part of the pegs in that area, and certainly off the top of the burner as far as the political issue is concerned, what would happen if the United States did move the 7th Fleet further away or took it out of there altogether?

Mr. BROWN. I don't know how one could answer that question.

Mr. FASCELL. Just run it past your computer of experience and venture a guess.

Mr. BROWN. I would say that if there was——

Mr. FASCELL. Do you believe the North Koreans would attack immediately?

Mr. BROWN. No, sir; but it would not be wise simply to say that that was our judgment and therefore we are going to pull all our strength away.

Mr. FASCELL. I understand that is much too hasty a change. I am just trying to get your feeling on it. You honestly would not make that statement without a great deal of study and background.

Mr. BROWN. I think you know that we have not had any substantial combat forces on Taiwan for a long, long time. The buildup in force numbers there since before the Vietnam war has been to a great extent related to the operation.

Mr. FASCELL. One final question. How far down the road in personnel do you look at in terms of preparing a budget? I am thinking, for example, how that would fly in the face of Indochina where we have a definite program with respect to Vietnam certainly that affects Laos

and Cambodia personnel, and ultimately would affect whatever we hope might not be a confrontation over Thailand.

Now is that reflected in thinking as far as administrative matters are concerned, and if so, how and to what extent?

Mr. BROWN. We try to base our budget request on what we consider the requirements are likely to be as far as we can foresee them. We are already, I suppose beginning to develop estimates in the budget-making process of what requirements will be next fiscal year.

Mr. FASCELL. Isn't that based on contingency planning for the future on what policy might be?

Mr. BROWN. Yes.

Mr. FASCELL. The 48,000 people in Thailand has been reduced by 18,000 over a period of years, and you now have a total personnel of 30,000. I don't know how that is reflected in U.S. Embassy people. The policy in the future is—this is just a hypothetical—we are going to pull all our people out of Thailand so we don't have a confrontation. We are going to reduce U.S. personnel, or the policy is we are going to have a status quo or we are going to build up, or whatever it is. Now, how is that reflected administratively?

Mr. BROWN. In the case of Thailand, we have no present plans for further reductions.

Mr. FASCELL. At least as far as you know, that could be reflected administratively. I want to put that caveat in there because otherwise we are going to have to have some more testimony and that would not be too good either.

Mr. BROWN. For example, when we made our budget for fiscal year 1970 we did not plan for an embassy in Phnom Penh, Cambodia, because we had no relations with that country. Then a very unexpected situation arose in Cambodia. Sihanouk was ousted by the legislature. That is one we had not anticipated and I don't think we could have.

Mr. FASCELL. Thank you.

Mr. HAYS. Any other questions?

Mr. ZABLOCKI. Could I just pursue this, Mr. Chairman.

We have more direct U.S. personnel in Thailand then we have in Vietnam and, as a matter of fact, there were more total United States in Thailand than we have in any other country in the area except for Vietnam.

Mr. BROWN. Yes, sir. There are a lot of reasons for that. One of them of course is that Thailand is the center of a good many of our regional activities. It is the place where SEATO, the Economic Commission for Asia and the Far East, the United Nations——

Mr. ZABLOCKI. I can't hear you.

Mr. BROWN. It is where a lot of regional activities in which we are interested are centered and in which we attend meetings and follow their proceedings.

Another thing is that a great deal of what goes on in Thailand is related to requirements in Laos and Cambodia. Some of the air operations in Vietnam have been based in Thailand. So that, in addition to the direct relationship with the Thai themselves, we do have a lot of other activities. Thailand is a tremendous business center for firms and people who are operating all through that region, a central place. All the airlines come through Bangkok. There is a tremendous amount of activity which goes beyond just bilateral relationships.

Now as far as all of the places in the south there, and specifically including Thailand and Saigon, our objective is and our hope is to be able to reduce these embassies further and that is what we are trying to do.

Mr. ZABLOCKI. Then, Mr. Ambassador, if Vietnamization is to be successful, we will not intend to keep a status quo as far as forces in Thailand, but indeed you will also intend to reduce our presence in Thailand?

Mr. BROWN. That is what we are hoping for.

Mr. ZABLOCKI. I didn't want the record to remain with the answer to the gentleman from Florida that our intentions are to keep this sort of status quo.

Mr. BROWN. No; I was saying specifically for this year and next year we have no present plan. The objective is as you have stated it.

Mr. ZABLOCKI. Thank you.

Mr. HAYS. Any other questions?

Thank you, Mr. Brown.

Mr. BROWN. You are welcome, sir.

Mr. HAYS. Before we leave this, I want to include this chart on the East Asian Pacific Affairs Personnel as we have the others in the record.

(See fold-out table on East Asia and Pacific facing p. 135.)

(See appendix 10, p. 156, for Bureau of East Asian and Pacific Affairs fiscal year 1973 budget summary.)

Mr. HAYS. It does not seem to me that we are going to get to the Bureau of European Affairs, Mr. Hillenbrand. If you have something more important to do than sitting back there, you can be excused because I want to be here when we go into that subject. I really know a little bit about it, and I have to leave at about 10 minutes to 12. So I think we will try to take the Inter-American Bureau this morning and then we will come back to the European Affairs on Monday morning. We have a meeting set for Monday.

Mr. BROWN. Thank you.

Mr. HAYS. We have the Honorable Charles A. Meyer, Assistant Secretary of Inter-American Affairs.

Do you want to give us a brief biographical sketch, Mr. Meyer?

STATEMENT OF HON. CHARLES A. MEYER, ASSISTANT SECRETARY, BUREAU OF INTER-AMERICAN AFFAIRS, DEPARTMENT OF STATE

Mr. MEYER. Yes, Mr. Chairman.

I was born in Massachusetts, and I was educated at Harvard; after college I went to work for Sears, Roebuck & Co., for whom I worked, except for 4 years in the Army, all of my adult life until nearly exactly 3 years ago when I joined the Department of State. My Sears career included about 14 complete years in charge of Sears Roebuck's Latin American enterprises, during which time I served on the periphery of the Government both as chairman of the Export-Import Bank Advisory Committee, the Latin American Committee of the old Business Advisory Council, and as a member of the advisory group to the Secretary of State on Inter-American Affairs in the last 2½ years of the Eisenhower administration.

I would like, sir, if I may, to deliver not just a prepared statement, but because I know by listening yesterday, in terms of the budgetary

considerations that the figures are somewhat complex, I would like to read a summation of the Bureau of Inter-American Affairs in relationship to the authorization and then distribute the statement to members of the committee rather than read all the figures.

Mr. Chairman, the budget proposed by the Bureau of Inter-American Affairs under the major function "Administration of foreign affairs," in the appropriation "Salaries and expenses," totals $27,869,200. This amount includes American salaries and all direct operating expenses of the Bureau, overseas and domestic. There are 154 domestic and 680 overseas American positions included, and 891 local positions, all direct.

We have 50 posts in 27 countries. Might I add there that we do not have an Embassy in Cuba, as you are all aware. We have 23 Embassies; 12 consulates general, including four in dependent countries; 11 consulates; three consular agencies; and one political adviser.

There is an increase of $713,000 over fiscal year 1972, which is a net of $898,000 in increases, and $185,000 in decreases. The increases include:

Wage increases, American and local; price increases overseas, purely inflationary; within grade increases, American and local; security protection for overseas personnel; and additional costs for consular positions authorized in fiscal 1972.

The decreases include 2 day's less pay in 1973 and currency devaluation.

The balance, sir, with your permission, I will submit not only for the record but we have copies for members of the committee, and I don't want to read all the figures.

That is all, sir.

(Data submitted by Mr. Meyer follows:)

BUREAU OF INTER-AMERICAN AFFAIRS, FISCAL YEAR 1973 BUDGET SUMMARY

Mr. Chairman, the budget proposed by the Bureau of Inter-American Affairs under the major Function, "Administration of Foreign Affairs" in the Appropriation, Salaries and Expenses, totals $27,869,200.[1] This amount includes American salaries and all direct operating expenses of the Bureau, overseas and domestic. There are 154 domestic and 680 overseas American positions included and 891 local positions, all direct.

We have 50 posts in 27 countries. There are 23 Embassies, 12 Consulates General, 11 Consulates, 3 Consular Agencies, and 1 Political Advisor.

There is an increase of $713,000 over FY 1972, which is a net of $898,000 increases and $185,000 decreases. The increases include:

Wage increases, American and local	$364,000
Price increases overseas	251,000
Within-grade increases, American and local	139,200
Security protection for overseas personnel	100,000
Additional costs for consular positions authorized fiscal year 1972	43,800
Total increases	898,000
Decreases include:	
2 less days of pay in 1973	—$153,600
Currency devaluation	— 31,400
Total decreases	— 185,000
Net increase	713,000

The budgeted amount of $27,869,200 breaks down into the following categories of expense:

[1] The funding level and the number of positions have not been adjusted for Presidential reduction in process of implementation.

	Amount	Percent
American salaries, retirement and health benefits, life insurance costs, hardship post differential, and miscellaneous salary costs	$16,365,500	58.7
Local employees' salaries and related costs (includes retirement and severance payments)	4,887,900	17.5
American allowances (includes education, housing, and temporary lodging)	2,522,300	9.1

As you can see, Mr. Chairman, over 85% of our expenses are salary costs and allowances. The remaining categories are:

	Amount	Percent
Rents, telephone, telegrams, and utilities	$1,440,600	5.2
Building operations, maintenance of equipment and automobiles, official residence expenses, and security guards	1,341,100	4.8
Travel and transportation of things (includes pouches, ocean freight of government property, air freight, and similar costs)	564,500	2.0
Supplies (includes office, medical, security, automotive, and clothing for Marine guards)	507,700	1.8
Equipment (includes furnishings for office and household, office machines, security, telephone and medical equipment, and books and maps)	239,600	.9

Mr. HAYS. Is Sears, Roebuck doing better in Latin America than we are? I hope they are, although I don't own any stock in the company.

Mr. MEYER. In terms of a pure spirit of conflict of interest, I don't know how they are doing in Latin America.

Mr. HAYS. Did they make any money when you were with them?

Mr. MEYER. Yes.

Mr. HAYS. That included writing off the stores that got bombed and burned?

Mr. MEYER. And devaluation.

Mr. HAYS. Would you, Mr. Meyer, advise any American businessman if he was not already involved in Latin America and had an opportunity down there to invest, would you advise him to go or stay away?

I realize that is a very general hypothetical question.

Mr. MEYER. I have made the statement to the business community in the United States and I will reiterate it. Yes. I think I would ask them to go and look with their own eyes first, but I would advise them to go with a concept of building local equity participation in their enterprise.

Mr. HAYS. Well, they have to build that pretty well, anyway, don't they, by the time they pay off the various Government officials? Otherwise, they get harassed to the point they don't stay.

Mr. MEYER. That is not equity, sir, and there are very few people that stay bought.

Mr. HAYS. I recognize that; it is an ongoing thing. You are right, they don't stay bought very long; they are around for another cut very quickly.

Mr. MEYER. My example was just to illustrate. In Panama during the riots of 1964, employees of Sears, Roebuck independently formed a volunteer corporation to guard the property and appurtenances 24 hours a day during the riots. Why? Because they are shareholders. That is my point about equity.

Mr. HAYS. What progress, if any, has been made with Chile on the matter of expropriation?

Mr. MEYER. It is a mixed picture, Mr. Chairman. The Chilean Government has paid for various nationalizations within their country. The sticking point, if you will, is in particular reference to the two major copper producers, where the constitutional revisions within Chile gave the President of the Republic the authorization, the constitutional power to decide what was due these two companies on the basis of evaluation of assets and evaluation of excess profits retroactively.

As a result, the two major copper producers are in the process of a judicial review within an entity set up by the Chilean constitutional process, said entity having the responsibility of determining whether or not the President's finding on excess profits, which is an offset to asset value, is appealable, and if so, whether it should be changed. [Security deletion.] This is a very intricate situation because part of it is debt, part of it is equity. The equity is shared in both instances 51 percent with the Government of Chile since Anaconda negotiated a sale of 51 percent themselves in 1969. [Security deletion.]

Mr. HAYS. [Security deletion.]

Mr. MEYER. [Security deletion.] The process is not complete, Mr. Chairman, and most recently, for example, you may be aware that the Government of Chile agreed to recognize 90 percent of the debt owed to the Kennecott subsidiary although they had originally said they would not.

As I say, the whole thing is in the juridical process within Chile. [Security deletion.]

Mr. HAYS. Thank you.

What about the status of negotiation about giving away the Panama Canal? Can you tell us about that?

Mr. MEYER. Well, first might I suggest, sir, that the negotiations for a new Panama Canal treaty are not contemplated in the pure sense of giving away the Panama Canal. They start with the basis of a revision of the 1903 treaty and they are based initially on the draft treaties which the Government of the United States, or at least the negotiators of the Government of the United States and the negotiators of the Panamanian Government developed in 1967. Neither Government ratified that treaty. The negotiations were reestablished last year. Panama has three negotiators and we have three negotiators. The problems are from the Panamanian standpoint U.S. ownership of a 10-mile strip of property running through the middle of their country in perpetuity, and I think equally the problem of U.S. courts' having jurisdiction over Panamanian citizens.

Those are the two substantive emotional and political problems.

The negotiations are in process, Mr. Chairman, and I can assure you that the premise is not to "give away the canal."

Mr. HAYS. Well, I just want to give you a little bit of advice. If it appears that you have given it away, don't come around to Congress wanting the appropriation to build another one, because there is no chance of getting it.

Mr. MEYER. The Panamanians are aware of that, sir.

Mr. HAYS. Governor Thomson.

Mr. THOMSON. No questions.

Mr. HAYS. Mr. Zablocki.

Mr. ZABLOCKI. Thank you, Mr. Chairman.

Mr. Secretary, what is the status of our problem in Ecuador at the present time?

Mr. MEYER. There is not an immediate solution, Mr. Congressman, to the tuna problem, which is the only problem we have with Ecuador. I say there is not an immedate solution because, since Ecuador, Chile, and Peru established a 200-mile patrimonial or territorial sea in 1952, the pure fishing aspect of an interpretation of high seas has gotten mixed up with the law of the Sea Conference scheduled under the auspices of the U.N. for 1973 and they have become almost inextricably intertwined. No nation wants to predeclare its position vis-a-vis innocent passage, overflight, territorial seas versus patrimonial territory in advance of the ultimate bargaining table.

The problem at the moment with Ecuador is for that reason unchanged and Ecuador has taken the position publicly that fishermen fishing within 200 miles for tuna must obey the Ecuadorean law. They have written into their civil law that fishing limited to 200 miles is permitted, given the purchase of licenses. We take the position that a fisherman need not—of course he can if he wishes—buy licenses because our fundamental position is that anything beyond 12 miles is high seas. That is it, sir. That is just where it stands and Ecuador says anybody without a license will be seized and fined according to their law. They have done that in 1971. They seized seven vessels this year and fined them, and the tuna, thank God, is somewhere else at the moment. That is where it stands.

Mr. ZABLOCKI. I have no further questions because this area was covered by my colleague from Florida, but we repeatedly hear criticism about our military assistance to Latin American countries.

Would you at this time briefly advise the committee of the value of our military grant and loan assistance to that area? As you well know, a year ago January my subcommittee made a study of four of the countries in that area, and we found there was some value.

Mr. MEYER. Congressman Zablocki, I will start with this premise: Latin America has military establishments—and forgive me for appearing redundant but I have to say this—and they are going to have military establishments as part of their national tradition and those establishments are going to require, if they are going to be military establishments, some kind of hardware that is somewhat attuned to the 20th century.

Mr. ZABLOCKI. Military establishments were long in being before our assistance.

Mr. MEYER. How long, sir? From the Spanish conquest, if you wish to go back that far.

Over a period of years, and I would say I think this is sustainable, particularly since the outbreak of World War II, the military establishments of Latin America—I use that date although in some instances it antecedes that date—have been closely connected with our Navy first, Army second, Air Force is new, for training first and materiel second. The end result of this without exception is that the military in Latin America prefer to maintain intimate contacts in terms of training techniques and materiel with the United States than with any other nation.

On training programs, our training programs have been longstanding and they have developed a group of military men in Latin

America who know each other, and they also know military men in the United States. Every single nation in this hemisphere has said to me, "Why is it you don't understand the only nation we trust is you and the only nation with whom we wish to maintain this materiel and training relationship is you, but if you cannot do it don't you realize we will have to go elsewhere?"

I say yes to both. We understand it and we understand they will go elsewhere.

Mr. ZABLOCKI. Mr. Secretary, it is true that we look upon Latin America as an area in the Western Hemisphere, as an area in the sphere of our national interest, the sphere of our influence. Now if the Soviet Union established a military aid program, all stops would be pulled out in order to cope with it.

Mr. MEYER. [Security deletion] Cuba we are all aware of. [Security deletion.] If there were sweeps toward the Iron Curtain countries for hardware replacement which would include personnel from the Soviet Union resident in the nations of this hemisphere, I think we would concern ourselves.

Mr. ZABLOCKI. Thank you.

Mr. HAYS. Could I just ask you at that point, why is it that when they say they would rather do business with us they expect to do it with our money and if they do business with somebody else they expect to pay for it?

Mr. MEYER. Might I say, Mr. Chairman, that in foreign military sales credits, which is 99 percent of the transactions that will take place, that is a pay but it is time payment schedule.

Mr. HAYS. They never intend to pay it and they never will.

Mr. MEYER. No, sir; they get the same deals from France but with better terms. It is time payment. European firms out-compete ours, they start usually with higher prices but they have longer periods and lower interest rates.

Mr. HAYS. Mr. Morse.

Mr. MORSE. I have no questions.

Mr. HAYS. Mr. Fascell.

Mr. FASCELL. No questions, Mr. Chairman.

Mr. HAYS. Mr. Kazen.

Mr. KAZEN. No questions, Mr. Chairman.

Mr. HAYS. Mr. Culver.

Mr. CULVER. No questions, Mr. Chairman.

Mr. HAYS. I have one further question. [Security deletion.]

Mr. MEYER. [Security deletion.]

Mr. HAYS. [Security deletion.]

Mr. MORSE. [Security deletion.]

Mr. HAYS. [Security deletion.] Any other questions?

Mr. Kazen.

Mr. KAZEN. Mr. Chairman, let me ask the Secretary this question: Does Ecuador have any of our boats on loan?

Mr. MEYER. Yes; Congressman Kazen.

Mr. HAYS. That is what they arrest our fishermen with.

Mr. MEYER. No, sir; they have three new German ones which are fast. They have four, I think, but I would have to check it.

Mr. KAZEN. My next question, have they used any of these ships to stop our tuna fishing?

Mr. MEYER. Until the German fast boats were delivered this year; yes, sir.

Mr. KAZEN. All right. My understanding of that program is that they are to use the boats until we ask them to return them to us, is this correct?

Mr. MEYER. They are on a term—well, there is a ship lease program and there is another wrinkle and the contractual term I think Congressman Kazen, prevails if it is 5 years. At the end of this term the lease is renewable or they may purchase the scrap value.

Mr. KAZEN. But we have never recalled any of our ships?

Mr. MEYER. I believe we have never recalled a loan ship anywhere.

Mr. KAZEN. Well, it seems to me that if it is being used to the detriment of the United States and it is on loan from us and we have the authority to ask for it back, that certainly we should look at that situation.

Mr. MEYER. We do.

Mr. KAZEN. And weigh whether or not we should or should not, depending on what the circumstances are.

Mr. FASCELL. Excuse me. Would the gentleman yield?

That issue is moot now, isn't it?

Mr. MEYER. In what sense?

Mr. FASCELL. They have new boats. They have the German boats.

Mr. HAYS. If I may interrupt at this time. Mr. Trujillo sent me the famous telegram.

Mr. FASCELL. After your statement on the floor of the House? I will never forget that.

Mr. HAYS. Zsa Zsa Gabor. He said he wanted me to know that $600,000 he gave Ramfis to entertain Zsa Zsa was not the same $600,000 he was getting from us.

Mr. MEYER. That is what is known as fungible funds.

Mr. HAYS. He could put it in the bank and get it out the other side, but the jobs somehow turned out to be the same.

Mr. KAZEN. Well, I won't pursue this any further.

Mr. MEYER. I would have to do a little more specific research to determine the terms each ship is leased. I think there are now patrol boats in Ecuador that have been on or may still be on lend-lease or outright lease in Ecuador. In terms of abrogation of that lease, I am not exactly sure.

Mr. KAZEN. I was just wondering what they use them for and if they could be used as a lever, while of course they don't like this——

Mr. MEYER. Nowhere, Mr. Congressman.

Mr. KAZEN. This is why we are getting in a lot of trouble in Latin America.

Mr. MEYER. That is right.

Mr. KAZEN. We are caught between the wall and a hard place.

Mr. MEYER. Yes.

Mr. KAZEN. Thank you.

Mr. HAYS. Without objection, we will include this budget summary [1] Mr. Meyer left, and also the lengthy chart, in the record.

(See fold-out table on Latin American Republics facing page 135.)

Mr. ZABLOCKI. Mr. Chairman, if I still have time, I would like to refer to the one concern of all of us, that the Alliance for Progress is not used as well as it should be.

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[1] See pp. 89–90 for budget summary.

Mr. HAYS. Could I ask you to take over?

Mr. ZABLOCKI. What is being planned to improve the Alliance for Progress? Do you see any hope of a multination organization, or is the Alliance going to improve under its present structure.

Mr. MEYER. Well, Congressman Zablocki, I happen to feel that the Alliance was not a failure. I think the Alliance fell short of its goal but I think it accomplished a great deal in the appropriations for an economic assistance as they relate to the hemisphere. As you know, it is still going through the appropriations channels as Alliance for Progress funds. I feel that the Alliance is in essence something that can never die because it is almost a treaty relationship between the Hemispheric nations in terms of desired purposes—education, health, democratic processes, social progress, et cetera. The foundation has been laid, in short. The funds which we solicit each year from the Congress for bilateral assistance or the funds which we solicit for the replenishment of the international lending institutions follow along on the foundation built by the Alliance and today are much more specific. Their education, health and in the case of Colombia, for example, the pilot program on urban development. This has never been done before. God knows, everybody has problems, but in Colombia we are trying with the Colombians and the World Bank to see what can be done to prevent or to ameliorate the problem of urban concentration.

In short, I don't think the Alliance is dead, it is just not a phrase that is used as a banner.

Mr. ZABLOCKI (presiding). There is at least going to be a reorganization in the Alliance?

Mr. MEYER. No, sir; there has not been.

Mr. FASCELL. Mr. Chairman, may I ask a question.

Mr. Secretary, what is the magnitude of the downward curve in terms of personnel, say, in the last 3 years both total, and State in Latin America or in the area of your jurisdiction?

I note, for example, military missions have been reduced by 50 percent. I know that State, AID personnel got several reductions of at least 10 percent a year, or maybe more.

Mr. MEYER. From 1967 the State reduction has been 19.6 percent.

Mr. FASCELL. Is that a 4-year?

Mr. MEYER. To 1972.

Mr. FASCELL. So it has been practically a 20-percent reduction in State direct personnel—State, AID?

Mr. MEYER. Yes, for State.

Mr. FASCELL. Is that a different figure for AID?

Mr. MEYER. AID is higher. AID is closer to 30-percent reduction.

Mr. FASCELL. And the military is closer to 50?

Mr. MEYER. More than that, sir. I went from a peak of approximately 800 to 290.

Mr. FASCELL. So there has been a substantial drop in the U.S. military personnel over the last 6 years.

Mr. MEYER. Yes.

Mr. FASCELL. I notice in the organizational chart we got for the Bureau you have State and then you have joint personnel. You wear three hats, or four, I can't remember how many you have.

Mr. MEYER. Organizational chart?

Mr. FASCELL. Yes. I notice some of the people in that organization chart are designated State, some people are designated joint.

Mr. MEYER. Yes, sir.

Mr. FASCELL. I assume by that they have a responsibility in State and in AID.

Mr. MEYER. That is exactly right, because we are the only Bureau in the Department that is a merged Bureau.

Mr. FASCELL. So you have a merged Bureau for AID and State.

Mr. MEYER. And interchange of personnel.

Mr. FASCELL. And interchange of personnel. Now the status of the personnel is so designated there in terms of—well, I guess the Foreign Service—what is it, system retirement or what? I mean what is their status, is what I am trying to understand.

Mr. MEYER. On the chart Congressman Fascell, if it says AID, he is an AID personnel man in all of his aspects.

Mr. FASCELL. And he comes under a different system of the law, he is not a Foreign Service officer?

Mr. MEYER. He is not a Foreign Service officer. If it says joint, he may be a State man operating an AID responsibility or an AID man operating a State responsibility. Where we get to the problem—what was your word?

Mr. FASCELL. Reimbursed. I am just trying to understand the administration. I have never really had an opportunity to get into this administrative problem before in terms of the merger and the joint designation of the personnel and what their status is under the law, but how does that work down the line.

Mr. Meyer. You mean in the field?

Mr. FASCELL. Yes, sir. in terms of personnel. Do you have to carry them on separate rosters?

Mr. MACOMBER. Mr. Fascell, the Agency for International Development has its own personnel and its own personnel system, and in Washington in every bureau but the Latin American Bureau you have these two sets of personnel who work near and with each other but are not merged into the same office. Abroad the AID people would be a cadre of personnel just like the military people, USIA people or anybody else—they are in separate personnel systems, but all are part of the Embassy and are all working for the Ambassador.

In the Latin America Division the personnel situation is exactly the same. However, instead of having the AID people, here in Washington look to an assistant administrator as their boss, who would be the equivalent of the Assistant Secretary of State, Mr. Meyer is both an Assistant Secretary of State and Coordinator in AID. He heads two separate personnel systems.

Mr. FASCELL. Were you not the head of some study on personnel and other matters in the Department which made some recommendations on merging the two, or providing for a single system? What were those?

Mr. MACOMBER. Yes, sir. Those studies that you referred to recommended that we bring the State Department personnel under one personnel system; namely, the Foreign Service System.

Mr. FASCELL. But there were no recommendations with respect to all AID personnel following the concept of the Latin American Bureau for example?

Mr. MACOMBER. No; they didn't recommend that the Bureaus be merged. What they did recommend is that there be a much greater exchange of personnel between State and AID, between State and USIA, between State and Defense, between State and Agriculture, and so on, so that you have a flow of personnel back and forth which would enable our people to have a better understanding of the objectives and problems of the other agencies and vice versa.

These studies also recommended when we are seeking deputy chiefs of mission and ambassadors, we not only look at people in the State Department but at officers in other foreign affairs agencies as well.

Mr. FASCELL. Let's take, for example, AID people right in their own personnel system, and you decide you have some good people that ought to come over into State and get in that system. How do you get over?

Mr. MACOMBER. We have an exchange program. We will have several of our people working with them and they will have several working with us.

Mr. FASCELL. How about permanent transfers?

Mr. MACOMBER. No; we have not worked on that. It is possible for an AID officer to simply apply for lateral entry into the Foreign Service.

Mr. FASCELL. But that is just a lateral transfer of request and then if State wants him, they will pick him up.

Mr. MACOMBER. Yes. We are really much more interested in getting this flow back and forth between the two and then getting a broader base to pick our top leadership from because one of the things you get from the agencies is the management experience. The AID people learn to run things and at the top of an embassy we have found that a key responsibility is to run things. We have found that we have picked many of our DCM's and our ambassadors primarily from the political affairs cone where they have not had much experience in running things.

Mr. FASCELL. I have not examined those studies in depth but from what I have heard, seen and read, I think they are extremely valuable in looking at the Department operation.

That is all I have, Mr. Chairman.

Mr. ZABLOCKI. Any further questions?

The subcommittee is adjourned until Monday morning at 10, as announced by the chairman.

(Whereupon, at 11:55 a.m. the subcommittee was adjourned, to reconvene at 10 a.m., Monday, March 6, 1972.)

DEPARTMENT OF STATE AUTHORIZATION FOR FISCAL YEAR 1973

MONDAY, MARCH 6, 1972

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
SUBCOMMITTEE ON STATE DEPARTMENT
ORGANIZATION AND FOREIGN OPERATIONS,
Washington, D.C.

The subcommittee met in executive session at 10 a.m. in room 2200, Rayburn House Office Building, Hon. Wayne L. Hays (chairman of the subcommittee) presiding.

Mr. HAYS. This morning we will continue taking testimony on the authorization for the Department of State for the next fiscal year.

We will hear from four bureau chiefs, if we have time, starting with Hon. Martin J. Hillenbrand, Assistant Secretary, Bureau of European Affairs; Hon. Samuel De Palma, Assistant Secretary, Bureau of International Organization Affairs; Hon. John Richardson, Jr., Assistant Secretary, Bureau of Educational and Cultural Affairs, and Mr. Ray S. Cline, Director, Bureau of Intelligence and Research.

Mr. Hillenbrand, will you please proceed.

STATEMENT OF HON. MARTIN J. HILLENBRAND, ASSISTANT SECRETARY, BUREAU OF EUROPEAN AFFAIRS, DEPARTMENT OF STATE

Mr. HILLENBRAND. Mr. Chairman, if you wish I could begin by giving a brief biographical sketch. I was born in Youngstown, Ohio. I was raised in Chicago and I then returned to Ohio to finish my undergraduate work at the University of Dayton. Then I went to Columbia where I got an M.A. and Ph. D.

I joined the Foreign Service 30-plus years ago. I have served in Switzerland, Burma, India, Portuguese East Africa, France, three times in Germany, three times back in Washington, and my last assignment prior to coming to my present position was as U.S. Ambassador in Budapest, Hungary.

I have a statement here which contains a summary of our budget presentation. I think it has been made available to the subcommittee.

Mr. HAYS. Without objection it will be incorporated in the record at this point.

(The budget summary follows:)

BUREAU OF EUROPEAN AFFAIRS FISCAL YEAR 1973 BUDGET SUMMARY

Mr. Chairman, the budget proposed by the Bureau of European Affairs under the major Function, "Administration of Foreign Affairs" in the Appropriation, Salaries and Expenses, totals $45,283,600. This amount includes American sal-

aries and all direct operating expenses of the Bureau, overseas and domestic. There are 207 domestic and 1,087 overseas American positions included and 1,695 local positions, all direct.

We have 76 posts in 26 countries. There are 26 Embassies, 2 Missions, 33 Consulates General, 9 Consulates, and 6 Consular Agencies.

There is an increase of $1,968,900 over FY–1972, which is a net of $2,241,100 increases and $272,200 decreases. The increases include:

Wage increases—local	$499,900
Price increases overseas	432,600
Within-grade increases—American and local	365,700
Two American telephone technicians for Bonn, Germany	18,000
Seven local telephone operators Embassy London	14,000
One trans-Atlantic telephone line	132,000
Relocation of consular section in Vienna, Austria	27,700
Temporary relocation of Chancery in Belgrade, Yugoslavia	71,700
Additional costs for local employee wage increases, authorized fiscal year 1972	639,400
Additional costs for consular positions authorized fiscal year 1972	40,100
Total increases	2,241,100

Decreases include:

Two less days of pay in 1973	—$272,200
Total decreases	— 272,000
Net increase	1,968,900

The budgeted amount of $45,283,600 breaks down into the following categories of expense:

American salaries, retirement and health benefits, life insurance costs, hardship Post differential, and miscellaneous salary costs (56.6 percent)	$25,643,100
Local employees' salaries and related costs—includes retirement and severance payments (26.9 percent)	12,185,600
American Allowances—includes education, housing, and temporary lodging (5.6 percent)	2,537,900

As you can see, Mr. Chairman, 89.1 percent of our expenses are salary costs and allowances. The remaining categories are:

Rents, telephone, telegrams and utilities (4.5 percent)	$2,001,300
Travel of persons and transportation of things—includes pouches, ocean freight of government property, air freight and similar costs (1.2 percent)	563,100
Building operations, maintenance of equipment and automobiles; official residence expenses and security guards, gratuities and insurance (4.0 percent)	1,776,800
Supplies, printing, and equipment—includes office, medical, security, automotive, clothing for Marine Guards and furnishings for office and household; office machines; security; telephone and medical equipment; and books and maps (1.2 percent)	575,800

The latter categories compose 10.7 percent of the total budget of $45,283,600.

Mr. HAYS. Also I have a detailed sheet, as I assume do all the others. Without objection we will include that in the record also.

(See fold-out table on Europe facing page 135.)

Mr. HAYS. Mr. Hillenbrand, I notice the Department of Transportation has 46 people in Germany. Do you have any idea what they do there?

Mr. HILLENBRAND. I think they are mostly there in connection with civil aviation matters. They operate in Frankfurt, Frankfurt being one of the major world airports. This is a worldwide function.

Mr. HAYS. Does our Department of Transportation have people at every international airport in numbers of that magnitude?

Mr. HILLENBRAND. I don't believe so. I think this is the largest single grouping, at least in the European area, by far.

Mr. HAYS. But you really don't know what they do, if anything?

Mr. HILLENBRAND. I know in general what they do. Since Frankfurt is a major international airport they travel around inspecting facilities that service American airlines and perform certain statutory functions which the CAA has allotted to it. But I cannot give you the specific details of a typical day of a man.

Mr. HAYS. London has a bigger international airport than Frankfurt. Do they have a similar complement there?

Mr. HILLENBRAND. I don't think so.

Mr. HAYS. These 46 are based in Germany and they travel around all over Europe?

Mr. HILLENBRAND. That is right.

Mr. HAYS. That is another little State Department there. When their budget comes up I might have something to say about that.

How many State Department people do you have attached to international agencies located in Europe?

Mr. HILLENBRAND. Are you referring to NATO?

Mr. HAYS. I am referring to all the international agencies.

Mr. HILLENBRAND. I think, Mr. Chairman, we will have to supply that figure for the record. I can give you the data for U.S. Mission NATO and U.S. Mission for the Common Market which we are responsible for, but we are not responsible for a number of other missions in the European area. For example, the one in Geneva.

STATEMENT OF HON. WILLIAM B. MACOMBER, JR., DEPUTY UNDER SECRETARY FOR MANAGEMENT, DEPARTMENT OF STATE

Mr. MACOMBER. Mr. De Palma tells me there are about 90 State Department personnel assigned to various international organizations in Europe, so it would be 90 plus the people assigned to NATO, OECD and some others.

Mr. HILLENBRAND. We have 20 State Department personnel assigned to the U.S. Mission to the Common Market; 38 assigned to U.S. NATO. We have 23 assigned to the U.S. Mission to the Organization for Economic Cooperation and Development (USOECD).

Mr. HAYS. Has their number been increasing or decreasing within the last few years?

Mr. HILLENBRAND. As far as the EUR operations are concerned, these figures have not been increasing because they have been subjected to the same overall cuts to which EUR has been subjected over the last 3 or 4 years under the BALPA and OPRED programs.

Mr. HAYS. I notice an increase in your summary—you have two American telephone technicians for Bonn, Germany. What would they be doing?

Mr. HILLENBRAND. This is a general operation. They do the kind of work in the field of telecommunications which, for certain reasons, we cannot give to local employees. Essentially one of their important functions is to insure the security of our telecommunications and to do other technical work which, as I say, we cannot entrust to local employees. But they will be operating in the general area, not merely in the Bonn area.

Mr. HAYS. Do you think your telecommunications in Bonn, which is the capital of Europe, are secure? You are not trying to kid me and say they are?

Mr. HILLENBRAND. I think our cryptographic systems are secure. Obviously the telephone communications are not secure and all our employees operate on the assumption they are not secure.

Mr. HAYS. What about seven local telephone operators in the Embassy in London?

Mr. HILLENBRAND. I know this is a figure that might jar at first sight, but up to next July 1 we will have been benefiting from the use of four leased lines operating out of what is known as "London Toll" and the "White House switch." These have been financed by the military and have involved 12 operators operating on a 24-hour round-the-clock basis in London.

On the first of July they are going out of business as far as the State Department is concerned, so we have to substitute for them. Instead of the lines which are going out of action we would like one additional line. That is, one transatlantic telephone line. In order to substitute for the 12 military operators, and to maintain the same service or at least the minimum same service, we need these seven local operators.

Mr. HAYS. You say they are going out of business as far as the State Department is concerned. What do you mean by that?

Mr. HILLENBRAND. In other words, they are withdrawing from this field. I am not sure that they are all leaving. Yes, they are going out of business.

Mr. HAYS. I wondered if Mr. Kissinger had so much to talk about that he was taking them all over and cutting you people out all together.

How about this temporary location of a chancery in Belgrade. What is that about?

Mr. HILLENBRAND. We are going to build a new chancery building in Belgrade on the site of the old chancery building. If you have been to Belgrade you know that is one of our least satisfactory buildings.

Mr. HAYS. I have not been to Belgrade in 23 years.

Mr. HILLENBRAND. It is a pretty crummy place and it needs replacement. In order to build on the same site, which is a good site, we have to relocate temporarily so the office can continue to function. That is what this essentially is.

Mr. HAYS. Off the record.

(Discussion off the record.)

Mr. HAYS. We don't rent too many places in Europe, do we?

Mr. HILLENBRAND. Not many. There are a few, but most of our properties are owned by the U.S. Government. That is the office buildings.

Mr. HAYS. Don't you think that over the long period that it is cheaper for the taxpayer to own the building than it is to rent, the way rents are now?

Mr. HILLENBRAND. I think in general that is true.

Mr. HAYS. That is all I have.

Mr. Lloyd?

Mr. LLOYD. I don't have any questions.

Mr. THOMSON. I don't have any.

Mr. HAYS. One other item, Mr. Hillenbrand. On page 3 of your summary statement you have rents, telephone, telegraph and utilities

budgeted at $2,001,300. Can you tell us for the record, either now or supply it, how much of that is rent, and break that figure out.

Mr. HILLENBRAND. Approximately $1 million is for rents.

Mr. HAYS. All I was interested in was the rent figure. The rest then are a combination of other categories?

Mr. HILLENBRAND. I can give you the exact figures; $1,010,100 for rents for fiscal year 1973, estimate.

Mr. HAYS. Would you also give us a breakdown of exactly what we rent for that amount of money.

Mr. HILLENBRAND. We will do that.

(The information was supplied as follows:)

RENTAL COSTS ESTIMATED FOR FISCAL YEAR 1973

Post	Number of units	Cost
Nonresidential units:		
Austria	2	$31,800
Belgium	2	25,800
Bulgaria	3	9,900
Canada	5	105,800
France	2	8,600
Hungary	1	5,400
Italy	3	87,700
Netherlands	1	14,500
Romania	1	1,800
Spain	6	8,600
Switzerland	3	16,000
United Kingdom	3	19,000
U.S.S.R	2	33,100
Yugoslavia	2	46,900
Total	36	414,900
Residential units:		
Austria	4	30,900
Belgium	40	102,800
Bermuda	3	20,200
Bulgaria	9	12,800
Canada	2	5,600
Residential units—Continued		
Czechoslovakia	2	$2,900
Denmark	4	15,700
Finland	1	6,400
France	3	6,400
French West Indies	3	15,100
Iceland	2	6,900
Ireland	3	9,200
Italy	4	28,400
Luxembourg	3	7,400
Netherlands	5	17,500
Norway	6	23,900
Poland	2	1,000
Portugal	11	33,900
Romania	9	36,600
Spain	7	30,300
Sweden	6	20,400
Switzerland	9	24,500
United Kingdom	18	54,100
U.S.S.R	17	56,900
Yugoslavia	7	25,400
Total	180	595,200

Mr. HAYS. Mr. De Palma.

Do you have a biographical statement, Mr. De Palma?

STATEMENT OF HON. SAMUEL DE PALMA, ASSISTANT SECRETARY, BUREAU OF INTERNATIONAL ORGANIZATION AFFAIRS, DEPARTMENT OF STATE

Mr. DE PALMA. I don't have a biographical statement, but I can summarize briefly.

I entered the Department in 1946 after graduating from the University of Rochester and doing graduate work at American University. I became a Foreign Service officer in 1954 and served in the Department for over 10 years in the predecessor of the Bureau I am now in.

Then I served overseas in our NATO staff and as political counsel at The Hague. I was Assistant Director of the U.S. Arms Control and Disarmament Agency before I was appointed to my present position.

Mr. HAYS. Do you wish to submit this brief statement for the record?

Mr. DE PALMA. Yes, Mr. Chairman.

Mr. HAYS. Without objection, it is received as part of the record. (The statement referred to is as follows:)

INTERNATIONAL ORGANIZATIONS AND CONFERENCES FISCAL YEAR 1973 BUDGET SUMMARY

Mr. Chairman, the budget proposed under the major function, "International Organizations and Conferences," totals $188,263,000. This amount enables the United States to fund its assessed share of Contributions to International Organizations in the amount of $180,900,000. It enables the United States to support the U.S. Mission to the U.N. and 6 other missions at the site of various international organizations, including costs of participation in 4 Inter-Parliamentary Groups, for which we are requesting an appropriation of $4,863,000. The proposed FY-1973 budget also includes the International Conferences and Contingencies program which is responsible for managing United States participation in multilateral intergovernmental conferences and which totals $2,500,000. The first major program is entitled:

"Contributions to International Organizations." It can be grouped into several general activities:

United Nations	$60,119,286
Specialized agencies	70,660,146
Inter-American organizations	35,505,592
Regional organizations	13,606,767
Other international organizations	1,008,209
Total contributions	180,900,000

The total increase in the request for assessed contributions if Congress had appropriated funds for ILO in FY–1972 would have been $20,219,663 or an increase of 12.6%. The majority of this increase is due to increased costs, currency revaluation and other mandatory costs for maintaining the prior year's level of activities.

The second major appropriation is entitled:

"Missions to International Organizations" and includes seven Missions:

U.S. Mission to United Nations	$2,054,100
U.S. Mission, Geneva	1,476,500
U.S. Mission, IAEA, UNIDO, Vienna	566,300
U.S. Mission, ICAO, Montreal	152,900
U.S. Mission, OAS, Washington	158,400
U.S. Mission, UNESCO, Paris	217,400
U.S. Mission, FAO, Rome	82,500
Total missions	4,708,100

In addition we include funds in the amount of $154,900 for congressional participation in four Inter-Parliamentary Groups.

The budgeted amount of $4,863,000 breaks down into the following categories of expenses:

American salaries and miscellaneous salary costs	$2,971,400
Local employees' salaries and related costs	177,000
Personnel benefits (retirement costs, health benefits, life insurance costs, etc.)	231,200
American allowances (including education, housing, and temporary lodging)	244,800

The total salary and allowances costs are $3,624,400 and account for 79 percent of our expenses. The remaining categories are:

Travel of persons and transportation of things	$153,900
Rents, telephone, and utilities	446,800
Supplies, printing, and equipment (includes office, medical, security, automotive, and furnishings for offices, office machines, etc.)	107,100
Facilities operations, official residence expenses, and representation funds	375,900

To this breakdown must be added the four U.S. congressional groups:

Interparliamentary union	$44,900
NATO parliamentary assembly	50,000
Canada/U.S. parliamentary group	30,000
Mexico/U.S. parliamentary group	30,000
Total congressional groups	154,900

The third major program is identified as "Conferences and Contingencies". This program permits the Department of State at the direction of the President, to coordinate and supervise (*a*) the United States participation in multilateral inter-governmental conferences and (*b*) the United States contribution to provisional international organizations. In FY–1973 we are requesting $1,513,000 for participation in some 425 conferences, an increase of $268,000 over 1972. In addition, the International Conferences Appropriation request includes an amount of $987,000 for contributions to six provisional international organizations.

To manage the activities which I have outlined above, Mr. Chairman, the Bureau of International Organization Affairs budget reflects an amount of $3,900,000 for 1973 for Salaries and Expenses of a staff of 185. We propose an increase of 10 new positions to strengthen the Bureau operations. This increase is offset by a reduction of 8 positions by Presidential directive. This is therefore a net increase of 2 positions. The request also provides for the usual housekeeping expenses for the Bureau in the amount of $380,200. This amount includes such items as:

Miscellaneous salaries (overtime, holiday pay, etc.)	$51,800
Travel and transportation of persons and things	109,000
Rents, communications, utilities	15,300
Supplies and equipment, printing	55,100
Miscellaneous facilities operation	149,000
Total	380,200

Mr. HAYS. The Republic of China—I don't know what you would call it these days, but for the purpose of identification, Taiwan—has a population of 14 million. Is that approximately correct?

Mr. DE PALMA. That is correct.

Mr. HAYS. Its unit assessment was 4 percent. The People's Republic of China—which I am told is the preferred name at the moment—has a population of 750 million. It is now in the U.N. and the Republic of China is out. What will its assessment be?

Mr. DE PALMA. Four percent, the same as the Republic of China. The Republic of China was being assessed for all of China.

Mr. HAYS. The criteria is the ability to pay. You surely think Communist China has more ability to pay than Taiwan?

Mr. DE PALMA. They should have.

Mr. HAYS. But it is still going to pay 4 percent.

Mr. DE PALMA. The 4 percent figure will remain until the contribution scale is revised in 1973. At that time I expect there will be more precise figures available for the actual capacity to pay of the People's Republic of China and perhaps the figure will change.

Mr. HAYS. Like about 25 percent. How would that grab you?

Mr. DE PALMA. I don't know if it would go up to that. I doubt it.

Mr. HAYS. They have four times as much population as we do, why shouldn't they pay four times as much as we do? Maybe if we cut down the figure you have budgeted for us that would help them make up their minds.

I don't know how many votes I could get for that. If I can't get it in committee I will see what I get on the floor.

When the Republic of China was expelled from the U.N. it was in arrears on its assessment. I expect deliberately the Chinese Government in Peking will be expected to make up that arrearage.

Mr. DE PALMA. We would hope that they would, sir, but the indications are that they will not. I would not expect that the U.N. is going to be able to collect the Republic of China's unpaid assessments from the People's Republic of China.

Mr. HAYS. This will increase the financial difficulties of the U.N., won't it?

Mr. DE PALMA. Yes, because the arrears for the Republic of China are something like $28 million.

Mr. HAYS. What measures has the U.N. taken to keep its expenses down?

Mr. DE PALMA. The budget goes through a series of rather tight review processes. We ourselves talked with the U.N. budget people even before they put their budget together. As a result of our own conversations with them we are satisfied that the budget has been reduced by about $5 million.

Some additional economies were made during the Assembly's review process. But even so, the budget as adopted is probably going to call for expenditures at a higher level than the income they expect. The incoming Secretary General has already instituted austerity measures designed to reduced expenditures by about $6 million, hoping to keep within his income.

Mr. HAYS. I notice in your summary statement you have United Nations, $60 million plus and specialized agencies, $70 million plus. What are these specialized agencies? Are they under the auspices of the U.N.?

Mr. DE PALMA. They are actually autonomous agencies affiliated with the United Nations; the Food and Agriculture organization, UNESCO, WHO, the Civil Aviation organization, et cetera.

Mr. HAYS. So of your international organizations, $180 million, U.N. has taken $130 million.

Mr. DE PALMA. That is correct.

Mr. HAYS. I don't think that is any bargain.

Now you have four interparliamentary groups budgeted here. The Interparliamentary Union—I thought they passed a raise for that organization in the last Congress.

Mr. DE PALMA. They did, sir.

Mr. HAYS. Is that reflected in that $44,900?

Mr. DE PALMA. Yes, that includes the increase.

Mr. HAYS. That is for both Houses?

Mr. DE PALMA. Yes.

STATEMENT OF SIDNEY CUMMINS, OFFICE OF THE EXECUTIVE DIRECTOR, BUREAU OF INTERNATIONAL ORGANIZATION AFFAIRS, DEPARTMENT OF STATE

Mr. CUMMINS. It is for both Houses. In addition the legislation raised the amount which the United States could contribute to the central organization.

Mr. HAYS. You are sure that figure is correct? In my mind I thought it was substantially more when it passed the Foreign Affairs Committee. That is not the old figure?

Mr. DE PALMA. We will be glad to verify it.

Mr. HAYS. It ran in my mind that the NATO Parliamentarians had $15,000 and we asked to have it raised to $25,000. I thought it was substantially more than $25,000 for each House.

Mr. DE PALMA. We will check it out. I think $50,000 is correct.

Mr. HAYS. $45,000 is correct for the Interparliamentary Union.

Are there any questions? Governor Thomson?

Mr. THOMSON. No questions.

Mr. LLOYD. I don't have any questions.

I am looking for the background of American organizations and regional organizations. Where could I find that here?

Mr. DE PALMA. The Inter-American organizations include the Inter-American Indian Institute, Inter-American Institute of Agricultural Sciences, Pan American Institute of Geography and History and the Pan American Railway Congress. Also the Pan American Health Organization. The large one is the Organization of American States, the OAS.

The regional organizations include the South Pacific Commission, the North Atlantic Treaty Organization, the North Atlantic Assembly, the Southeast Asia Treaty Organization, the Organization for Economic Cooperation and Development, the Colombo Plan Council for Technical Cooperation and the International Control Commission for Laos, for which we are not requesting any appropriation this year.

Mr. HAYS. Mr. De Palma, you have a sheet here called "Location of Personnel, 612 Agencies, with Small Staffs Overseas." Do you fund them? Like the American Battle Monuments Association?

Mr. DE PALMA. No, sir.

Mr. HAYS. You don't fund any of that?

Mr. DE PALMA. No, sir. That does not come out of my appropriations.

Mr. HAYS. Why is that included in here then? Do each of those come out of a different fund? For example, I see that the Smithsonian Institution has somebody in Tunisia. Do you know anything about that?

Mr. DE PALMA. I do not, sir.

Mr. HAYS. It seems like that if the item is included, you are either asking for some questions or else you ought to have left it out all together. I would like to know why the Tennessee Valley Authority has three people in Switzerland. What is that all about? I know it spread over a long way—and one in Sweden—but I did not know it was that far away.

The American Battle Monuments Commission is funded separately, right?

Mr. DE PALMA. Yes, that is not part of my request.

Mr. HAYS. They have a total of 389 personnel that the taxpayers are paying for. And the Environmental Protection Agency has five people in Japan. Do you know what they do?

Mr. DE PALMA. I don't know.

Mr. HAYS. Birth control would be a good item.

Mr. MACOMBER. These are all organizations for which we supply administrative support and that is why the information is supplied to the committee.

Mr. HAYS. Do you think it would be a fair question, Mr. De Palma, or somebody, since you are supplying support for the TVA in Sweden and Switzerland, don't you think before you supplied them too much support you ought to know what they are doing there. Could you find that out for us, just as a matter of curiosity?

Mr. MACOMBER. Yes, sir.

Mr. HAYS. Maybe we ought to cut your support money down so you cannot supply support for these people.

STATEMENT OF HON. JOSEPH F. DONELAN, JR., ASSISTANT SECRETARY, BUREAU OF ADMINISTRATION, DEPARTMENT OF STATE

Mr. DONELAN. The TVA people, I understand, are specialists in electrical equipment and transformers. They have been sent overseas for certain types of negotiations which TVA might have and to look into new developments in transformers and electrical equipment. They would also be involved in the possible foreign purchase of equipment. They do get better equipment overseas. If they can, I think they try to get it overseas. That is part of their problem.

Mr. HAYS. Mr. De Palma, in your statement you say that you are asking for 10 new positions to strengthen the Bureau of International Organizations Affairs, and then you are going to decrease it by eight positions by Presidential directive. Why are you creating 10 new positions if you are going to abolish eight positions? That seems to be a little bit of archaic language.

Mr. DE PALMA. The Presidential reduction will take eight positions from my Bureau. The 10 we are requesting would make a net increase of only two which are not the same positions.

Mr. HAYS. What kind of predicament does it put this committee in if we grant you 10 new positions right when the President is ordering you to reduce by eight?

Mr. MACOMBER. You are also taking out the eight.

Mr. HAYS. But suppose we did not give them any. Then they would comply with the Presidential directive by reducing by eight, but if we give them 10 we have nullified the Presidential directive and have given them two more besides. Isn't that the net effect of it?

Mr. MACOMBER. No; because when the President gave us a figure to cut, he did not say how we should do it; only that we had to get down by so many of our existing positions. So we are not circumventing what the President is trying to do. The Department overall has a significant decrease.

Mr. HAYS. Let me put it another way. If we did not give you any new positions then you would be reduced by a net of eight.

Mr. DE PALMA. That is correct.

Mr. HAYS. Is there any way we can find out how much money to take out of your proposed budget if we do not give you any of those positions?

Mr. MACOMBER. We can supply you with the cost of those positions.

Mr. HAYS. I wish you would.
(The information follows:)

COSTS OF 10 POSITIONS REQUESTED

The dollar amount associated with the increase of ten (10) positions is $163,400.

Mr. HAYS. Do you want to speak any further, Mr. De Palma, on how you want to strengthen the Bureau of International Organizations Affairs? I suppose we should know what you propose and what these positions would be and how it would strengthen it, and besides costing the taxpayers for 10 more jobs, would it do anything to save money?

Mr. DE PALMA. Yes, Mr. Chairman. These definitely would strengthen the Bureau. One of the positions would go directly into the office that handles fiscal management, that makes the payments, that prepares the budget justifications for the Congress. Another position would be in the office that monitors the U.N. budget and the budget of most specialized agencies, so we can do a better job of holding the line on the budgets, and monitoring the expenditures in the organizations.

Mr. HAYS. Mr. De Palma, your monitoring them is a fancy word for auditing; isn't it?

Mr. DE PALMA. In effect, that is right.

Mr. HAYS. You really cannot have any influence over the budget of the U.N. because if all these little countries who pay nothing or next to nothing, vote a budget, we have to pay.

Mr. DE PALMA. That is correct in terms of the ultimate vote, but we manage before that happens, to get economies made. We estimate during the year we have achieved reductions of a good $10½ million out of the assessed budgets of specialized agencies and a good $5 million out of the U.N. budget by our own efforts with the Secretariats and other governments in pointing to economies that could be made and persuading them they should be made.

Mr. HAYS. What is our share of U.N. money?

Mr. DE PALMA. 31.52 percent.

Mr. HAYS. What is France's share for example?

Mr. DE PALMA. France is 6 percent, sir.

Mr. HAYS. What is the share of Britain?

Mr. DE PALMA. Britain, the United Kingdom is 5.9 percent.

Mr. HAYS. And the U.S.S.R. is 14.61?

Mr. DE PALMA. 14.18, not including Ukraine and Byelorussia which come in at 1.87 and 0.5 percent.

Mr. CUMMINS. Mr. Chairman, the document you are looking at has the calendar 1969 assessments listed. We are reading from a later year. That explains the difference between the 14.61 percent and the 14.18 percent.

Mr. DE PALMA. The total Soviet contribution is 16.55 percent.

Mr. HAYS. Well, it strikes me that in the NATO organization, the U.S. figure, with far fewer countries, is only slightly more than 24 percent. If we just cut arbitrarily enough money out of here so our share would be down to 25 percent, that would be a pretty effective way to do it, wouldn't it?

Mr. DE PALMA. It would be effective in terms of what we pay, but it would put us in debt to the organization. What we would like to do is negotiate a 25 percent figure. We have already announced that as

our policy and we are going to work at the next session of the General Assembly to get that assessment put into effect.

The General Assembly this year will have to give instructions to the Contributions Committee of the U.N. before it revises the U.N. scale in 1973. We want them to establish our share at 25 percent.

Mr. HAYS. But you don't really think—you are not optimistic that they are going to do that?

Mr. DE PALMA. I am reasonably optimistic. I think they know we mean business.

Mr. HAYS. If Congress just wrote it in then they would know for sure, wouldn't they?

Mr. DE PALMA. Yes, but that might create an unnecessarily awkward situation. If we do not get it negotiated, we would assume that something like that might happen.

Mr. HAYS. I will try another one. Suppose we put language in that after this fiscal year it will be 25 percent. Then they would know for sure we meant business.

Mr. DE PALMA. As the President indicated in his report on foreign policy, we are determined to get it down to 25 percent. We want to get it down as soon as possible, but we hope to do it within the legal obligations and the arrangements we have already agreed to. That means it would take maybe 2 or 3 years. We cannot be precise about it, but we do not intend to have this 25 percent ceiling established only as a principle and to work our percentage down gradually. We mean instead to get it down as soon as possible.

Mr. HAYS. But if this committee and the Congress wrote in that we will fund it at this figure for the next fiscal year but thereafter the limitation will be 25 percent, then you would have a good card in your hand to cut it down because this is all we will get from Congress anyhow.

Mr. DE PALMA. It would be an effective card, but the scale will be revised in 1973 for the calendar years 1974, 1975, and 1976, and that is the time frame in which we have to accomplish this.

Mr. HAYS. I am a little impatient, Mr. De Palma. I don't know as I want to wait that long.

Mr. LLOYD. Mr. Chairman, would you break down what is the U.S. contribution to the inter-American organizations? For example, the Organization of American States and the Pan American Health Organization. There is $32 million there. How much of that is paper? What percentage of that is that to the total?

Mr. DE PALMA. We contribute generally at the rate of 66 percent in the inter-American organizations. They are on a different scale because of the very small membership as compared to the U.N. and the very great disparity between our capacity to pay and that of the states of the Americas.

Mr. LLOYD. Do each of these organizations have a different headquarters site?

Mr. DE PALMA. Yes, as a matter of fact, they do.

Mr. LLOYD. Which ones are in Washington?

Mr. DE PALMA. The Organization of American States and the Pan American Health Organization are in Washington.

Mr. LLOYD. What is the function of the Pan American Health Organization?

Mr. De Palma. It serves as the regional headquarters for the Western Hemisphere of the World Health Organization and also as the health agency for the Organization of American States. Its work is to promote health and health services and control epidemics, and that sort of thing, in the Western Hemisphire.

It provides technical assistance to many governments in the Western Hemisphere in improving their health standards.

It provides the services in this hemisphere that the World Health Organization provides worldwide in checking and controlling epidemics, monitoring drugs for their side effect, and so on.

Mr. Lloyd. Is much of this money used for dissemination of grants into countries that have emergencies?

Mr. De Palma. It is not a disaster relief organization, no, sir.

Mr. Lloyd. Then do we make contributions to local health officials, doctors, and others, in the individual countries, or do we have traveling health officials go out of Washington?

Mr. De Palma. It is done through consulting experts who go down to help them improve their health standards. It is also done through training their own people. There are grants for training their own people for study abroad and so on.

Mr. Lloyd. Since our relations with our neighbors to the south seem to be deteriorating rapidly, does this service we perform in contributing more than 60 percent to a Pan American health organization—would you consider this in the field of charity?

Mr. De Palma. I don't really consider it charity. It is true that the primary beneficiaries in terms of training are the Latin American governments. We benefit directly through controlling certain communicable diseases. One of the main activities is to control hoof and mouth disease which is a problem along our border States, and controlling smallpox, from which we also benefit.

I might say that this organization operates in an entirely nonpolitical atmosphere.

Mr. Lloyd. You would say then we are doing this in our own personal self-interest rather than as assistance to other countries?

Mr. De Palma. It is both, obviously. But we certainly benefit directly from it.

Mr. Lloyd. In the Health Organization budget—$11 million—how does that compare with 5 years ago?

Mr. De Palma. It has gone up. I can give you an exact comparison with 10 years ago. Our contribution has gone up from $3.8 million in 1964 to $11.3 million in 1973.

Mr. Lloyd. Our percentage of contribution, has it increased?

Mr. De Palma. It has remained steady.

Mr. Lloyd. I don't have any other questions.

Mr. Hays. We have Mr. Gross, who has figures, who is a member of the full committee, here this morning. Do you care to ask any questions?

Mr. Gross. Thank you, Mr. Chairman.

Do I understand that you are asking for $180,900,000 for all of these organizations?

Mr. De Palma. That is correct. Contributions to international organizations.

Mr. Gross. And the specialized agencies, I assume, are largely under the United Nations?

Mr. De Palma. Yes; they account for $130.7 million of that total.

Mr. Gross. Specialized agencies in the United Nations?

Mr. De Palma. That is correct.

Mr. Gross. You do not have in these figures such items as the subsidy for coffee that American consumers pay the coffee-producing countries around the world?

Mr. De Palma. No, sir.

Mr. Gross. That is not included, is it?

Mr. De Palma. We have an item in for the International Coffee Organization which is the item of $290,000 for our contribution this year. That is for running the organization.

Mr. Gross. That is for running the organization to keep coffee prices high in this country?

Mr. De Palma. To keep them stable.

Mr. Gross. To fix the prices through the cartel in London, is that right?

Mr. De Palma. I am not all that familiar with how the organization operates. The actual operation of the organization is not the responsibility of my Bureau. We handle the payments of our contribution, but I know it has in fact managed to stabilize coffee prices so they don't fluctuate as wildly as they used to.

Mr. Gross. At about the highest levels we have ever paid through the years.

Mr. De Palma. They seem high to me, but I don't know the economics of the coffee business.

Mr. Gross. But that is not a part of support, is it?

Mr. De Palma. No, sir.

Mr. Gross. Wouldn't you think that at the least they could somehow manage to finance their own coffee cartel instead of the taxpayers of this country being compelled to put out even $290,000?

Mr. De Palma. Well, I don't know. I think this would violate an important principle. I myself do not care for the idea that any international organization would have its own money for its own administrative expenses because then we would have little or no control on what they do.

Mr. Gross. Of course we don't have any control anyway. They meet in London and fix the price of coffee on the basis of the amount that Brazil and other countries are allowed to export. What do they do with this $60 million a year in the United Nations? What do we get for that, if you can put it in capsule form.

Mr. De Palma. Congressman Gross, as one example, we are vitally interested in the work and preparations now underway for the Law of the Seas Conference.

Mr. Gross. How does the money go to paying——

Mr. De Palma. The money goes to paying the administrative expenses of the organization, for its staff and for the meetings and conferences which it holds. As I say, we benefit from the activities which are conducted, such as this "Law of the Seas" activity in which we are vitally interested. Specifically, we have a considerable interest in the regulations that are going to apply to the exploitation of the seabeds; the petroleum industry is interested, the metallurgical in-

dustry is interested, the fishing industry is interested. We have a national interest in getting the territorial seas question settled. All of this must be regulated.

We have an interest in the work the organization does on the environment and in the conference on it that is going to be held this year. We have an interest in the work it is doing on population. There will be a conference on that in 1974.

Mr. GROSS. We will look more foolish than ever if we turn over to the United Nations the fruits of the studies we have made in the administration of the seabeds. Don't you think so?

Mr. DE PALMA. We are not going to turn anything over to them. We are trying to get some understanding about how the exploitation will be carried out so that we will benefit and everyone will benefit without having a conflict between countries.

Mr. GROSS. If some of you people have your way it will be under the control of the United Nations.

Thank you, Mr. Chairman.

Mr. HAYS. Mr. De Palma, can you furnish for the subcommittee and for the record a list of all of the countries in the U.N. who are in arrears and how much and how many years and what the amount is.

Mr. DE PALMA. Yes. We will do that.

(The information follows:)

SUMMARY AS OF JAN. 1, 1972

COLLECTIONS AND ARREARAGES FOR 1971 AND PRIOR YEARS OF UNITED NATIONS ACCOUNTS FOR THE REGULAR BUDGET, WORKING CAPITAL FUND, EMERGENCY FORCE, AND THE CONGO[1]

Year	Gross assessments	Credits and reductions	Net assessments	Amount received	Balance due
Working capital fund	$40,000,000		$40,000,000	$40,000,000	
United Nations regular budget:[2]					
Calendar year 1968	130,571,361	10,203,755	120,367,606	118,977,605	$1,390,001
Calendar year 1969	143,467,267	12,528,441	130,938,826	125,239,140	5,699,686
Calendar year 1970	159,833,395	12,987,123	146,846,272	138,382,343	8,463,929
Calendar year 1971	178,718,816	14,990,161	163,728,655	116,256,927	47,471,728
Balance due					63,025,344
United Nations Emergency Force:					
Calendar year 1957	15,028,988		15,028,988	11,472,402	3,556,586
Calendar year 1958	25,000,000		25,000,000	18,221,833	6,778,167
Calendar year 1959	15,205,000	41,226	15,163,774	11,060,304	4,103,470
Calendar year 1960	20,000,000	3,553,223	16,446,777	11,896,113	4,550,664
Calendar year 1961	19,000,000	1,754,991	17,245,009	12,625,595	4,619,414
January–June 1962	9,750,000	1,467,296	8,282,704	6,056,475	2,226,229
July–December 1963	9,504,784	691,893	8,812,891	6,373,641	2,439,250
Calendar year 1964	17,770,056	1,656,356	16,113,700	11,721,660	4,392,040
Calendar year 1965	18,556,141		18,556,141	13,696,663	4,859,478
Calendar year 1966	18,550,000		18,550,000	13,050,819	5,499,181
Calendar Year 1967	17,315,000		17,315,000	10,822,772	6,492,228
Balance due					49,516,707
United Nations Congo account:					
July–December 1960	[3]48,500,000	3,900,000	44,600,000	29,348,616	15,251,384
January–October 1961	100,000,000	15,575,036	84,424,964	56,877,769	27,547,195
November 1961–June 1962	80,000,000	11,457,858	68,542,142	44,735,145	23,806,997
July–December 1963	33,029,108	2,965,256	30,063,852	19,413,635	10,650,217
January–June 1964	15,068,090	1,207,116	13,860,974	9,024,738	4,836,236
Balance due					82,092,029
Total amount due, regular budget UNEF, and UNOC					194,634,080

BALANCE DUE, 1971 AND PRIOR YEARS, JAN. 1, 1972

Members (126)[4]	Regular budget	UNEF	UNOC	Balance due 1971 and prior years
Afghanistan		$29,499	$37,603	$67,102
Albania	$70,382	45,299	43,602	159,283
Algeria		8,932		8,932
Argentina				
Australia		63,227		63,227
Austria				
Barbados				
Belgium		144,583		144,583
Bolivia	182,989	41,905	34,833	259,727
Botswana				
Brazil	1,218,594		248,838	1,467,432
Bulgaria	622,173	181,155	190,746	994,074
Burma				
Burundi	172,300	11,278	10,471	194,049
Byelorussian S.S.R	775,419	911,964	1,357,881	3,045,264
Cameroon	62,730	1,689		64,419
Canada				
Central African Republic	111,547	2,256	6,589	120,392
Ceylon				
Chad	122,277	8,385	9,832	140,494
Chile	301,648	165,903	224,847	692,398
China	[1]18,207,518	5,274,569	6,687,207	[1]30,169,294
Colombia	599,880			599,880
Congo (Brazzaville)	16,649	9,249	9,938	35,836
Costa Rica	51,425			51,425
Cuba	475,558	249,811	260,259	985,628
Cyprus				
Czechoslovakia	936,654	1,814,845	2,759,408	5,510,907
Dahomey	85,058	5,530	6,994	97,582
Denmark				
Dominican Republic	183,855	22,898	54,503	261,256
Ecuador	155,416	10,129	4,120	169,665
El Salvador	118,986	7,411	3,349	129,746
Equatorial Guinea	62,730			62,730
Ethiopia				
Finland				
France	4,567,507	765,655	17,031,152	22,364,314
Gabon				
Gambia	68,342			68,342
Ghana	68,068			68,068
Greece				
Guatemala	8,091		38,209	46,300
Guinea	147,423	19,410	9,938	176,771
Guyana	5,218			5,218
Haiti	182,933	25,661	33,916	242,510
Honduras	88,136		5,677	93,813
Hungary	1,184,652	898,298	995,024	3,077,974
Iceland				
India	187,544			187,544
Indonesia	415,107			415,107
Iran				
Iraq	109,777	100,407	22,362	232,546
Ireland				
Israel	170,791			170,791
Italy	1,150,476			1,150,476
Ivory Coast		1,689		1,689
Jamaica	2,364			2,364
Japan				
Jordan		45,299	43,602	88,901
Kenya				
Khmer Republic	112,726	1,689		114,415
Kuwait				
Laos				
Lebanon	78,412	19,850	12,108	110,370
Lesotho				
Liberia				
Libya		1,689		1,689
Luxembourg				
Madagascar				
Malawi	4,180			4,180
Malaysia				
Maldives				
Mali	73,900	5,469	24,259	103,628
Malta				
Mauritania	61,004		17,215	78,219
Mauritius				
Mexico	160,476	679,491	786,193	1,626,160
Mongolia	35,885	12,387	17,215	65,487
Morocco	160			160
Nepal	62,730			62,730
Netherlands				

BALANCE DUE, 1971 AND PRIOR YEARS, JAN. 1, 1972—Continued

Members (126)[4]	Regular budget	UNEF	UNOC	Balance due 1971 and prior years
New Zealand				
Nicaragua	180,396		33,915	214,311
Niger	37,593	1,906		39,499
Nigeria				
Norway				
Pakistan	140,000			140,000
Panama	68,986	15,648	33,915	118,549
Paraguay	168,935	31,661	24,229	224,825
Peru	444,649	77,441	89,184	611,274
Philippines		15,632		15,632
Poland	1,303,511	2,528,364	2,466,010	6,297,885
Portugal	115,603		201,673	317,276
Romania	604,969	682,212	641,015	1,928,196
Rwanda	5,510	11,278	10,471	27,259
Saudi Arabia		74,890	69,487	144,377
Senegal	39,643	9,814	20,418	69,875
Sierra Leone	97,579	2,469		100,048
Singapore				
Somalia	138	11,191	17,445	28,774
South Africa	407,005	80,862	1,503,337	1,991,204
Spain		1,089,981	985,159	2,075,140
Sudan		89,332	5,860	95,192
Swaziland				
Sweden				
Syria	118,986	46,654	20,379	186,019
Tanzania				
Thailand		9,026		9,026
Togo	5,613	16,174	25,324	47,111
Trinidad and Tobago				
Tunisia				
Turkey	101			101
Uganda	63,124	9,589	10,471	83,184
Ukrainian S.S.R.	2,055,684	3,476,580	5,185,697	10,717,961
U.S.S.R.	22,225,302	27,665,631	39,223,085	89,114,018
United Arab Republic		351,946	48,387	400,333
United Kingdom		283,300		283,300
United States	[6] 200,000	[7] 1,188,096		1,388,096
Upper Volta	91,807	19,936	14,145	125,888
Uruguay	325,075	54,388	97,662	477,125
Venezuela	626,979	32,298		659,277
Yemen (Aden)	108,986			108,986
Yemen (San'a)	108,480	45,299	43,602	197,381
Yugoslavia		7,598	333,269	340,867
Zaire	1,000			1,000
Zambia				
Total	63,025,344	49,516,707	82,092,029	194,634,080
Members in arrears	72	63	55	87

[1] Information as of Dec. 31, 1971, supplied by the United Nations.
[2] Contributions to the regular budget priort o 1968 are fully collected.
[3] Total costs, including initial airlift, amounted to $60,000 000.
[4] The number of members (126) excludes the following admitted at the 25th and 26th sessions of the General Assembly: Bahrain, Bhutan, Fiji, Qatar, and United Arab Emirates.
[5] $1,600,000 represents amount levied against People's Republic of China as advance to the Working Capital Fund.
[6] Authorized for payment in January 1972.
[7] This amount is the difference between the original apportionment for 1967 and the amount paid by the United States foward its share of revised estimates of 1967 costs.

Mr. HAYS. I just have one more question. A couple of years ago Congress authorized $20 million to expand U.N. headquarters. I don't believe the money was ever appropriated. What is the status of this project?

Mr. DE PALMA. I think the United Nations does not now expect to get that grant from the United States and therefore the project for expanding the headquarters in New York is moribund. There is no more discussion of a new building in New York at this point.

Mr. HAYS. How much is it going to cost all together?

Mr. DE PALMA. $80 million, I believe.

Mr. GROSS. Have you been reading the series of articles that have been written with respect to entertainment at the U.N.; how $10 mil-

lion a year is spent for cocktail parties and various other forms of entertainment?

Mr. De Palma. I have not seen that figure, or these articles, and I don't know what the figure relates to. This must be a figure that relates to what the organization spends and what all the missions spend and what all the member governments spend.

Mr. Hays. But isn't that a pretty good figure for cocktail parties? Isn't that a hefty bill?

Mr. De Palma. It sound like a lot, Mr. Chairman, until you realize there are 132 governments, and if you have been in New York City lately you know what a cocktail party would cost.

Mr. Gross. Isn't it true that some of the countries that have staged some of the biggest "wing-dings" are the smallest contributors to the United Nations?

Mr. De Palma. We are certainly not the ones who give the biggest parties, I would agree with you.

Mr. Gross. Does it make very much sense that some of these so-called underdeveloped, underprivileged, poverty-stricken countries throw the parties up there to the tune of thousands of dollars each? Does it make much sense to you, Mr. De Palma?

Mr. De Palma. It doesn't make all that much sense to me, but it is their decision and I don't know how often they do that. I don't know how much they spend this way.

Mr. Hays. How much does the U.N. itself spend on representation?

Mr. Cummins. About $145,000, but I would like to check it and submit it for the record.

(The information follows:)

Amount in U.N. Budget for Representation

The amount contained in the U.N. Calendar Year 1972 budget for representation is $159,000 broken down as follows:

1. Payments under Annex 1, Paragraphs 2 and 5 of the staff regulations, which covers Under-Secretaries General, Assistant Secretaries General and Directors	$100,000.00
2. Payments to other members of the Secretariat for official hospitality	35,000.00
3. Hospitality expenditures for the General Assembly and for functions honoring Chiefs of State and visiting dignitaries	24,000.00
Total	159,000.00
U.S. Share, at 31.52 percent would be	50,116.80

Mr. Gross. Is that the amount the United States spends?

Mr. Cummins. No, we are talking about the U.N.

Mr. Hays. The total figure in this budget for total U.S. representation is under $1 million, isn't it? I mean the United States around the world.

Mr. De Palma. Yes.

Mr. Hays. They could not spend too much up there or somebody else would go thirsty.

Mr. Gross. Has anyone asked what the Chinese Communists are going to pay by way of percentage?

Mr. De Palma. The same as the Republic of China has been assessed, 4 percent.

Their contribution for 1972 is a little over $7 million. They also are required to make an advance to the working capital fund of $1.6 million. They owe a little bit for 1971 from the time they entered the U.N. They have paid $3 million this month as a partial payment on their contribution.

Mr. GROSS. They are getting by pretty cheaply, aren't they?

Mr. DE PALMA. As I explained, Congressman Gross, they are being assessed on the same basis because the Republic of China was being assessed for all of China.

Mr. GROSS. Thank you, Mr. Chairman.

Mr. HAYS. Are there any other questions?

Mr. MACOMBER. Before we leave this subject could I summarize our two main objective at this point? One of them is to lower our percentage of the contribution down to 25 percent. The second one is to reduce the expenditures of the organizations. Both of these are objectives. We have seen each year the amount assessed the United States going up at a rate which we think has been too high.

In recent years we managed to slow down that increase slightly, but nowhere near enough. The reason we are asking for extra positions in this budget is to enhance our capability to bird-dog these expenditures. They will strengthen our capability to monitor this rising budget.

It is very difficult for us to watch these figures go up every year and to have to watch the State Department stay exactly the same.

Mr. HAYS. Maybe we can help you by just appropriating enough money to keep it like it has been.

Mr. MACOMBER. It would help us, despite the cut. We are requesting 245 fewer positions overall than last year. Despite that we would like to strengthen our capability in this Bureau to pursue this particular effort. We will be grateful for your help on that.

As far as your earlier comment about the possibility of authorizing us to pay our assessed contribution this year by indicating that after this year 25 percent was the limit that Congress would put up, I see no problem at all in Congress very emphatically making it clear what their wishes are. But I hope you would not write it in a way that would put us in the position of unilaterally determining what we will pay up there. That would basically put us in the same position as if we were in a club and we thought the dues were too high and instead of trying to go through the Board of Directors to get the dues reduced, we were to say, "We will only pay two-thirds of the dues."

Mr. DE PALMA. If I could supplement that. We are now engaged with a committee in the U.N. working on the arrearages problem. After a number of years when they had looked away from the problem, we have them working on it again. This would be a poor time for us to get ourselves in the position where we cannot pay our assessment, just when we are trying to force the others to pay up. They know we mean business and that the Congress of the United States means business.

Mr. HAYS. I have never gone up there to represent the House. I have had the opportunity two or three times. Maybe if I live and get reelected I should go up there and make the point. I could make it effectively. I made it to other international organizations by saying, "If you want us to stay in the club, this is how much we are going to pay," and every time they bought it. So this business of sending somebody up

there who cannot tell them—you fellows are too easy because you think you can come here and get the money. Maybe if we said, "You are not going to get it this year," that would give you a real bargaining point.

I am of the opinion that the best thing for this committee to do is to cut it right now. But I am also willing to give it to you for one year with the understanding that you are not going to get it again and just say, "These are the facts of life, boys, and you better either adjust to it or else, because you are not going to get the cash."

Mr. DE PALMA. The Congress will have a good look at this and we will see what happens when the Committee on Contributions meets. They will either give it to us or not.

Mr. HAYS. That is a long way down the road.

Mr. DE PALMA. The scale is revised in 1973.

Mr. HAYS. When in 1973?

Mr. DE PALMA. In the fall.

Mr. HAYS. We are talking about, in effect, 2 years from now.

Mr. DE PALMA. But the instructions to the committee are going to be worked out this fall in the Assembly, so we will have a good idea at that time.

Mr. GROSS. If you will indulge me, I agree with you, Mr. Chairman, there is no time like the present for something of this kind. By the way, how much, if anything, did the U.N. increase the retirement for U Thant when he left? I would like to have that supplied for the record.

Mr. DE PALMA. I will supply that for the record, if I may. It was increased to one-half of his gross salary.

Mr. GROSS. He got a substantial increase, didn't he?

Mr. DE PALMA. His net salary was increased from $31,600 to $37,850. However, the retirement is based on one-half of the gross salary. The gross salary is $62,500, so it is half of that, or $31,250.

Mr. HAYS. The gross salary is $62,500?

Mr. DE PALMA. That is correct.

Mr. HAYS. How many years did he serve?

Mr. DE PALMA. Ten, I believe. Just about 10 years.

Mr. HAYS. Did he contribute anything at all to this?

Mr. DE PALMA. Oh, yes.

Mr. GROSS. To the retirement?

Mr. DE PALMA. Yes.

Mr. GROSS. He contributed to his retirement?

Mr. DE PALMA. Let me see. I have to correct that. I am sorry. It is voted directly by the General Assembly. He does not contribute to the retirement fund.

Mr. MACOMBER. Can we go off the record.

(Discussion off the record.)

Mr. HAYS. On the record.

I think U Thant is the greatest disaster that has happened to civilization in my lifetime.

Mr. GROSS. Didn't he start as a $3,000 public servant in Burma?

Mr. DE PALMA. He was a senior public official in Burma and the pay scales then were very low—this was many years ago—but it would have been substantially less than his U.N. salary, that is correct.

Mr. HAYS. I don't know of any other questions at this point, Mr. De Palma.

Now we have Mr. John Richardson, Assistant Secretary for Educational and Cultural Affairs.

Mr. Richardson, do you want to give us a brief statement of your background for the record?

STATEMENT OF HON. JOHN RICHARDSON, JR., ASSISTANT SECRETARY, BUREAU OF EDUCATIONAL AND CULTURAL AFFAIRS, DEPARTMENT OF STATE

Mr. RICHARDSON. Mr. Chairman, I was born in Massachusetts and came to Washington from New York. I was sworn in to my present position on July 15, 1969.

My previous professional experience was as a practicing lawyer for 6 years, businessman for 6 years, and president and chief executive officer of Radio Free Europe for 7 years.

Mr. Chairman, with your permission I would like to make a brief statement about the functions of the Bureau of Education and Cultural Affairs.

Mr. HAYS. I am glad to have you.

(The budget summary follows:)

EDUCATIONAL EXCHANGE FISCAL YEAR 1973 BUDGET SUMMARY

Mr. Chairman, the budget proposed under the major Function, "Educational Exchange" totals $59,200,000.

MUTUAL EDUCATIONAL AND CULTURAL EXCHANGE ACTIVITIES
($52,400,000)

This appropriation includes all educational and cultural exchange programs carried out by the Department of State under authority of the Mutual Educational and Cultural Exchange Act of 1961. The amount requested for FY 1973 is $52,400,000, an increase of $11,900,000 over the fiscal year 1972 appropriation of $40,500,000 and an increase of $12,463,000 over the adusted FY 1972 appropriation of $39,937,000.

The increase of $12,463,000 for this program ($55,000 of which is to offset a reduction in funds available from other sources) consists of:

Exchange of Persons +$10,852,000

An increase of $10,852,000 to provide for mutually beneficial exchange projects and to stimulate private cooperative efforts and relationships between American and foreign organizations ($9,897,000); expand and enhance the high school exchange program particularly in lower income countries ($150,000); and strengthen the selection, placement, counseling and orientation of non-grant students ($805,000).

Aid to American-Sponsored Schools Abroad +$700,000

The proposed increase of $700,000 will provide for the development of improved educational programs in these schools to demonstrate American educational ideals as well as educational principles and methods employed in the United States.

Cultural Presentations +$300,000

Increased funds provide for a balanced program abroad with primary emphasis still on the USSR and East Europe.

Program Services +$461,000

The requested increase of $461,000 provides for within-grade salary costs and 15 new domestic positions requested for essential program activities ($96,000); overseas wage and price increases and the necessary additional overseas support for the requested increase in program ($365,000).

Administrative Expenses +$95,000

The increase of $95,000 will provide funds for additional administrative expenses including within-grade salary costs, travel and overseas wage and price increases.

CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST
($6,800,000)

This appropriation provides for development, maintenance and operation in Hawaii of a Center for Cultural and Technical Interchange Between East and West. The amount requested for FY 1973 is $6,800,000, an increase of $1,170,000 over the FY 1972 appropriation of $5,630,000

The increase of $1,170,000 provides for:

Education, Research and Training Programs +$1,079,262

To provide for increased educational and cultural exchange activities, including a new program, an additional 250 individual exchanges of various types, and a follow-up program for East-West Center alumni ($607,600); to broaden the spectrum of academic disciplines and professional experience on the Center's staff and increase the quality, length, and continuity of the Center's research, study, and training ($429,671); to provide for non-discretionary salary, employee benefits, and other costs ($41,991).

Program Direction, Administration and Institutional Support Services +$90,738

To provide additonal staff resources to strengthen the Center's management and to solicit additional private and foreign government assistance for the Center; meet non-discretionary salary, employee benefit and other costs, and provide additional supplies, materials and support services ($90,738).

Mr. RICHARDSON. The intellectual, cultural, and technical excellence that has characterized America continues now, no less than in the past, to draw the attention of the entire world. Similarly, the American peoples' dynamic energies have brought them into contact with every nation at virtually every level of society through a vast network of communications media and personal contacts.

In this large sense, it is inevitable that America will continue to be engaged in a growing volume of international communication.

These interactions with other countries, however, can have bad effects as well as good on our foreign relations.

In foreign relations as in human relations, sudden confrontations with strangers of differing races, religions, customs, and values, speaking different languages, do not necessarily produce either good will or an impetus toward the peaceful resolution of conflicts.

We see our task in the Bureau of Educational and Cultural Affairs as (1) to identify important barriers to, and opportunities for, effective, politically relevant communication with other societies and (2) to help see to it that intelligent efforts are made by both Government and private agencies to break down such barriers and enlarge such opportunities.

Since it is individuals in positions of leadership who determine what governments will do, what schools will teach, and what the mass media will say, our programs are invariably designed to provide direct first-person constructive cross-cultural experience to the leaders and potential leaders most likely to influence the context—the environment—in which our diplomacy must operate.

The Bureau therefore seeks to select, guide, and direct a necessarily small, but highly significant portion of the efforts of private citizens and government officials toward the development of patterns of relationship and understanding contributing to the achievement of U.S. purposes.

Scarce resources must be allocated selectively and with careful regard for cost effectiveness. Therefore, the programs funded under the Mutual Educational and Cultural Exchange Act focus on important individuals and institutions, and they engage them in active,

mutually beneficial programs with significant implications for the overall climate of opinion.

In fiscal year 1971, some 1,200 Americans and 4,700 foreign nationals participated in exchanges in a variety of professional fields.

Basically, visitors to the United States are of two types; the academic visitor, who is a graduate student, lecturer, or professor studying or teaching in an American university, and the so-called international visitor, who is a leader or potential leader in his profession traveling to the United States for a short period of intensive observation and familiarization within his sphere of interest.

On the academic side, we are emphasizing the concept of "program orientation" so that the experience of participants is enriched and intensified by engagement with others in the host country in cooperative projects and programs focused on common problems.

To enhance this program's impact, increased consideration will be given this year to applicant's from professional fields such as law, journalism, management, public administration, and those who plan to pursue a professionally oriented program of study and research.

There is growing evidence that more of tomorrow's leaders are being drawn from those who study outside their own country, or have had some opportunity to observe other nations and peoples of the world.

No one, of course, can say with assurance what specific education or experience produces a leader, but an increased proportion of our activities will be devoted to attempting to identify potential foreign leaders and bring them to the United States for study and travel.

We will also attempt to improve our ability to maintain contact with and follow the development of persons brought here through the use of improved information handling techniques.

We will continue, as in the recent past, to emphasize exchanges with Eastern Europe and the Soviet Union. In part, this is because social and political developments in this region can so strongly affect U.S. interests, and in part also because of the limitations on other means of communication.

The cultural presentations program, which focuses on exchanges in this area of the world, will continue to utilize the "commercial pick-up" technique which has produced impressive results over the past 2 years.

Through this mechanism, we are able, at minimal cost, to take advantage of opportunities for performing arts presentations in countries where the cost would otherwise outstrip available financial resources.

Last year the exchange program marked its 25th anniversary. It is uncommon, if not unique, for a Federal program a quarter century old to maintain its special timeliness and relevance to emerging realities.

For example, at a time when the United States is opening long-closed doors in China, Eastern Europe, and the Middle East, exchange programs provide a noncontroversial and mutually acceptable avenue for initiating and increasing contacts.

At a time when we are consciously lowering our profile abroad and limiting our economic and military commitments, exchange programs are subtle, inexpensive, yet effective indications of continuing American interest which at the same time maintain a nonirritating American presence.

At a time when the global explosion of communications technology is exposing the most remote crannies of the world to a confusing, sometimes contradictory, and often condemnatory flood of information and misinformation about the United States, exchange programs offer the surest and most effective long-range means to set the record straight.

For these and other compelling reasons, educational and cultural exchanges, far from becoming passé, have come to be one of the most widely accepted and practiced forms of international diplomacy.

It is fortunate that the United States, reflecting the wisdom and foresight of Congress, saw fit to enter this field early, and that we are now enlarging and improving our capabilities to meet the challenges of the future.

Thank you, Mr. Chairman.

Mr. HAYS. Mr. Richardson, are you envisioning any cultural exchanges with China?

Mr. RICHARDSON. Yes, Mr. Chairman. We hope that a cultural exchange with the People's Republic of China will proceed. We expect it to be slow.

The communique—if you remember—that was announced last week, said the following:

> The two sides agreed that it is desirable to broaden the understanding between the two peoples. To this end, they discussed specific areas in such fields as science, technology, culture, sports, and journalism, in which people-to-people contacts and exchanges would be mutually beneficial. Each side undertakes to facilitate the further development of such contacts and exchanges.

As I said, Mr. Chairman, we anticipate these exchanges will develop slowly.

Mr. HAYS. What specifically would you expect to exchange with the Chinese; entertainment features of some kind?

Mr. RICHARDSON. I think we would favor and would like to see exchanges in such fields as journalists, scholars, scientists, and athletes.

Mr. HAYS. [Security deletion.]

Mr. RICHARDSON. [Security deletion.]

Mr. HAYS. [Security deletion.]

On entertainment, I am told they have two movies and two other entertainment companies. They are all performing exactly two things. This man saw one of them—I don't know the name—and he said there was more shooting going on on the stage than there was in any grade B Western he had ever seen. He said all the people being shot again were imperialist running-dogs, presumably Americans.

I don't know if you would find a big audience for that over here or not, but it might be very educational.

Mr. RICHARDSON. I think, Mr. Chairman, as I said, that the likelihood is that exchanges with China will develop slowly. At the moment there is only one prospect that I am aware of, a specific prospect, which is a ping-pong return visit from China. That will be some time later this year.

We anticipate that it is unlikely that there will be any large number of groups coming from China.

People going from this country to China probably also will not be in any large numbers. The Chinese probably are not equipped to handle large numbers of people. We doubt they will want to have large numbers. There is a great interest in this country, as you know, in

going to China, but we don't anticipate that this will be a rapidly growing exchange.

In fields such as journalism, athletics, and in certain kinds of academic programs outside any area of national defense or national security—it seems to us and it seemed to both governments when they signed this communique that it would be desirable to increase exchange for the purpose of increasing communication between our society and China.

Mr. HAYS. If Senators Mansfield and Scott go that will be an exchange, and if so, what are you going to get for them?

Mr. RICHARDSON. I am afraid I cannot answer that, Mr. Chairman.

Mr. HAYS. It would be interesting to know what the Chinese would offer.

In the matter of education and cultural exchanges, what is the relation of your Bureau to the U.S. Information Agency?

Mr. RICHARDSON. The U.S. Information Agency provides staff in the field to supervise and carry out on behalf of the Department of State, Department of State exchange programs abroad. Within this country all of the operating management of the program is done by the Department of State.

Mr. HAYS. You are saying that the USIA does all the management abroad?

Mr. RICHARDSON. That is correct.

Mr. HAYS. Wouldn't it be more efficient either to do it yourself or have them do the whole ball of wax? How can you coordinate this?

Mr. RICHARDSON. It is a problem, Mr. Chairman. One of the things that we have worked the hardest on in the last 2 or 3 years was to bring about a much closer working relationship with USIA than had previously been the case, because the organizational setup is difficult.

Mr. HAYS. Suppose we just put an amendment in this bill saying that from now on it will all be housed in the State Department.

Mr. RICHARDSON. That would be up to you, Mr. Chairman, how the structure is changed. I myself—and I cannot speak for USIA—but I know the present leadership and I have always been in agreement that this present structure is not the most favorable for carrying out our joint purposes.

On the other hand, when I came into this job and looked at it, it was obvious that it was not a very easy organizational setup to work with, but the task of trying to change it seemed to me to be not worth the time and effort that would have to go into it. So instead, I set about what I have been doing, which is to try to improve the organization, structure, operation, and focus of our programs and to cooperate more closely than before with USIA. This does not work too badly.

Mr. HAYS. How do you choose a particular cultural group?

Let's take for example musicians or orchestras. How do you choose which one will go?

Mr. RICHARDSON. We consider the interest of the audiences that we want to reach in the countries where we plan to send a group. We consult the Embassies as to what they think, that is, what kind of performing arts attraction will be of greatest utility.

Mr. HAYS. Whom do you consult in the Embassy?

Mr. RICHARDSON. Primarily the cultural affairs officer, but very often others on the country team. Very often the Ambassador.

Mr. HAYS. Suppose the cultural affairs officer is a devotee of television's "Hee-Haw". Would you send that group over there?

Mr. RICHARDSON. No, sir; we would not.

Mr. HAYS. You might get a bigger audience than you get for some of the other things.

How many philharmonic orchestras have you sent abroad in the last 10 years?

Mr. RICHARDSON. Since I have been here we have not fully sponsored any philharmonic orchestras overseas, but we have helped to sponsor some.

Mr. HAYS. How many have you helped sponsor since you have been in the Department?

Mr. RICHARDSON. I think only one. The Utah Symphony Orchestra last year had a tour of Latin America which we sponsored at almost no cost. Otherwise we have not been able to do this, because it is simply far beyond the available funds that we are putting into this program.

Mr. HAYS. I have been trying for 10 years to get somebody to send a college marching band or a university marching band abroad. I have never been able to sell that. Apparently it is not high enough on the level of culture, but I think you would have more people looking at it than anything you have ever sent there.

Mr. RICHARDSON. I don't know. I think in some places it might have appeal. This year we had Duke Ellington. He draws enormous crowds, and I doubt that any marching band could compete with him.

Mr. HAYS. You can't get them in a stadium? Did you put Duke Ellington in any stadiums?

Mr. RICHARDSON. He played in many large halls—and one stadium—in Moscow.

Mr. HAYS. I am not against Duke Ellington, mind you, but this is a typical type of American entertainment that draws big audiences in this country, and it is a part of our culture. It seems to me you might try it once.

Mr. RICHARDSON. I understand your point, Mr. Chairman. We have often almost done it, but we have been persuaded—usually by people on the spot in the countries that we have been considering—that it would not be an important attraction. It has to be an attraction in a number of countries to make it worth sending. You have to have something suitable for a number of countries.

We have sent, as I think you might know, university bands as well as university choruses, but not, as you suggest, marching bands. One of the troubles is those marching bands are very large.

Mr. HAYS. They run about 120 people.

Mr. RICHARDSON. That is a lot of people to send abroad.

Mr. HAYS. You can get a package tour to Europe for two weeks for $400.

Mr. RICHARDSON. Yes, Mr. Chairman, but we don't send performing arts groups to Western Europe. With a very small amount of money going into this, we think the amount of knowledge in Western Europe and contact with American performing arts groups is sufficient, so we don't send people to Western Europe.

Mr. HAYS. You have not sent any philharmonic orchestras in the past 10 years?

Mr. RICHARDSON. The last 10 years, I don't know.

Mr. HAYS. You must have some records.

Mr. RICHARDSON. We do, and we will be glad to provide them. I don't have that with me.

(The information follows:)

SYMPHONY ORCHESTRAS TRAVELING ABROAD UNDER DEPARTMENT OF STATE SPONSORSHIP, 1963–72

	Year	Area
Pittsburgh Symphony	1964	EUR/EE/NEA
Cleveland Orchestra	1966	EUR/EE/USSR
Philadelphia Orchestra	1966	ARA
Cincinnati Symphony	1967	EUR/EA/NEA
National Symphony Orchestra of the District of Columbia	1967	EUR
Los Angeles Philharmonic	1967	EUR/EE/NEA
New York Philharmonic	1968	EUR/NEA
Utah Symphony	1971	ARA

Mr. HAYS. You don't send anybody to Europe, to Western Europe?

Mr. RICHARDSON. Not unless we are sending them to the Soviet Union or Eastern Europe and they may stop on the way and do some concerts, but then it is normally a commercial affair and it is not at our expense.

Mr. HAYS. I would like to have for the record—and I don't expect you to have that now—the appropriations for your Department for each of the past 5 years.

Mr. RICHARDSON. All right, Mr. Chairman. I think I can get it for you now if you would like to have it.

In 1969, $31,425,000; 1970, $32,299,000; 1971, $37,176,000; 1972, $40,500,000. Then the 1973 request is for $52,400,000.

Mr. HAYS. Governor Thomson?

Mr. THOMSON. On the exchange of persons, you have asked for $10,852,000. Is that the largest increase you are requesting?

Mr. RICHARDSON. Yes, that is the largest part of the total increase.

Mr. THOMSON. How many more exchanges will the increase provide?

Mr. RICHARDSON. The increase of 1973 over 1972 would amount to 1,233 more individuals under the programs directly sponsored by the Bureau of Educational and Cultural Affairs.

That is a figure, Governor Thomson, that is not wholly meaningful because it covers people who go for short visits as well as those who go for longer visits, or come for a shorter time or longer time, and also because some of our programs are carried out indirectly. Increasingly they are carried out indirectly by facilitating or helping private organizations which are interested in carrying out exchanges for one reason or another. This is the figure however for the increase of sponsored Bureau of Educational and Cultural Affairs grantees.

Mr. THOMSON. Is that the largest increase requested in the State Department budget?

Mr. RICHARDSON. In the overall State Department budget?

Mr. MACOMBER. It is certainly the largest program increase except for the contributions to the International Organizations, which is not for us but for the International Organizations. This Cultural Affairs Exchange program request is our highest.

Mr. THOMSON. I was interested in your program for the Center for Cultural and Technical Interchange Between East and West. You are

proposing a followup program for the East-West Center relating to the alumni of that program. What benefits do you envision would come from that?

Mr. RICHARDSON. The major benefit, Mr. Congressman, would be the maintenance of communication, of personal relations between individuals who have had this intensive experience in the East-West Center with Americans, working on common problems that are important to them. The idea of these follow-up organizations is that they will continue to be in touch, both with the Americans that they studied and worked with in Hawaii and with each other, with corresponding benefits to the kind of regional development, regional orientation that we are trying to help encourage in that part of the world, and of course with corresponding benefit to maintaining relations with Americans in their own fields thereby improving the climate for our diplomacy in that part of the world.

Mr. THOMSON. You expect to spend $607,000 on this follow-up program, is that correct?

Mr. RICHARDSON. No, the figure is $50,000, Mr. Congressman.

Mr. THOMSON. As I read this it says, "To provide for increased educational and cultural exchange activities, including a new program, an additional 250 individual exchanges of various types, and a follow-up program for East-West Center alumni, $607,600."

Mr. RICHARDSON. Yes, I think the $607,000, Mr. Congressman, is for all of the items. It is not well stated in that sentence. It is for all the items listed in that sentence.

The bulk of that $600,000 is for a new program which will be a new institute in the East-West Center around which exchanges will take place, not simply the follow-up aspect of it.

I agree the sentence is not well drafted.

Mr. THOMSON. So the East-West Center will get out of your request $6,800,000 and how much will your other exchange of persons programs get?

Mr. RICHARDSON. The MECEA appropriation is $52,400,000, Mr. Congressman.

Mr. THOMSON. That is the total, isn't it?

Mr. RICHARDSON. No, sir. That is without the East-West Center appropriation which is under a separate appropriation.

Mr. HAYS. Mr. Lloyd?

Mr. LLOYD. One thing I don't understand. This Cultural Exchange, is this a duplicating operation with USIA? For example, Duke Ellington. Who paid for the expense of sending Duke Ellington to Poland, the USIA or the State Department.

Mr. RICHARDSON. The State Department.

Mr. LLOYD. Did that come out of your budget?

Mr. RICHARDSON. Yes, sir.

Mr. LLOYD. They come out of your budget but local USIA people handle the arrangements?

Mr. RICHARDSON. Yes.

Mr. LLOYD. On this exchange of persons, who pays the bill when we send persons abroad?

Mr. RICHARDSON. This is a State Department responsibility.

Mr. LLOYD. We pay that?

Mr. RICHARDSON. Yes.

Mr. LLOYD. We pay for the American citizens who go abroad and we also pay for the foreign citizens who come to America?

Mr. RICHARDSON. Largely that is true.

Mr. LLOYD. We pay it going and coming.

Mr. RICHARDSON. Yes, we do in many countries. There are almost 20 now, arrangements for contributions by other governments to the exchange program.

The exchange program is administered by us, but others contribute to us. Most other governments also do what we are doing.

Mr. LLOYD. The results are very intangible. You cannot really assess the returns. I know this is sort of holy ground—every time I ask questions there I get the feeling I am a hopeless ignoramus, but it does bother me. On the cover of Time this morning it said, "Is This Country Going Broke." We have a $450 billion deficit, and I wonder about the wisdom of sending scholars, journalists, scientists, athletes—sending them going and coming, both ways. The results are difficult to evaluate.

You made the statement in your prepared statement—that I did not have a copy of—that these people set the record straight, whatever the record is. How do you know they set the record straight? How do you know they are not just confusing the American image abroad? Do you evaluate that?

Mr. RICHARDSON. We attempt, not in a wholesale way, but we have a great many different means of spot checking.

Take the leadership, for example, in Germany. In the present German Cabinet, two-thirds of the members were here under these programs in the 1950's and 1960's. Everyone of these people, I think you would find on talking to them, will speak enthusiastically about his experience and will know something about the country that he would not have known otherwise, even as a casual visitor.

Mr. LLOYD. So we are to assume that somehow or other that has helped in the friendship of West Germany and the United States.

Mr. RICHARDSON. I think it has helped us in working out the relationship and in working on particular problems with the German Government.

Mr. LLOYD. So there is mutual acquaintance.

Mr. RICHARDSON. Yes. I would say more than acquaintance. I would say a really deep, considerable knowledge of our society on the part of those individuals for whom it is important to know how our Government functions, the way our Congress functions, the way the executive branch functions and the kinds of impulses—aspirations—that are behind our policies. Therefore, it is more likely that we can work out problems that arise with the Federal Republic and come to a common policy or a cooperative effort in the world.

Mr. LLOYD. Of course we have to hope so.

I have had some limited experience in seeing the way some of our State Department and USIA personnel perform abroad in the handling of these exchanges, and I am very much impressed with the limited observation I have had. It gives me more assurance than I had when I went.

I was quite impressed with their capability to handle their jobs. But I still have great reservations, with the financial problems facing this country, as to whether we should go ahead in these exchanges, which to

me seem very expensive, and which for some people just might be a paid trip abroad for a year or two. I think we have to be very careful that this does not become a paid vacation abroad for journalists and scholars.

For one looking on it with a jaundiced eye—as I say, I was relieved by my limited opportunity to see the actual operation of it in Eastern Europe.

Mr. RICHARDSON. I wholly agree. When I came into this job I had considerable skepticism about it. I think it is fair to say as of this date that the selection procedures and the management of the program are good enough—although far from perfect—so that the taxpayers' dollars are being utilized well in terms of the objectives that we have.

It does not mean they are perfect. We do make mistakes. But I think by and large any examination of the program now will come up with the kind of observation you just made.

Mr. LLOYD. I think you have a great opportunity to give succor and aid to a bunch of freeloaders, and I think you have to be constantly on guard.

Mr. RICHARDSON. I agree.

Mr. GROSS. How long have you been in the job?

Mr. RICHARDSON. Since July of 1969.

Mr. GROSS. July of 1969. What was your business before that?

Mr. RICHARDSON. I was President and Chief Executive Officer of Radio Free Europe for 7 years before that.

Mr. GROSS. And before that?

Mr. RICHARDSON. I was a partner in an investment banking firm in New York and before that I was a lawyer.

Mr. GROSS. So you have had some business experience?

Mr. RICHARDSON. Yes, sir.

Mr. GROSS. And you do know that we are facing a financial crisis in this country?

Mr. RICHARDSON. I certainly do, Mr. Gross.

Mr. GROSS. Yet you asked for an increase of approximately $12.5 million. Is that correct?

Mr. RICHARDSON. Yes, the President's budget shows that, because it was felt evidently, as I felt, that the needs were such that a priority ought to be accorded this particular activity as against others.

Mr. GROSS. In other words, we will go on indefinitely and forever with this business of dollar diplomacy. Apparently this is the only way we know of, or some people in this Government know, to handle what we are pleased to call diplomacy.

Mr. RICHARDSON. Most of the activities in this program are private activities. There are hundreds of thousands of people in this country who are seeing to it that important visitors here are well taken care of. These are all volunteer activities. They are organized by us and their national organization is assisted to a minor degree by us. This is typical of the program. Most of it is private energy, not government at all.

Mr. GROSS. All that may be true, but you are still asking for $52.5 million, and that still is a lot of money, or do you agree that it is?

Mr. RICHARDSON. Yes, indeed.

Mr. GROSS. And $12.5 million more than you had last year for the same purpose. What kind of a staff do you have, in numbers?

Mr. RICHARDSON. If I may go back to your previous comment. It is less than this. The budget is now less than it was 7 or 8 years ago, in the middle 1960's and the staff is much less.

In 1972 we have a staff, as shown in the budget in brief, of 304 as compared to a staff in 1964 of 473.

Mr. GROSS. How much do you spend on outside hiring for consultants, or people to take care of visitors, that sort of thing? You do spend a substantial amount of money for that, don't you?

Mr. RICHARDSON. Yes. Not for consultants, but we contract with private organizations who do much of the work of seeing to it that these exchanges are productive in terms of the kind of effect we want on the people who come here.

Mr. GROSS. So you can reduce your staff and still spend the money on warm bodies to accomplish what you are trying to accomplish, whatever that may be—and I am not quite sure what it is——

Mr. RICHARDSON. No more work is contracted out than it was 6 or 8 years ago, if that is the point of your question, Mr. Gross.

Mr. GROSS. That is certainly a part of it.

What was the orchestra you talked about that you shipped overseas, some kind of a symphony or philharmonic?

Mr. RICHARDSON. We cooperated in a trip, in a concert tour taken by the Utah Symphony Orchestra last summer to Latin America. It cost us less than $2,000 and the Department and the Government had the credit for the tour throughout Latin America.

Our posts facilitated the trip and arranged for it. It was a very happy marriage of our interest in showing a first class American symphony orchestra in Latin America and the interest of those who sponsored the tour in getting our help to see that the arrangements were properly made in these various countries.

Mr. LLOYD. Was that $2,000 the American contribution to that?

Mr. RICHARDSON. Would you correct the figure please. I am wrong. The total cost was $2,500.

Mr. GROSS. So you want an increase of $12½ million. Is there no duplication with the crew that just preceded you here, with their work? Is there no duplication or overlapping of what you do with the money that is expended on all of these specialized organizations under the United Nations?

Mr. RICHARDSON. No, Mr. Gross. I don't think there is. There may be activities that are carried on by some of the specialized agencies of the United Nations which are in fields where we are also active. They might have a training program for business managers in Paris that UNESCO runs, or something of that kind. I am just speculating. We might also. And we are interested in bringing about relationships between the teaching of business management in this country and the teaching of business management in many countries in other parts of the world, by relating the institutions that do the teaching.

You could say there is an overlap in the sense we might both have something to do with business teaching. But what we are doing is specificaly to bring about relationships between individuals and institutions which will be of long range benefit to both countries.

Mr. GROSS. Wonderful. We have had a lot of that, haven't we, since we got into this business of spreading ourselves all over the world. We have spent billions doing that, as well as some other things.

Mr. Richardson, you spoke of German Cabinet members coming to this country. Did we pay for them to come over here?

Mr. RICHARDSON. Yes. They were invited to come to this country when they were younger men under what we call leader-grant arrangements, which means for a short visit for 3 or 4 weeks with intensive exposure to this country.

Mr. GROSS. You mean the West German Government did not have the money to send these people over here?

Mr. HAYS. Those people were not Cabinet members when they came?

Mr. RICHARDSON. No. They were potential leaders when they came, not actual leaders.

Mr. GROSS. Are they all Cabinet members now?

Mr. RICHARDSON. Yes, sir.

Mr. GROSS. All of them?

Mr. RICHARDSON. Two-thirds of the present German Cabinet did come here under the Bureau of Educational and Cultural Affairs program.

Mr. GROSS. You mean the West Germans did not have the money to send them?

Mr. RICHARDSON. Yes; but they would not send them.

Mr. GROSS. Is there anyone in the State Department that is concerned about the financial crisis that faces this country?

Mr. RICHARDSON. I am.

Mr. GROSS. Are you?

Mr. RICHARDSON. Yes.

Mr. GROSS. And you are still asking for an increase of $12½ million?

Mr. RICHARDSON. Yes.

Mr. GROSS. In a program of this kind?

Mr. RICHARDSON. Yes. The President's overall budget seems to me to have been——

Mr. GROSS. I don't care about the President's budget. Deficits never impressed me. I have been here for a few years now and I know what budget askings are. That is the asking price. That is like a couple of horse traders on an Iowa farm in the old days. Sure he might ask $150 for an old horse that could hardly move. That is an asking price, Mr. Richardson.

I don't want to take any more time. You are way out of line with your $12½ million increase, as far as I am concerned, and way out of line with your program. Somewhere, someplace, somebody is going to have to cut down on spending in this country. We are on the road to the poorhouse, whether you recognize it or not.

That is all, Mr. Chairman.

Mr. HAYS. Off the record.

(Discussion off the record.)

Mr. HAYS. We have Mr. Ray S. Cline here, Director of the Bureau of Intelligence and Research.

Mr. Cline, do you want to give us a brief résumé of your background?

STATEMENT OF RAY S. CLINE, DIRECTOR, BUREAU OF INTELLIGENCE AND RESEARCH, DEPARTMENT OF STATE

Mr. CLINE. I believe my statement has been provided to your committee.

I was born in Illinois and brought up there and in Indiana. After some university education here and abroad I came to work for the U.S. Government 29 years ago. I served in a number of Government departments with the largest period of time being in the Central Intelligence Agency.

A little over 2 years ago, October 31, 1969, I was sworn in as Director of this Bureau in the State Department and have served in that capacity since that time.

(The budget summary follows:)

BUREAU OF INTELLIGENCE AND RESEARCH FISCAL YEAR 1973 BUDGET SUMMARY

Mr. Chairman, the budget proposed by the Bureau of Intelligence and Research under the major Function, "Administration of Foreign Affairs" in the Appropriation, Salaries and Expenses, totals $7,309,900. This amount includes American Salaries and all direct operating expenses of the Bureau. There are 324 domestic positions included in the budget, all direct.

There is an increase of $182.700 over FY–1972, which is a net of $228,400 increases and $45,700 decreases. The increases include:

Within-grade salary increases	$28,400
Improved support for an expanded foreign affairs external research program	200,000
Total increases	228,400
Decreases include:	
Two less days of pay in 1973	−45,700
Total decreases	−45,700
Net increase	182,700

The budgeted amount of $7,309,900 breaks down into the following categories of expense:

American salaries, retirement and health benefits, life, insurance costs, and miscellaneous salary costs (86.6 percent)	$6,332,600
Travel of persons and transportation of things (.8 percent)	55,000
Rents, telephones and other administrative costs (2.8 percent)	203,500
Printing and Reproduction (.2 percent)	15,000
Office machine maintenance, repair and maintenance of equipment, and Newsticker Service (.1 percent)	11,000
External Research Contracts (8.8 percent)	641,000
Supplies and Equipment, office (.7 percent)	50,900

As you can see, Mr. Chairman, 86.6% of our expenses are salary costs and allowances, and the remaining categories compose 13.4% of the total budget of $7,309,900.

Mr. HAYS. Mr. Cline, just very briefly. I read something in the paper about the President reorganizing the intelligence organizations in the Government and trying to combine them. As I understand it, there is of course the Defense Intelligence Agency and then there is CIA, Central Intelligence Agency, and then the State Department. Does every agency have its own intelligence organization?

Mr. CLINE. No, sir; but those agencies do and each of us concentrate on different aspects of the intelligence work in Washington. We

coordinate our work very carefully and all cooperate to advise our principals, our bosses and the members of the National Security Council on intelligence problems and on situations abroad which either threaten or offer opportunity to benefit our foreign policy or our national security.

Mr. HAYS. Is there a free interchange of intelligence between them, or is there a great deal of rivalry in which each one is trying to keep its intelligence secret from the others?

Mr. CLINE. There is a very free interchange, and since I have been working very intimately with all of those agencies I can say that it is very effective; the State Department does get all the information it needs to carry out its functions.

Mr. HAYS. Were you around during the Bay of Pigs fiasco?

Mr. CLINE. I had the good fortune to be assigned to duty in the Far East during that period.

Mr. HAYS. You don't know then whether there was any evaluation made by the Department of State of this operation, or whether the Department was included from the beginning, or whether they got aboard at the end, or whether they were on board at all.

Mr. CLINE. I can only give you hearsay evidence on that, and I would prefer not to since I was stationed abroad.

Mr. HAYS. Is there anyone in your Department who was around?

Mr. CLINE. Yes. Would you like me to give you a statement?

Mr. HAYS. I would like to have a witness come up and tell me exactly how much cooperation, communication, and liaison went on in those days.

Mr. CLINE. That was in 1961. We will give you a statement on it.

(The information follows:)

STATEMENT ON DEPARTMENT OF STATE PARTICIPATION IN PLANNING OF THE BAY OF PIGS

You have asked about the degree to which the Department of State participated in the plans for the Bay of Pigs, and the degree of cooperation and communication that existed between the Department of State and other elements of the foreign affairs community at that time. My inquiries about that complex and controversial episode have convinced me that the Department of State at its highest levels was informed, but the degree to which each agency communicated fully with others on the project and cooperated in working out its details could be answered satisfactorily and accurately only by a thorough review of all evidence available to each agency concerned. We simply do not have the information to provide you an adequate reply on this.

As you know, a study was conducted at White House direction by a committee headed by General Maxwell Taylor whose members numbered as well Attorney General Kennedy, Mr. Allen Dulles, and Admiral Arleigh Burke. That study was of course classified, and I personally see very little prospect that it will be made public. To the best of my knowledge there is no copy of it in the Department of State. I can only add that at the present time we are well satisfied with the intelligence liaison and inter-agency communications on intelligence matters between the Department of State and other U.S. intelligence organizations.

Mr. HAYS. Do you think it is better today?

Mr. CLINE. I think it is very good now.

Mr. HAYS. Liaison?

Mr. CLINE. Yes.

May I volunteer a statement on that point, Mr. Chairman. There are two essential functions of my Bureau. One is to provide the Secretary and the principal officers of the Department with the information and the analysis of events abroad which they need to make foreign policy and conduct our diplomacy abroad.

The second is to provide a link with the other intelligence agencies so as to coordinate their activities and insure that they are compatible with our foreign policy.

Mr. HAYS. Do you have a briefing every morning for the Secretary?

Mr. CLINE. Not every morning. We have briefings for principal officers of the Department every morning, and at different intervals for the Secretary. He has regularly a comprehensive briefing once a week, and sometimes on other occasions too.

Mr. HAYS. Off the record.

(Discussion off the record.)

Mr. HAYS. Mr. Lloyd.

Mr. LLOYD. Do you have representatives in your Department in the foreign Embassies?

Mr. CLINE. No, sir.

Mr. LLOYD. It is all here in Washington?

Mr. CLINE. Yes. The only exception is that there are at the moment a few MAP procurement officers abroad working for an interagency committee which we chair, but that is the only exception as we do not assign people from my Bureau overseas.

Mr. LLOYD. I don't see your budget listed in this budget brief.

Mr. CLINE. It may not be broken out there. It is $7.3 million a year.

Mr. LLOYD. I can see that. I was wondering why it was not listed here.

Mr. HAYS. You say you do not have anybody abroad?

Mr. CLINE. My Bureau does not assign intelligence officers abroad.

Mr. HAYS. How do you find out what is going on abroad then?

Mr. CLINE. By correspondence and access to the reporting of the political and economic officers in our Embassies.

Mr. HAYS. Is that the only source you have?

Mr. CLINE. That is the direct State Department source. Of course we have full access to the reports of CIA of the Defense Intelligence Agency, of the FBI.

Mr. HAYS. You have full access to CIA?

Mr. CLINE. We believe we do.

Mr. HAYS. In one capital in Europe we have a relatively new Embassy building. One whole floor is taken up by what they locally call the spooks, which is another name for the CIA. This is a friendly nation. They must have, I would guess—if they occupy a whole floor—they must have 100 people up there. What they do all day long aside from follow people around, like myself, I don't know. Do you have access to their reports every day?

Mr. CLINE. We have access to the reports on substantive developments in intelligence affecting our national interests. I would not have a daily report on the activities of their officers abroad.

Mr. HAYS. You just have a report on what they thought was important.

Mr. CLINE. The information they found which they felt was important.

Mr. HAYS. Off the record.

(Discussion off the record.)

Mr. HAYS. On the record.

I don't have any further questions.

The subcommittee stands adjourned.

(Whereupon, at 12:05 p.m., the subcommittee adjourned subject to call of the Chair.)

NUMBER OF CIVILIAN AGENCY[1] PERSONNEL OVERSEAS UNDER JURISDICTION OF DIPLOMATIC MISSION CHIEFS AS OF DEC

Area	Total, all agencies		State						AID				USIA		Peace Corps				Agriculture				Commerce		HEW				Justice		NAS	
			Total		Direct		Reimbursable		Direct hire including PASA		Contract				Staffs		Volunteers	Contract [3]			Staffs		Contract				Staffs		Contract				Staff	
	U.S.	F.N.	U.S.	F.N.	U.S.	F.N.	U.S.	F.N.	U.S.	F.N.	U.S.	F.N.	U.S.	F.N.	U.S.	F.N.		U.S.	F.N.	U.S.	F.N.	U.S.	F.N.	U.S.	F.N.	U.S.	F.N.	U.S.	F.N.	U.S.	F.N.	U.S.	F.N.
GLOBAL SUMMARY																																
Africa	5,141	3,523	867	1,495	490	675	377	820	545	656	391	168	152	613	100	86	2,946	21	137	13	7	2				5		6		1		2	
Near East and South Asia	2,747	5,707	934	2,226	431	707	503	1,519	398	1,296	173	448	199	1,433	72	41	913	8	192	15	31	1	15		2		9	3	10	25	2		
East Asia and the Pacific	6,007	10,963	1,181	2,099	604	883	577	1,216	2,086	3,486	412	2,476	277	1,582	50	65	1,747	25	127			6	22			1		2	1	46	11	1	
Latin American Republics	5,168	5,097	1,136	1,808	670	879	466	929	692	1,193	338	632	220	672	89	117	2,373	22	89	59	211	5	5	19	16	2	10	2	13	84	2	3	
Europe	2,751	4,906	1,691	2,864	1,214	1,722	477	1,142	12	1			221	909			6			72	76	15	48	29	60	3	36	18	52	135	18	13	1
Total	21,814	30,196	5,809	10,492	3,409	4,866	2,400	5,626	3,733	6,632	1,314	3,724	1,069	5,209	311	309	7,985	76	545	185	352	23	117	54	100	11	55	31	76	291	33	18	1
AFRICA																																
Algeria	25	33	23	29	17	24	6	5					2	4																		
Angola	5	9	5	9	5	9																										
Botswana	111	8	6	4	6	3		1	1		1				3	2	100	0	2													
Burundi	11	21	10	16	6	9	4	7					1	5																		
Cameroon	124	55	20	32	10	10	10	22	8	4	7		6	12	4	3	79		4													
Central Africa Republic	11	12	10	9	7	4	3	5					1	3																		
Chad	79	31	12	19	7	6	5	13	5				1	6	3	3	56	2	3													
Dahomey	79	33	9	19	5	4	4	15		2	1		1	7	3	2	65		3													
Equatorial Guinea		2		2		2																										
Ethiopia	389	179	52	94	25	20	27	74	51	44	77		7	28	7	6	195		7													
Gabon	9	24	7	19	7	6		13	1				1	5																		
Gambia, The	61	3	1	1	1	1									2	1	58		1													
Ghana	434	123	34	50	21	14	13	36	37	39	23	4	7	18	6	5	325		7							1		1				
Guinea	15	33	12	28	6	8	6	20	1		1	1	1	4																		
Ivory Coast	186	84	32	59	17	13	15	46	16	6	1		7	12	5	4	124	1	3													
Kenya	491	154	39	74	20	36	19	38	48	39	28	7	7	20	6	10	359		2	3	2							1				
Lesotho	50	10	4	2	4	2			1				1	4	1		42	1	4													
Liberia	534	292	102	77	19	34	83	43	61	83	12		14	111	8	9	333	1	12	3												
Libya	32	60	31	54	17	26	14	28					1	6																	2	
Malagasy Republic	95	167	7	24	5	13	2	11		1			2	12																		
Malawi	64	27	14	15	6	7	8	8			20		1	5	2	2	27		5													
Mali	43	57	17	44	9	18	8	26	4				2	5	2	2	18		6													
Mauritania	6	4	5	4	5	4											1															
Mauritius	30	10	8	6	6	6	2								2	1	20		3													
Morocco	300	305	48	146	29	55	19	91	41	27	12	4	25	122	5	5	163	3	1	2										1		
Mozambique	5	9	5	9	5	9																										
Niger	119	48	9	18	6	3	3	15	10	6			1	7	5	5	94	0	12													
Nigeria	321	606	74	191	41	97	33	94	116	238	109	126	16	50						2	1	2										
Rwanda	6	18	6	17	6	5		12						1																		
Senegal	144	55	20	22	13	10	7	12	7	11			6	11	6	1	105		10													
Sierra Leone	236	50	10	25	5	13	5	12			7		2	6	7	6	209	1	13													
Somali Republic	21	57	18	46	11	7	7	39					3	11																		
South Africa	63	312	55	73	45	57	10	16					6	16						1	2											
Sudan	11	42	10	30	6	20	4	10					1	12																		
Swaziland	108	16	4	3	3	3	1		7		1	2			2	1	89	5	10													
Tanzania	101	68	17	26	11	17	6	9	19	27	62	1	3	14																		
Togo	107	50	8	28	6	13	2	15	1	1	3	8	1	8	5	5	83	6														
Tunisia	207	203	29	59	15	28	14	31	44	93	4	7	5	27	3	5	119		2													
Uganda	163	56	13	14	7	10	6	4	27	20	21	6	3	10	3	3	88		3							4		4				
Upper Volta	83	32	8	17	7	6	1	11	1		1	1	2	5	3	3	68		6													
Zaire	245	140	60	66	33	34	27	32	35	15		1	13	36	7	2	127	1	18	2	2											
Zambia	18	25	13	15	10	9	3	6	3				2	10																		
Total	5,142	3,523	867	1,495	490	675	377	820	545	656	391	168	152	613	100	86	2,947	21	137	13	7	2				5		6		1		2	
NEAR EAST AND SOUTH ASIA																																
Afghanistan	369	452	33	66	17	22	16	44	81	222	66	47	5	17	12	1	168	3	99											1		
Arab Republic (Egypt)	21	67	20	61	14	49	6	12					1	6																		
Bahrain	5		5		3		2																									
Ceylon	23	86	21	52	14	16	7	36	3	2			4	32																		
Cyprus	73	117	69	102	10	13	59	89					4	15																		
Greece	180	594	125	333	38	88	87	245					52	238						1	3		4				7		8	2	1		
India	830	1,973	137	578	60	125	77	453	110	433	81	326	45	527	39	15	405	2	64	7	18		7				2	1	2				
Iran	258	272	72	148	37	54	35	94	1	1			14	82	11	13	155	2	22	1	2	1	4					1		4			
Israel	71	129	58	96	40	57	18	39		1			7	30						1	2							1				
Jordan	40	72	37	42	17	18	20	24	2	17		1	1	12																		
Kuwait	18	23	17	20	10	17	7	3					1	3																		
Lebanon	115	227	85	91	37	45	48	46	1	4			18	128						2	1				2					6		
Nepal	278	257	31	43	12	10	19	33	36	160	13	7	3	28	10	12	185	1	7													
Pakistan	219	958	99	384	47	76	52	306	93	338	2		23	234						2	2											
Saudi Arabia	53	103	40	94	24	54	16	40	8				5	9																		
Turkey	183	372	80	111	48	58	32	53	63	118	11	67	16	72						1	3									12	1	
Yemen	5	5	5	5	3	5	2																									
Total	2,747	5,707	934	2,226	431	707	503	1,519	398	1,296	173	448	199	1,433	72	41	913	8	192	15	31	1	15		2		9	3	10	25	2		
EAST ASIA AND THE PACIFIC																																
Australia	64	754	51	66	42	49	9	17					7	17						3	3			1	9						1	
Burma	42	132	38	72	17	28	21	44	1	10		17	3	33																		
Fiji	175	21	3	3	3	3									4	2	167	1	16													
Hong Kong	90	199	63	146	44	112	19	34					8	44						4	1									9	5		
Indonesia	164	232	83	93	42	44	41	49	52	79	9	2	18	57						2	1											
Japan	247	534	129	268	93	179	36	89					39	197						6	11		33	4	9					9	2		
Ryukyus	27	79	8	2	6		4	3					8	75														1	1			
Khmer Republic	44	52	29	46	14	11	15	35	11	2			4	4																		
Korea	529	423	50	88	31	43	19	45	76	198	10	1	16	104	8	18	367		13	2	1											
Laos	468	2,120	62	84	20	33	42	51	325	801	67	1,190	13	45																		
Malaysia	513	119	35	34	19	15	16	19			2		6	29	9	18	445	13	36	1	2									2		
New Zealand	23	31	19	23	15	16	4	7					2	7						2	1											
Philippines	696	1,369	170	347	51	81	119	266	78	199	12	13	33	415	13	11	327	5	32	2	3		6			1		1		4	2		
Singapore	43	52	28	26	17	15	11	11	1		4		4	26																3			
Taiwan	64	197	46	106	33	53	13	53	3	21			13	59						2	1		10									
Thailand	732	1,150	140	224	85	101	55	123	194	506	61	206	35	180	9	16	271		9	1	3			1	4					13	2		
Tonga	58	4													3		55		4													
Vietnam	1,903	3,478	227	473	76	100	151	373	1,341	1,667	247	1,047	68	290						1										5		
Western Samoa	125	17													4		115	6	17													
Total	6,007	10,963	1,181	2,099	604	883	577	1,216	2,086	3,486	412	2,476	277	1,582	50	65	1,747	25	127	26,	27		49	6	22	1		2	1	46	11	1	
LATIN AMERICAN REPUBLICS																																
Argentina	121	205	63	93	37	43	26	50	5	18	7	23	23	67						7	2			5	1					10	1	
Bahamas	23	13	9	12	9	11		1												3										5		
Barbados	229	22	13	16	11	12	2	4					1	2	7	2	207		2					1								
Bolivia	103	201	41	45	19	19	22	26	39	123	15	7	6	26																2		
Brazil	759	761	133	230	68	95	65	135	171	304	67	48	42	134	16	26	313	4	6	5	5		5		1		1		1			
British Honduras	40	11	5	7	5	7									2	2	33		2													
Chile	175	423	50	51	24	24	26	27	14	55	7	62	16	39	2	6	62		3	2	3										2	
Colombia	437	262	63	77	35	41	28	36	52	75	35	50	16	27	9	15	255		14	2	3			2	1			1				
Costa Rica	201	124	27	46	16	20	11	26	20	27	10	22	4	11	3	1	120	8	7	2	1											
Dominican Republic	227	316	62	176	30	58	32	108	41	59	25	63	4	12	4	2	78	1	3	2	1											
Ecuador	399	336	54	56	27	26	27	30	36	73	22	67	10	24	7	10	195	2	4	1	2										1	
El Salvador	141	154	29	54	18	19	11	35	27	20	10	57	4	8	3	3	64	1	10	2	2					1						
Guatemala	267	240	44	37	27	19	22	18	58	100	24	64	7	25	3	6	130		6	1	2											
Guyana	32	58	15	20	8	9	7	11	13	22	2	9	2	8																		
Haiti	34	55	29	47	19	28	10	19	3				2	8																		
Honduras	229	100	27	48	15	17	12	31	25	23	18	12	4	7	5	6	150		4													
Jamaica	213	74	26	52	20	31	6	21	5	4	1		2	6	4	5	173		1					2	6							
Mexico	308	758	177	372	132	226	45	146	6	23	3	23	24	127						28	182			9	7	1	9	1	12	52	1		
Netherlands Antilles	6	9	6	9	6	7		2																								
Nicaragua	157	102	22	46	14	17	8	29	21	31	15	9	3	8	4	1	85	3	7											4		
Panama	132	147	38	41	25	20	13	21	68	74	12	12	8	20	1															4		
Paraguay	131	118	19	50	13	17	6	33	32	42	14	13	6	9	3	2	54	1	2											2		
Peru	345	277	55	67	28	27	27	40	31	88	17	54	15	29	8	17	217	2	6		3											
Surinam	5	5	5	5	5	5																										
Trinidad	20	41	16	29	12	18	4	11					2	10						1	2											
Uruguay	86	134	41	46	18	17	23	29	18	23	8	26	6	35	1	3	12				1											
Venezuela	337	139	67	76	34	36	33	40	7	9	5		13	30	7	10	225		12	3	2	5								5		
Regional	11	11									11	11																				

Malawi	69	27	14	18	6	7	8	8			20		1	3	2	2	27		3															
Mali	43	57	17	44	9	18	8	26	4				2	5	2	2	18		6															
Mauritania	6	4	5	4	5	4											1																	
Mauritius	30	10	8	6	6	6	2								2	1	20		3															
Morocco	300	305	48	146	29	55	19	91	41	27	12	4	25	122	5	5	163	3	1	2								1						
Mozambique	5	9	5	9	5	9																												
Niger	119	48	9	18	6	3	3	15	10	6			1	7	5	5	94	0	12															
Nigeria	321	606	74	191	41	97	33	94	116	238	109	126	16	50						2	1	2												
Rwanda	6	18	6	17	6	5		12						1																				
Senegal	144	55	20	22	13	10	7	12	7	11			6	11	6	1	105		10															
Sierra Leone	236	50	10	25	5	13	5	12			7		2	6	7	6	209	1	13															
Somali Republic	21	57	18	46	11	7	7	39					3	11																				
South Africa	63	312	55	73	45	57	10	16					6	16						1	2													
Sudan	11	42	10	30	6	20	4	10					1	12																				
Swaziland	108	16	4	3	3	3	1	7			1	2			2	1	89	5	10															
Tanzania	101	68	17	26	11	17	6	9	19	27	62	1	3	14																				
Togo	107	50	8	28	6	13	2	15	1	1	3	8	1	8	5	5	83	6																
Tunisia	207	203	29	59	15	28	14	31	44	93	4	7	5	27	3	5	119		2															
Uganda	163	56	13	14	7	10	6	4	27	20	21	6	3	10	3	3	88		3								4		4					
Upper Volta	83	32	8	17	7	6	1	11	1		1	1	2	5	3	3	68		6															
Zaire	245	140	60	66	33	34	27	32	35	15		1	13	36	7	2	127	1	18	2	2													
Zambia	18	25	13	15	10	9	3	6	3				2	10																				
Total	5,142	3,523	867	1,495	490	675	377	820	545	656	391	168	152	613	100	86	2,947	21	137	13	7	2				5		6		1		2		
NEAR EAST AND SOUTH ASIA																																		
Afghanistan	369	452	33	66	17	22	16	44	81	222	66	47	5	17	12	1	168	3	99															
Arab Republic (Egypt)	21	67	20	61	14	49	6	12					1	6																				
Bahrain	5		5		3		2																											
Ceylon	28	86	21	52	14	16	7	36	3	2			4	32																				
Cyprus	73	117	69	102	10	13	59	89					4	15																				
Greece	150	594	125	333	38	88	87	245					52	238						1	3		4				7		8	2	1			
India	830	1,973	137	578	60	125	77	453	110	433	81	326	45	527	39	15	405	2	64	7	18		7				2	1	2					
Iran	258	272	72	148	37	54	35	94	1	1			14	82	11	13	155	2	22	1	2	1	4					1						
Israel	71	129	58	96	40	57	18	39		1			7	30						1	2							1		4				
Jordan	40	72	37	42	17	18	20	24	2	17		1	1	12																				
Kuwait	18	23	17	20	10	17	7	3					1	3																				
Lebanon	115	227	85	91	37	45	48	46	1	4			18	128						2	1					2				6				
Nepal	279	257	31	43	12	10	18	33	36	160	13	7	3	28	10	12	185	1	7															
Pakistan	219	958	99	384	47	76	52	308	93	338	2		23	234						2	2													
Saudi Arabia	53	103	40	94	24	54	16	40	8				5	9																				
Turkey	183	372	80	111	48	58	32	53	63	118	11	67	16	72						1	3									12	1			
Yemen	5	5	5	5	3	5	2																											
Total	2,747	5,707	934	2,226	431	707	503	1,519	398	1,296	173	448	199	1,433	72	41	913	8	192	15	31	1	15		2		9	3	10	25	2			
EAST ASIA AND THE PACIFIC																																		
Australia	64	754	51	66	42	49	9	17					7	17						3	3			1	9						1			
Burma	42	132	38	72	17	28	21	44	1	10		17	3	33																				
Fiji	179	21	3	3	3	3									4	2	167	1	16															
Hong Kong	90	199	63	146	44	112	19	34					8	44						4	1									9	5			
Indonesia	164	232	83	93	42	44	41	49	52	79	9	2	18	57						2	1													
Japan	247	534	129	268	93	179	36	89					39	197						6	11		33	4	9				9	2			
Ryukyus	27	79	8	2	6		4	3					8	75														1	1					
Khmer Republic	44	52	29	46	14	11	15	35	11	2			4	4																				
Korea	529	423	50	88	31	43	19	45	76	198	10	1	16	104	8	18	367		13	2	1													
Laos	468	2,120	62	84	20	33	42	51	325	801	67	1,190	13	45																				
Malaysia	513	119	35	34	19	15	16	19			2		6	29	9	18	445	13	36	1	2									2				
New Zealand	23	31	19	23	15	16	4	7					2	7						2	1													
Philippines	696	1,369	170	347	51	81	119	266	78	199	12	13	33	415	13	11	327	5	32	2	3		6				1	1		4	2			
Singapore	43	52	28	26	17	15	11	11	1		4		4	26																3				
Taiwan	64	197	46	106	33	53	13	53	3	21			13	59						2	1		10											
Thailand	732	1,150	140	224	85	101	55	123	194	506	61	206	35	180	9	16	271		9	1	3			1	4					13	2			
Tonga	58	4													3		55		4															
Vietnam	1,903	3,478	227	473	76	100	151	373	1,341	1,667	247	1,047	68	290						1										5				
Western Samoa	125	17													4		115	6	17															
Total	6,007	10,963	1,181	2,099	604	883	577	1,216	2,086	3,486	412	2,476	277	1,582	50	65	1,747	25	127	26,	27		49	6	22	1		2	1	46	11	1		
LATIN AMERICAN REPUBLICS																																		
Argentina	121	205	63	93	37	43	26	50	5	18	7	23	23	67						7	2			5	1					10	1			
Bahamas	23	13	9	12	9	11		1												3										5				
Barbados	229	22	13	16	11	12	2	4					1	2	7	2	207		2					1										
Bolivia	103	201	41	45	19	19	22	26	39	123	15	7	6	26																2				
Brazil	759	761	133	230	68	95	65	135	171	304	57	48	42	134	16	26	313	4	6	5	5		5		1		1		1					
British Honduras	40	11	5	7	5	7									2	2	33		2															
Chile	175	423	50	51	24	24	26	27	14	55	7	62	16	39	2	6	62		3	2	3													
Colombia	437	262	63	77	35	41	28	36	52	76	35	50	16	27	9	15	255		14	2	3			2	1			1			2			
Costa Rica	201	124	27	46	16	20	11	26	20	27	10	22	4	11	3	1	120	8	7	2	1													
Dominican Republic	227	316	62	176	30	68	32	108	41	59	35	63	4	12	4	2	78	1	3	2	1													
Ecuador	399	338	54	56	27	26	27	30	36	73	22	67	10	24	7	10	195	2	4	1	2													
El Salvador	141	154	29	54	18	19	11	35	27	29	10	57	4	8	3	3	64	1	10	2	2													
Guatemala	267	240	44	37	27	19	22	18	58	100	24	64	7	25	3	6	130		6	1	2					1								
Guyana	32	59	15	20	8	9	7	11	13	22	2	9	2	8																				
Haiti	34	55	29	47	19	28	10	19	3				2	8																				
Honduras	229	100	27	48	15	17	12	31	25	23	18	12	4	7	5	6	150		4															
Jamaica	213	74	26	52	20	31	6	21	5	4	1		2	6	4	5	173		1					2	6									
Mexico	308	758	177	372	132	226	45	146	6	23	3	23	24	127						28	182			9	7	1	9	1	12	52	1			
Netherlands Antilles	6	9	6	9	6	7		2																										
Nicaragua	157	102	22	46	14	17	8	29	21	31	15	9	3	8	4	1	85	3	7											4				
Panama	132	147	38	41	25	20	13	21	68	74	12	12	8	20	1															4				
Paraguay	131	118	19	50	13	17	6	33	32	42	14	13	6	9	3	2	54	1	2											2				
Peru	345	277	55	67	28	27	27	40	31	88	17	54	15	29	8	17	217	2	6		3													
Surinam	5	5	5	5	5	5																												
Trinidad	20	41	16	29	12	18	4	11					2	10						1	2													
Uruguay	86	134	41	46	18	17	23	29	18	23	8	26	6	35	1	3	12				1													
Venezuela	337	139	67	76	34	36	33	40	7	9	5		13	30	7	10	225		12	3	2	5								5				
Regional	11	11									11	11																						
Total	5,168	5,097	1,136	1,808	670	879	466	929	692	1,193	338	632	220	672	89	117	2,373	22	89	59	211	5	5	19	16	2	10	2	13	84	2	3		
EUROPE																																		
Austria	89	216	70	129	41	58	29	71					14	72						1	2						4		6	3	3			
Belgium:																																		
Embassy	129	197	76	123	34	58	42	65					12	23						8	3		7											
USEC	21	6	21	6	21	4		2																										
USNATO	55		55				55																											
Bermuda	88	70	4	8	4	6		2												1										2		2		
Bulgaria	17	24	14	21	11	13	3	8					3	3																				
Canada	206	152	93	139	89	115	4	24					6	9						2	3			6						55				
Czechoslovakia	19	42	16	38	12	20	4	18					3	4																				
Denmark	43	62	32	41	21	29	11	12					5	18						2	3									4				
Finland	36	51	28	31	19	19	9	12					8	20																				
France (and OECD)	306	681	197	377	126	203	71	174	8	1			18	77						10	9			6	25		6	1	8	20	2	2	1	
Germany	415	969	278	595	220	259	58	336					51	306						5	8		20	3	10	1	8	1	10	17	5			
Hungary	17	40	15	37	11	27	4	10					2	3																				
Iceland	12	18	10	11	10	8		3					2	7																				
Ireland	14	34	13	32	13	22		10												1	2													
Italy	232	609	166	406	122	272	44	134	2				15	101						11	15		4	2	6		12	2	16	18	6			
Luxembourg	13	19	11	9	9	8	2	1																										
Malta	16	10	9	10	8	9	1	1					1				6																	
Netherlands	57	130	40	74	34	57	6	17					4	13						8	8		12	1	4									
Norway	37	59	33	42	23	31	10	11					4	17																				
Poland	47	106	36	84	30	55	6	29					9	20						2	2													
Portugal	43	84	38	68	30	56	8	12					3	14						2	2													
Romania	21	31	17	22	12	12	5	10					4	8																				
Spain	231	600	66	103	47	63	19	40					9	42						3	4		5	2					7	1	7			
Sweden	46	78	37	47	26	33	11	14					5	22						1	3			1	6			1						
Switzerland:																																		
Bern	63	51	40	42	24	32	16	10					1	6						3	3	5		1				8		2				
Geneva	58	35	58	35	38	29	20	6																										
United Kingdom	281	329	113	227	95	168	18	59	2				13	30						7	6	10		7	9	2	6	5	12	7	1	2		
U.S.S.R.	72		59		51		8						10							3														
Yugoslavia	67	203	46	107	33	56	13	51					19	93						2	3													
Total	2,751	4,906	1,691	2,864	1,214	1,722	477	1,142	12	1			221	909			6			72	76	15	48	29	60	3	36	18	52	135	18	13	1	

[1] Excludes staffs of the Department of Defense and other elements, public disclosure of which is prohibited.
[2] Includes short-term contract workers.

AGENCY[1] PERSONNEL OVERSEAS UNDER JURISDICTION OF DIPLOMATIC MISSION CHIEFS AS OF DEC. 31, 1971 (ACTUAL EMPLOYMENT)

	Reimbursable		AID				USIA		Peace Corps				Agriculture				Commerce		HEW				Justice		NASA				Transportation			Treasury		ABMC/AEC EPA/Ex.Im.		GSA/HUD Int./Labor		NSF/Smith. TVA/VA	
			Direct hire including PASA		Contract				Staffs		Volunteers	Contract[2]		Staffs		Contract			Staffs		Contract				Staff		Contract												
	U.S.	F.N.	U.S.	F.N.	U.S.	F.N.	U.S.	F.N.	U.S.	F.N.		U.S.	F.N.	U.S.	F.N.	U.S.	F.N.	U.S.	F.N.	U.S.	F.N.	U.S.	F.N.	U.S.	F.N.	U.S.	F.N.	Coast Guard, military	U.S.	F.N.	U.S.	F.N.	U.S.	F.N.	U.S.	F.N.	U.S.	F.N.
	545	656	391	168	152	613	100	86	2,946	21	137	13	7	2				5		6		1		2		85	351		2				2	10			1	
	398	1,296	173	448	199	1,433	72	41	913	8	192	15	31	1	15		2		9	3	10	25	2					3	1	3	1							
	2,086	3,486	412	2,476	277	1,582	50	65	1,747	25	127	26	27		49	6	22	1		2	1	46	11	1		1	659	25	40	7	31	26	11	45	14	4	25	277
	692	1,193	338	632	220	672	89	117	2,373	22	89	59	211	5	5	19	15		10	2	13	84	2	3		51	317		10	10	21		2	2				
	12	1			221	909			6			72	76	15	48	29	60		36	18	52	135	18	13	1	311	529	3	71	10	93	10	47	292	7		4	
	3,733	6,632	1,314	3,724	1,069	5,209	311	309	7,985	76	545	185	352	23	117	54	100	11	55	31	76	291	33	19	1	488	1,856	28	126	28	148	37	62	349	21	4	30	277

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APPENDIX 1

Statement of Hon. Seymour Halpern on the Need for State Department Aid to Soviet Jews Immigrating to Israel

Mr. Chairman: Thank you for the opportunity to voice my support for H.R. 13030 which would authorize the Secretary of State to provide $85 million to Israel for fiscal year 1973 to help with the cost of resettling Soviet Jews who have been fortunate enough to be able to emigrate to their homeland.

Within the past year we have become increasingly aware of the Jewish problem in the Soviet Union and have also seen an unprecedented number of Jews allowed to leave the U.S.S.R. Israeli newspapers have said that more than 15,000 arrived in 1971. The motivation for this uprising in immigration remains unclear, yet several possible explanations come to mind: pressure from the United States and other countries has forced the Soviet Union to relax its policies; the desire by the Soviet Union to free themselves of those who have caused domestic strain and international embarrassment; or the belief by the Soviet Union that the surge of immigrants can not be absorbed by Israel without weakening and straining the economy or defenses of this proud nation.

This last possibility should of course be of concern to the United States. We are unalterably committed to the security and well being of the state of Israel. The heavy and continuing financial pressure of having to resettle these Soviet immigrants as well as immigrants from other countries could conceivably overtax the already overburdened Israeli economy. Consequently, I believe that it is most important that we prevent Israel from being put in this precarious position. I am well aware that the $85 million designated in H.R. 13030 would not cover all of the resettlement costs but it would be a significant start.

The influx of immigrants has confronted Israel with serious financial as well as social problems, which have been complicated by the strains of new citizens adjusting from a communist system to the competition of a free market.

One of the most serious problems faced by the influx of newcomers is the task of matching job qualifications with job openings. Housing has also become a problem. The building schedule of the Israeli authorities provides for only approximately 7,000 housing units to be available in 1972.

These plans were drawn up in the middle of 1970, when no one in his wildest dreams could imagine Jews leaving Russia.

It is most difficult for the people of Israel to absorb this unprecedented influx of Soviet Jews, housing must be built, food provided and jobs found. Clearly, Israel can not do this alone.

The problems, both financial and social, of housing, feeding, and employing, the new immigrants has been admirably handled by the State and people of Israel. However, it would indeed be a humanitarian action, rather than a mere gesture if we were to channel the funds suggested in H.R. 13030 to Israel for the purpose of aiding the resettlement program. I am aware that the United States through contact with the American Jewish Journal Distribution Committee has been contributing $25 per person for their care and maintenance during stopover in Vienna. However, no United States aid, direct or indirect, has been granted to any of these refugees in Israel.

The $85 million requested in H.R. 13030 to be granted to Israel would be but a continuation of U.S. aid to refugee programs throughout the world.

It is entirely consistent with present and past United States action which has been the hallmark of our humanitarian efforts. Since World War II the United States has granted assistance directly and indirectly to refugee programs in the amount of more than $2.8 billion. We spent almost $600 million to aid Cuban refugees. From 1947 to 1951 we contributed $237 million to the International Refugee Organization. In the early 1950's we contributed almost $85 million to assist Korean refugees. We certainly can do no less for our friend and ally in the Middle East. We have played a major role in the creation of the State of Israel and we should continue to be concerned with its well-being.

In the past a great number of our colleagues have been concerned with and supported the demands for emigration voiced by Soviet Jews. Now that this goal has been partially achieved, we can not abandon their cause. I believe that it is essential that we take the initiative to ensure that funds will be granted to provide assistance to Israel for its resettlement. I strongly urge that H.R. 13030, first introduced by myself and my distinguished colleague, Mr. Bingham, and currently cosponsored by a bipartisan group of 62 Members, be included in the State Department Authorization Act for fiscal year 1973.

APPENDIX 2

LETTER FROM THE AMERICAN ISRAEL PUBLIC AFFAIRS COMMITTEE, TRANSMITTING MEMORANDUM ON THE RESETTLEMENT OF SOVIET JEWS [1]

AMERICAN ISRAEL PUBLIC AFFAIRS COMMITTEE,
Washington, D.C., April 7, 1972.

Hon. WAYNE L. HAYS,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. HAYS: This is our statement on the resettlement of Soviet Jews in Israel which we have requested to be made part of the record on the hearings on the authorizations for the Department of State.

The legislation concerned is H.R. 13022, The Soviet Jewish Refugee Act of 1972, submitted by Rep. Jonathan B. Bingham.

Sincerely,

I. L. KENEN,
Executive Vice Chairman.

AMERICAN ISRAEL PUBLIC AFFAIRS COMMITTEE MEMORANDUM ON THE RESETTLEMENT OF SOVIET JEWS

We urge your committee to give sympathetic consideration to legislation to assist Israel in the resettlement of Soviet Jews.

Ever since the Russian revolution of 1917, the Soviet Union has attempted to sever relations between the Jewish people of Russia and the outside world and to alienate them from their past and future as Jews—from their religion, their culture, their national identity.

Now, suddenly, the Soviet Union is permitting the emigration of a limited number of Jews who have applied for visas to Israel.

It is widely believed that this revolutionary development is a Soviet reaction to world opinion, which has been critical of the Soviet Union's treatment of Jews and which has called for a liberal emigration policy.

The Congress of the United States deserves warm appreciation for this welcome development. It has often voiced protest and appeal—not a new or unusual manifestation of American sympathy for the oppressed. Going back more than a century, the American people have often evinced their interest and concern for the Jews of Russia, who were persecuted under both Czars and Commissars.

There is a long record of congressional protest: in 1890 following the pogroms, again in 1906 and 1911, and often during the last decade, when Congressional leaders challenged Soviet anti-Semitism and Soviet curbs on emigration.

We hope that Congress, which helped to bring about this Soviet decision, will help Israel to give effect to it. For this new and unexpected immigration presents a major test for the Israel economy, which already carries a huge defense burden because of the Soviet Union's military thrust into the Middle East and its continuing threat to Israel's survival.

As in the past, the American Jewish community will once again make every effort to increase its contributions to the United Jewish Appeal and its purchase of Israel bonds in order to assist Israel, doubling its past goals.

But this extraordinary and unprecedented philanthropy will not by itself meet the costs which must be borne by the Jewish Agency for Israel and by the Government of Israel.

PAST U.S. AID TO ISRAEL

We recall that the House Committee on Foreign Affairs was the first legislative body to vote economic aid for Israel—in 1951. Between 1948 and 1951, the 650,000 Jews of Israel had welcomed some 684,000 Jews, most of whom came from the displaced persons camps in Europe, from Eastern Europe and from Arab

[1] Identical letter also sent to Hon. Thomas E. Morgan, Chairman, Committee on Foreign Affairs.

countries. Recognizing the humanitarian character of this undertaking and realizing that Israel had assumed burdens which had previously been borne by the United States government in the displaced persons camps, the House Foreign Affairs Committee voted a $50 million grant for the relief and resettlement of Jewish refugees, paralleling a similar grant for the relief and resettlement of Arab refugees. Total grant aid to Israel from the United States that year was $65 million. The next year, the Administration, recognizing Israel's need, proposed a $72 million authorization to help resettle refugees. By 1953, grant aid to Israel dropped to $40 million and it came to an end in 1959.

According to AID records submitted to the House Committee grant aid to Israel totaled $369 million up to 1970. All other assistance to Israel has taken the form of loans or the sale of surplus commodities, and more than half of these economic loans have already been repaid, according to AID records as of 1970.

Deplorably, critics have attacked U.S. aid to Israel with gross exaggeration and distortion, lumping together all transfers, private gifts, loans, and military credits and denominating the total as "aid." Such criticism has invariably ignored the fact that grants have represented a small proportion of the total, that Israel has been repaying the loans as they come due, and that Israel has put our AID funds to high humanitarian purpose.

This support from our Government has been augmented by private philanthropy, by the sale of Israel bonds and by reparations and restitution payments from West Germany. All these funds together might have been sufficient to resettle the 1,300,000 Jews who entered Israel during her first 24 years if Israel had not been compelled to divert so much of her resources for defense.

NO GRANT MILITARY AID

It should be emphasized that, despite the flow of Soviet weapons to Israel's foes, Israel never received grant military aid from the United States, and was always compelled to borrow heavily in order to finance military procurement and training.

As a consequence, many of Israel's immigrants never received adequate assistance and were never fully integrated, especially many of the 675,000 who came, devoid of means, from Arab countries. Many still suffer from deprivation and one of Israel's major problems is to close the gap between the disadvantaged Middle Eastern Jews and those who came from the West and who were able to rise to a higher standard of living.

Past immigration presents Israel with a huge backlog of urgent human needs.

ISRAEL'S DEBT BURDEN

Denied adequate grant economic and military assistance, the Israelis went deeply into debt for defense and development, and Israel's external debt mounted to unprecedented heights. For the last decade, Israelis have owed more in external debt, on a per capita basis, than any other citizens anywhere else in the world.

The Israel foreign debt rose to new and staggering heights after the Egyptians opened their war of attrition in March 1969 and the Soviet Union began to pour new and sophisticated weapons into Egypt and the Arab countries, forcing Israel to buy deterrent weaponry. Congress made large military credits available to Israel in 1970, 71 and 72.

The record shows that Israel's defense imports in dollars rose from $166 million in 1966 to $369 million in 1968 to $800 million in 1970. Total defense expenditures soared from 1.2 billion Israel pounds in 1966 to 5.3 billion pounds in 1970.

The rise in external debt kept pace. It was $1.3 billion in 1966. It soared to $3.6 billion by the end of 1971 and it is expected to rise to $4.2 billion by the end of the current year. Thus the per capita debt stood at $1,155 at the end of 1971 and it will exceed $1,200 by the end of this year.

The annual debt service has almost doubled in the last five years. It was $527 million in principal and interest in 1971; the total debt was 68.5 percent of Israel's GNP.

THE NEW SUPPORTING ASSISTANCE GRANT

It was in recognition of Israel's critical economic position that your committee took a welcome initiative in 1971. For the last several years, the Israel government had appealed to the United States for supporting assistance. The House

Committee on Foreign Affairs recommended a supporting assistance grant. The Senate Committee on Foreign Relations agreed, fixing the figure at $85 million. Regrettably, this was subsequently reduced in conference to $50 million.

In view of the continuing need and the strong congressional support for this program, it was our hope that the Administration would take a favorable position on Israel's application for supporting assistance this year.

We were pleased to learn from President Nixon's message that the Administration does, in fact, contemplate a $50 million supporting assistance grant in fiscal 1973, although, in our view, a higher figure could have been justified in the light of Israel's continuing defense burdens.

But we were disappointed to learn from testimony submitted by Assistant Secretary of State Joseph J. Sisco, that the Administration intends this $50 million to help meet Israel's defense burdens as well as the costs of integrating Soviet Jews.

We do not think this is an adequate amount under the new circumstances. Since Congress voted the $50 million for supporting assistance for Israel, the Soviet Union has suddenly opened its gates to permit a much larger emigration of Soviet Jews and Israel is now confronted, not only with growing defense burdens, but with new and greater resettlement tasks as well.

THE RISE IN EMIGRATION

In 1971, some 13,000 Jews came to Israel from the Soviet Union—most of them late in the year—and a great majority of them are still a long way from absorption. This immigration continued at a substantial rate in January and February and it is now estimated that 30,000 Jews will emigrate to Israel from the Soviet Union in 1972. In addition to these 30,000, the Israel government expects an additional 40,000 from other parts of the world—a total immigration of 70,000 in 12 months.

THE COST

In anticipation of this large influx, the Jewish Agency for Israel has a global budget of $775 million for its total needs for fiscal 1972–73. Of this sum, it is estimated that $200 million will be needed to resettle the 30,000 Soviet Jews expected in 1972; $260 million more is earmarked to resettle the other 40,000. On top of that, the Government of Israel will allocate some $240 million for refugee absorption. The overall total is slightly over $1 billion.

The $200 million earmarked by the Jewish Agency for immigration and absorption of the 30,000 Russian Jews is broken down as follows:

	(In millions)
Transportation and freight	$15.1
Initial care, absorption centers and hostels	18.5
Housing and community infrastructure	131
Vocational training and retraining	7
Health	8.9
Education	6.7
Higher learning	7.6
Welfare and other assistance	3
Social integration	1.2

More is needed than funds for food and temporary shelter. New communities must be established, with schools, hospitals, dormitories, roads, religious and cultural centers. And, on top of this, the government must create employment opportunities.

There is no certainty that the Soviet Union will permit the estimated 30,000 to emigrate. The Soviet Union has been putting obstacles in the way by harrassing those who apply for visas. Even so, since many have applied, the figure could exceed 30,000.

Most of the Jews who come out are from Georgia and Bukhara, from the former Rumanian territories, and from the Baltic countries. For the most part, these Jews were not easily assimilated in the Russian Communist society, either because they are Orthodox or because they were exposed to the outside Jewish world not so many years ago. Very few Jews are permitted to leave from Russia proper, which has been Communist since 1917. Highly skilled Russian Jews who seek visas are refused emigration for five years, allegedly on security grounds, and are deprived of employment and subjected to humiliation and harassment in a campaign to discourage the exodus.

The new Russian immigrants present many psychological problems which increase the burdens and the costs. Many of them lack skill and occupation. Many were small tradesmen. They need vocational training. Most need intensive instruction in Hebrew, which they were forbidden to learn in Russia. Many are specialists with useless skills, like the lady saw mill engineer who has no forests to saw in Israel. The professionals, like doctors and engineers, need broader and more up-to-date instruction. Russian medicine, for example, lags behind.

Having lived in a paternalistic Communist regime, which supervised all their needs—housing, employment, education, even their cultural activities—these new immigrants are bewildered as they learn to fend for themselves in a free economy.

WHY THE OPEN DOOR?

The question will be asked. If Israel is having so much difficulty coping with this influx, why does she welcome all those who come? There are two answers.

The first is that it is not within the competence of Israel to control the emigration from the Soviet Union, with which it has no relations.

But Israel would not try to do it, if she could.

The people of Israel remember that when the Jews of Europe sought refuge from Hitlerism in the 1930s many nations closed their doors and millions were trapped and doomed to die in the holocaust. Many Jews would have been saved if Palestine had been open to unrestricted immigration during that period. Burdened by that memory, the people of Israel are determined that the doors of Israel will never close and that no Jewish life will be sacrificed because of immigration restrictions barring Jews from the return to their national homeland.

This solicitude for people is not merely a legacy from a bitter past. It bespeaks a confidence in the future.

By opening her doors wide in 1948, Israel affirmed her faith in the value of people, even as our own country did in early years. Israel is confident that the Jews from Russia will repay the cost of their care and will make a contribution to the development of their new country.

Our own country received more than 200,000 refugees from bloody Russian pogroms between 1880 and 1890. The words of a witness, Emma Lazarus, were inscribed on the Statue of Liberty: "Give me your tired, your poor, your huddled masses, yearning to breathe free...." Some three million came from Eastern Europe between 1900 up to World War I. Many of them contributed massively and qualitatively to our own country's spectacular growth and development and to our intellectual and cultural achievement.

The Refugee Act of 1972 is not merely a measure to help Israel in a humanitarian enterprise of relief and rehabilitation. It is to help Israel keep faith with a high purpose which must surely appeal to American sentiment and conscience.

IRVING KANE, *Chairman.*
I. L. KENEN, *Executive Vice Chairman.*

APPENDIX 3

Department of State Fiscal Year 1973 Analysis of Resources by Country

	Americans	Locals	Amount
Bureau of African Affairs:			
Algeria	14	24	$677,398
Angola	5	9	272,380
Botswana	5	3	271,252
Burundi	6	10	371,200
Cameroon	11	13	655,912
Central African Republic	6	4	394,665
Chad	6	6	461,280
Dahomey	6	6	361,105
Equatorial Guinea	2	2	140,300
Ethiopia	24	22	1,177,927
Gabon	7	7	479,743
Gambia	2	1	118,713
Ghana	20	13	1,032,488
Guinea	9	7	568,930
Ivory Coast	16	16	998,390
Kenya	21	37	1,047,073
Lesotho	3	2	154,648
Liberia	19	34	1,176,130
Libya	17	22	1,036,559
Malagasy Republic	9	12	465,251
Malawi	6	9	298,410
Mali	9	17	430,094
Mauritania	5	4	228,834
Mauritius	5	6	235,279
Morocco	26	56	1,420,490
Mozambique	5	9	290,292
Niger	6	3	358,038
Nigeria	47	103	2,555,835
Rwanda	5	5	305,560
Senegal	12	10	1,807,236
Sierra Leone	7	13	562,140
Somali Republic	10	24	776,465
South Africa	44	54	1,761,058
Southern Rhodesia			69,791
Sudan	5	17	489,868
Swaziland	3	3	179,044
Tanzania	12	17	797,433
Togo	6	12	419,296
Tunisia	14	27	704,540
Uganda	7	9	512,309
Upper Volta	8	6	397,442
Zaire	32	34	1,476,731
Zambia	9	7	525,758
Regional			534,323
Cooperation with private institutions			321,921
Total	491	695	29,319,531
Bureau of Near Eastern and South Asian Affairs:			
Afghanistan	14	22	916,130
Arab Republic of Egypt	13	49	588,475
Bahrain	3	5	169,641
Ceylon	14	16	706,376
Cyprus	9	13	555,182
Greece	38	87	2,365,770
India	61	122	3,573,943
Iran	35	54	1,879,736
Iraq			61,000
Israel	39	57	1,537,656
Jordan	17	18	788,590
Kuwait	14	20	734,415
Lebanon	35	47	4,636,513
Nepal	12	10	584,429
Oman	3	5	170,756
Pakistan	49	72	2,289,240
Saudi Arabia	20	52	1,456,658
Syrian Arab Republic			10,000
Turkey	47	59	2,296,873
United Arab Emirates	3	5	156,086
Yemen	3	5	161,937
Regional			1,548,455
Cooperation with private institutions			1,706,000
Total	429	718	28,893,861
Bureau of East Asian and Pacific Affairs:			
Australia	41	52	2,245,906
Burma	17	32	1,055,170
Cambodia	14	13	962,164
Fiji Islands	3	3	165,996
Hong Kong	43	110	1,977,212
Indonesia	42	46	1,925,591
Japan	94	184	14,412,840
Korea	32	46	1,590,729

Department of State Fiscal Year 1973 Analysis of Resources by Country—Continued

	Americans	Locals	Amount
Bureau of East Asian and Pacific Affairs—Continued			
Laos	19	34	964,564
Malaysia	19	15	1,106,065
New Zealand	15	17	754,001
Philippines	53	82	2,112,639
Singapore	17	16	715,909
Taiwan	30	55	1,453,555
Thailand	88	104	3,389,671
Vietnam	76	110	3,746,864
Trust Territories of the Pacific (Saipan)	1		34,108
Micronesia			19,052
Regional			1,535,612
Cooperation with private institutions			1,146,190
Total	604	919	41,313,838
Bureau of Inter-American Affairs:			
Argentina	38	43	2,044,594
Bahamas	9	12	445,448
Barbados	10	13	441,555
Bolivia	19	20	1,028,874
Brazil	17	96	4,425,168
British Honduras	5	7	208,400
Chile	26	24	1,312,132
Colombia	37	43	1,692,327
Costa Rica	16	21	702,789
Cuba			38,000
Dominican Republic	32	70	1,622,593
Ecuador	29	27	1,191,689
El Salvador	18	19	618,203
Guatemala	21	18	1,272,630
Guyana	9	9	399,949
Haiti	17	30	638,050
Honduras	16	18	749,607
Jamaica	21	32	804,058
Mexico	131	230	5,337,580
Netherlands Antilles	6	7	223,949
Nicaragua	14	18	576,172
Panama	25	22	1,100,692
Paraguay	13	17	542,293
Peru	28	28	1,613,309
Surinam	5	5	195,597
Trinidad	13	18	586,531
Uruguay	20	17	877,619
Venezuela	35	36	1,835,730
Regional			274,156
Cooperation with private institutions			100,000
Total	684	900	32,879,694
Bureau of European Affairs:			
Austria	41	60	2,470,590
Belgium	63	64	2,748,769
Bermuda	4	6	251,210
Bulgaria	11	14	454,008
Canada	86	119	3,775,464
Czechoslovakia	14	20	760,794
Denmark	19	29	1,077,645
Finland	18	20	1,137,054
France	132	207	6,646,535
French West Indies	3	5	170,530
Germany	226	267	11,156,673
Hungary	12	28	823,184
Iceland	9	8	431,611
Ireland	13	22	734,188
Italy	109	274	6,502,766
Luxembourg	10	8	365,414
Malta	8	9	285,547
Netherlands	35	58	1,823,662
Norway	22	31	1,117,366
Poland	29	57	1,765,137
Portugal	28	57	1,257,362
Romania	12	13	1,456,342
Spain	45	66	2,306,390
Sweden	25	34	1,274,363
Switzerland	55	57	2,533,514
United Kingdom	93	184	4,971,087
U.S.S.R	54		2,740,733
Yugoslavia	32	58	6,375,107
Regional			110,059
Cooperation with private institutions			795,000
Total	1,208	1,775	68,318,104
Grand total	3,416	5,067	200,725,028

APPENDIX 4

ALLOWANCES

(There follows a brief description of the allowances applicable to most American Government personnel assigned abroad. Specific rates paid to employees vary according to salary and family size. The rates are set forth in the Standardized Regulations which are applicable to all civilian American Government employees assigned abroad regardless of agency.)

Education Allowance

This allowance is paid to American employees to assist them in defraying the extraordinary but necessary schooling expenses which are incurred because of service abroad. It insures their children will receive elementary and secondary education (grades 1–12) as adequate as they would have in the U.S. public school system.

In general, the education allowances are based on the least costly adequate school at the post. If the school at the post has a minor deficiency in the curriculum that can be corrected through use of a correspondence course or tutoring concurrent with attendance at the school, the allowance is increased to cover the cost of the correspondence course. If there is no adequate school at the post for a given grade, an allowance is established to cover the expenses of attending a school located away from the post. The amount covers the costs of adequate boarding schools in the area, including transportation.

Living Quarters Allowance

This allowance is paid to American employees when Government housing is not available. It is intended to cover average expenses for rent, heat, light, fuel (including gas and electricity) and water.

As a general rule, about 50 percent of all employees of all agencies at the post are fully reimbursed for their housing costs. The quarters allowance rate is determined by a thorough examination of the average costs of all Government employees living in privately leased quarters. This review includes an analysis of the size of quarters currently occupied, and other data available pertaining to housing at the post.

Post Allowance

This allowance is paid to American employees when the cost of living (exclusive of rent and utilities) at a post abroad is higher than Washington, D.C. It is a balancing factor that enables employees to purchase necessary commodities and services at a cost equivalent to what they would pay if stationed in Washington, D.C.

The allowance is based on comprehensive reports received from a post showing retail prices of a list of goods and services carefully selected to indicate the general cost level.

Hardship Post Differential

The post differential allowance is additional compensation of from 10% to 25% of basic salary paid to American employees at posts where they are subjected to adverse living conditions such as extremes of temperature and climate, remoteness, unhealthful or dangerous environment.

Separate Maintenance Allowance

This allowance is paid to American employees who maintain their dependents outside the post of assignment because of dangerous, notably unhealthful, or excessively adverse living conditions at the post or for the convenience of the Government.

The rates for separate maintenance allowances are based upon the cost of maintaining a spouse and dependents in Washington, D.C., while the employee is at his or her post abroad. The major expense included in the allowance is housing. Posts are not classified for seperate maintenance allowances. Each case is determined individually on its merits.

Supplementary Post Allowance

This allowance is a supplement to the Post Allowance and is payable to large families to help offset part of the high cost of restaurant meals incurred while living in a hotel on first arrival at a new post or final departure from a post.

The rate paid is directly proportional to travel per diem rates, which although not payable after arrival at the post, reflect restaurant meal costs.

Temporary Lodging Allowance

This allowance is paid, in lieu of any living quarters allowance, to American employees for a period not in execess of three months after first arrival at a new post and not more than one month immediately preceding final departure from a post. It is intended to cover, within prescribed rates, the cost of room(s) only in a hotel or other temporary quarters.

The maximum daily rate for temporary lodging is based upon the average cost of a single room and bath at suitable hotels, including service charges, additional charges for heat, light and fuel where applicable, and mandatory taxes levied upon hotel rates. It does not include any reimbursement for costs of meals. The rate is determined by analysis of reports from posts on the cost of rooms at hotels suitable for occupancy by Government employees.

Transfer Allowance (Foreign)

This allowance is paid to American employees to compensate partially for extraordinary, necessary and reasonable expenses, not otherwise compensated for, incurred in transferring from one post to another. It is a lump sum payment after arrival at a new post of assignment. Payments presently are limited to transfers involving change in climatic zones.

ANALYSIS OF EMPLOYEE BENEFITS IN ADDITION TO REGULAR COMPENSATION

BUREAU OF AFRICAN AFFAIRS

Country	Available facilities			Housing provided by—			Other allowances and differentials [1]				
							Allowances				Hardship post difference percent
	Employee association and commissary	Military post exchange	Government sponsored school	Government owned units	Government leased units	Quarters allowance	Post	Education	Supplemental post	Separate maintenance	
Algeria, Algiers [2]	No	No	Yes	Yes	Yes	No	Yes	Yes	No	No	15
Angola, Luanda	No	No	No	No	Yes	No	No	Yes	No	No	10
Botswana, Gaberones	No	No	No	No	Yes	No	No	Yes	No	No	10
Burundi, Bujumbura	No	No	No	Yes	Yes	No	Yes	Yes	No	No	20
Cameroon, Yaounde [2]	Yes	No	Yes	Yes	Yes	No	Yes	Yes	No	No	15
Central African Republic, Bangui	No	No	No	Yes	Yes	No	Yes	Yes	No	No	25
Chad, Fort Lamy	Yes	No	No	Yes	Yes	No	Yes	Yes	No	No	25
Dahomey, Cotonou	Yes	No	No	No	Yes	No	Yes	Yes	No	No	25
Equat. Guinea, Santa Isabel	No	No	No	No	Yes	No	No	Yes	No	No	20
Ethiopia, Addis Ababa [2]	Yes	Yes	Yes	Yes	Yes	No	No	Yes	No	No	10
Gabon, Libreville	No	No	No	Yes	Yes	No	Yes	Yes	No	No	25
Gambia, Bathurst	No	No	No	No	Yes	No	No	Yes	No	No	20
Ghana, Accra	Yes	No	Yes	Yes	Yes	No	Yes	Yes	No	No	15
Guinea, Conakry	No	No	Yes	Yes	Yes	No	Yes	Yes	No	Yes	25
Ivory Coast, Abidjan	No	No	No	Yes	Yes	No	Yes	Yes	No	No	15
Kenya, Nairobi	No	No	No	Yes	Yes	No	No	Yes	No	No	
Lesotho, Maseru	No	No	No	No	Yes	No	No	Yes	No	No	10
Liberia, Monrovia	Yes	No	Yes	Yes	Yes	No	Yes	Yes	No	No	25
Libya, Tripoli [2]	No	No	No	Yes	Yes	No	Yes	Yes	No	No	10
Malagasy Republic, Tananarive	No	No	No	Yes	Yes	No	Yes	Yes	No	No	
Malawi, Blantyre	No	No	No	No	Yes	No	No	Yes	No	No	
Mali, Bamako	No	No	No	Yes	Yes	No	Yes	Yes	No	No	25
Mauritania, Nouakchott	No	No	No	Yes	No	No	Yes	Yes	No	No	15
Mauritius, Port Louis	No	No	No	No	Yes	No	No	Yes	No	No	
Morocco, Rabat	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	
Mozambique, Lourenco Marques	No	No	No	Yes	Yes	No	No	Yes	No	No	
Niger, Niamey	No	No	No	Yes	Yes	No	Yes	Yes	No	No	25
Nigeria, Lagos [2]	Yes	No	Yes	Yes	Yes	No	Yes	Yes	No	No	15
Rawanda, Kigali	No	No	No	Yes	Yes	No	Yes	Yes	No	No	25
Senegal, Dakar	No	No	No	Yes	Yes	No	Yes	Yes	No	No	
Sierra Leone, Freetown	No	No	No	No	Yes	No	Yes	Yes	No	No	25
Somali Republic, Mogadiscio	Yes	No	Yes	No	Yes	No	Yes	Yes	No	No	25
South Africa, Pretoria	No	No	No	Yes	Yes	No	No	Yes	No	No	
Sudan, Khartoum	No	No	Yes	No	Yes	No	Yes	Yes	No	No	20
Swaziland, Mbabane	No	No	No	Yes	Yes	No	No	Yes	No	No	
Tanzania, Dar-es-Salaam [2]	Yes	No	Yes	Yes	Yes	No	Yes	Yes	No	No	15

Togo, Lome	Yes	No	Yes	No	Yes	No	Yes	Yes	No	No	25
Tunisia, Tunis	Yes	No	Yes	Yes	Yes	No	No	Yes	Yes	No	
Uganda, Kampala	No	No	Yes	Yes	Yes	No	No	Yes	No	No	10
Upper Volta, Ouagadougou	No	No	No	No	Yes	No	Yes	Yes	No	No	25
Zaire, Kinshasa [2]	Yes	No	Yes	Yes	Yes	No	Yes	Yes	No	No	25
Zambia, Lusaka	No	No	Yes	Yes	Yes	No	No	Yes	No	No	

BUREAU OF NEAR EASTERN AND SOUTH ASIAN AFFAIRS

Afghanistan	Yes	No	Yes	No	Yes	Yes	No	Yes	Yes	No	20
Arab Republic of Egypt, Cairo	Yes	No	Yes	Yes	Yes	No	No	Yes	Yes	No	15
Bahrain	No	No	No	No	Yes	Yes	No	Yes	Yes	No	10
Ceylon	No	No	No	Yes	Yes	Yes	No	Yes	Yes	No	20
Cyprus	No	No	No	Yes	Yes	Yes	No	Yes	Yes	No	0
Greece, Athens [2]	Yes	Yes	No	Yes	Yes	Yes	No	Yes	Yes	No	0
India, New Delhi [3]	Yes	No	Yes	Yes	Yes	No	No	Yes	Yes	No	10
Iran, Tehran [2]	Yes	No	Yes	Yes	Yes	Yes	No	Yes	Yes	No	0
Israel, Tel Aviv [2]	Yes	No	Yes	Yes	Yes	Yes	No	Yes	Yes	No	0
Jordan	Yes	No	Yes	Yes	Yes	Yes	No	Yes	Yes	No	25
Kuwait	No	No	No	No	Yes	Yes	Yes	Yes	Yes	No	10
Lebanon	Yes	No	No	Yes	Yes	Yes	No	Yes	Yes	No	0
Nepal	Yes	No	No	Yes	Yes	Yes	No	Yes	Yes	No	15
Oman	No	No	No	No	Yes	Yes	Yes	Yes	Yes	No	25
Pakistan, Isalamabad [2]	Yes	No	No	Yes	Yes	No	No	Yes	Yes	No	15
Saudi Arabia, Jidda [2]	Yes	No	No	No	Yes	Yes	Yes	Yes	Yes	No	25
Turkey, Ankara [2]	No	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	0
United Arab Emirates, Abu Dhabbi	No	No	No	No	Yes	Yes	Yes	Yes	Yes	No	25
Yemen	No	No	No	No	Yes	Yes	Yes	Yes	Yes	No	25

BUREAU OF EAST ASIA AND PAC FIC AFFAIRS

Australia, Canberra [2]	No	No	No	Yes	Yes	Yes	No	No	No	No	
Burma, Rangoon [2]	Yes	No	Yes	Yes	Yes	No	No	Yes	No	No	20
Fiji Islands, Suva	No	No	No	No	Yes	Yes	No	Yes	No	No	15
Hong Kong	Yes	No	Yes	Yes	Yes	Yes	No	Yes	No	No	
Indonesia, Djakarta [2]	Yes	No	Yes	Yes	Yes	No	No	Yes	No	No	25
Japan, Tokyo [2]	Yes	Yes	Yes	Yes	No	No	No	Yes	No	No	
Khmer Republic (Cambodia), Phnom Penh	Yes	No	No	No	Yes	No	Yes	Yes	Yes	Yes	25
Korea, Seoul	Yes	Yes	Yes	Yes	Yes	No	No	Yes	No	No	10
Laos, Vientiane	Yes	No	Yes	Yes	Yes	No	No	Yes	No	No	25
Malaysia, Kuala Lumpur	No	No	Yes	Yes	Yes	Yes	No	Yes	No	No	
New Zealand, Wellington [2]	No	No	No	Yes	Yes	Yes	No	No	No	No	
Philippines, Manila [2]	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	No	10
Singapore	Yes	No	Yes	Yes	Yes	Yes	No	Yes	No	No	
Taiwan, Taipei	Yes	Yes	Yes	Yes	Yes	No	No	Yes	No	No	
Thailand, Bangkok [2]	No	Yes	Yes	Yes	Yes	Yes	No	Yes	No	No	10
Vietnam, Saigon	Yes	Yes	No	Yes	Yes	No	No	No	No	Yes	25

ANALYSIS OF EMPLOYEE BENEFITS IN ADDITION TO REGULAR COMPENSATION—Continued

BUREAU OF ARA

Country	Available facilities			Housing provided by—			Other allowances and differentials [1]				
							Allowances				Hardship post difference percent
	Employee association and commissary	Military post exchange	Government sponsored school	Government owned units	Government leased units	Quarters allowance	Post	Education	Supplemental post	Separate maintenance	
Argentina	Yes	No	Yes	Chief of mission and deputy chief of mission.	Yes	Yes	No	Yes	Yes	No	
Bahamas (CG)	No	No	No	No	Yes	No	Yes	Yes	Yes	No	
Barbados	Yes	No	No	Deputy chief of mission.	Yes	Yes	No	Yes	No	No	
Bolivia	Yes	No	Yes	Yes	Yes	No	No	Yes	No	No	25
Brazil [2]	Yes	No	Yes	Yes	No	No	No	Yes	Yes	No	
British Honduras (CG)	No	No	No	Principal officer	Yes	No	No	Yes	No	No	15
Chile	Yes	No	No	Chief of mission and deputy chief of mission.	Yes	Yes	No	Yes	No	No	
Colombia [2]	Yes	No	No	Chief of mission	Yes	Yes	No	Yes	No	No	
Costa Rica	Yes	No	No	Deputy chief of mission.	Yes	Yes	No	Yes	No	No	
Dominican Republic	Yes	No	No	Chief of mission	Yes	Yes	Yes	Yes	Yes	No	10
Ecuador [2]	No	No	No	Chief of mission and deputy chief of mission.	Yes	Yes	No	Yes	No	No	10
El Salvador	Yes	No	No	Chief of mission	Yes	Yes	No	Yes	No	No	
Guatemala	Yes	No	No	do	Yes	Yes	No	Yes	No	No	15
Guyana	No	No	No	Yes	Yes	No	No	Yes	No	No	15
Haiti	Yes	No	No	Chief of Mission	Yes	Yes	No	Yes	No	No	15
Honduras	Yes	No	No	Yes	Yes	Yes	No	Yes	No	No	10
Jamaica	Yes	No	No	Chief of mission and deputy chief of mission.	Yes	Yes	Yes	Yes	No	No	
Mexico [2]	Yes	No	No	do	Yes	Yes	No	Yes	Yes	No	
Netherlands Antilles (CG)	No	No	No	Chief of mission	Yes	Yes	Yes	Yes	No	No	
Nicaragua	Yes	No	No	Chief of mission and deputy chief of mission.	Yes	Yes	No	Yes	No	No	10
Panama	Yes	Yes	No	No	Yes	Yes	No	Yes	Yes	No	
Paraguay	Yes	No	Yes	Chief of mission and deputy chief of mission.	Yes	Yes	No	Yes	No	No	

Peru	Yes	No	Yes	Yes	Yes	Yes	No	Yes	No	No	
Surinam (CG)	No	No	No	Yes	Yes	No	Yes	Yes	No	No	10
Trinidad	Yes	No	No	Chief of mission	Yes	Yes	No	Yes	No	No	
Uruguay	Yes	No	No	do	Yes	Yes	No	No	No	No	10
Venezuela	Yes	No	No	Chief of mission and deputy chief of mission.	Yes	Yes	Yes	Yes	No	No	10

BUREAU OF EUROPEAN AFFAIRS

Austria	Yes	No	Yes	Yes	Yes	Yes	No	Yes	Yes	No	
Belgium [2]	Yes	Yes	Yes	Chief of mission only.	Yes	Yes	Yes	Yes	Yes	No	
Bermuda	No	Yes	No	Principal officer only.	Yes	Yes	No	Yes	No	No	
Bulgaria	No	No	Yes [3]	Chief of mission only.	Yes	No	No	Yes	No	No	15
Canada [2]	No	No	No	Chief of mission; Deputy chief of mission only.	Yes	Yes	No	No	Yes	No	
Czechoslovakia	Yes	No	Yes [3]	Yes	Yes	No	No	Yes	No	No	10
Denmark	Yes	No	Yes [3]	Yes	Yes	Yes	Yes	Yes	Yes	No	
Finland	No	No	No	Yes	Deputy chief of mission only.	Yes	Yes	Yes	Yes	No	
France [2]	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	
French West Indies	No	No	No	No	Yes	No	Yes	Yes	Yes	No	15
Germany [2]	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	
Hungary	Yes	No	No	Yes	No	No	No	Yes	No	No	10
Iceland	No	No	Yes [3]	Chief of mission and Marine guards.	Yes	Yes	No	Yes	Yes	No	10
Ireland	No	No	No	Yes	Yes	Yes	No	Yes	Yes	No	
Italy [2]	Yes	No	Yes	Yes	No	Yes	No	Yes	Yes	No	
Luxembourg	No	No	No	Chief of mission only.	Yes	Yes	Yes	Yes	Yes	No	
Malta	No	No	No	No	Yes	Yes	No	Yes	No	No	
Netherlands [2]	No	No	Yes	Yes	Yes	Yes	No	Yes	Yes	No	
Norway	Yes	Yes	Yes [3]	Yes	Yes	Yes	Yes	Yes	Yes	No	
Poland [2]	Yes	No	Yes	Yes	Yes	No	No	Yes	No	No	10
Portugal [2]	Yes	No	No	Chief of mission and deputy chief of mission.	Yes	Yes	No	Yes	Yes	No	
Rumania	No	No	Yes [3]	No	Yes	No	No	Yes	No	No	15
Spain [2]	Yes	Yes	Yes	Chief of mission and deputy chief of mission.	Yes	Yes	No	Yes	Yes	No	
Sweden	Yes	No	Yes [3]	Yes	Yes	Yes	Yes	Yes	Yes	No	
Switzerland [2]	No	No	Yes [3]	Chief of mission only.	Yes	Yes	Yes	Yes	Yes	No	
United Kingdom [2]	Association only.	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	
U.S.S.R	Yes	No	Yes [3]	No	Yes	No	Yes	Yes	No	No	15
Yugoslavia [2]	Yes	No	Yes [3]	Yes	Yes	No	No	Yes	No	No	

[1] Transfer and temporary lodging allowances to employees at all posts and therefore not shown.
[2] Data shown is for capital city only.
[3] Not all grades.

APPENDIX 5

Report on Overseas Expenditures and Foreign Currency Availability Pursuant to Section 6(c) of Public Law 89–243, Approved Oct. 9, 1965

[In thousands of dollars or dollar equivalents]

Country and agency (Worldwide summary)	Overseas expenditures		Foreign currency available at June 30 for—	
	U.S. dollars	Foreign currency	U.S. use	Conversion
Agency for International Development	106,873	60,046		
Agriculture, Department of	5,462	19,080		36,058
American Battle Monuments Commission	477	1,482		
Atomic Energy Commission	7,417	384		
Civil Service Commission	18,969	474		
Commerce, Department of	6,542	7,226		
Defense, Department of	4,801,500	144,800		
Export-Import Bank of Washington	20,797			
General Services Administration	101			
Health, Education, and Welfare, Department of	217,606	25,529		
Interior, Department of	59,360	467		
Justice, Department of	3,389	276		
Labor, Department of	945	136		
Library of Congress	135	2,079		
National Aeronautics and Space Administration	47,293	6,691		
National Science Foundation	2,413	1,481		
Panama Canal	54,205			
Peace Corps	15,815	21,483		
Post Office Department	30,673	7,573		
Railroad Retirement Board	11,242	201		
Smithsonian Institution		2,274		
State, Department of	153,846	118,495		
Tennessee Valley Authority	18,147			5,164
Transportation, Department of	13,918	7,678		
Treasury, Department of	5,492	312		
U.S. Information Agency	38,410	53,568		
Veterans' Administration	72,270	32,240		
Subtotal	5,713,297	513,975		
Expenditures of certain foreign currency which was purchased with dollars from commercial sources other than the Department of Defense	[1] 292,000	[1] −292,000		
Total	6,005,297	[2] 221,975	[3] 1,714,814	41,222

[1] To present a clearer picture of balance-of-payments impact, this report classifies expenditures of foreign currency as U.S. dollar expenditures when the currency expended was purchased with dollars from commercial sources. Data for the Defense Department are shown specifically on this basis. Data on this basis are not available for other agencies individually, but are available in the aggregate. Accordingly, the amount shown as foreign currency expenditures for each of these other agencies represents the total foreign currency expended by the agency without regard to whether the currency was purchased with dollars from commercial sources or from Treasury. Therefore, an overall adjustment is made in this table to put total expenditures on this basis.

[2] Excludes expenditures from foreign currency funds ("FT" accounts) mostly for country use programs aggregating $424,000,000. Details of these expenditures are shown in the "Report on Foreign Currencies Acquired by the U.S. Government Without Payment of Dollars, Fiscal Year 1970."

[3] Represents currencies available for purchase by administrative agencies with appropriated dollars from Treasury holdings for payment of official U.S. obligations, for accommodation exchange for U.S. personnel, and for sale to U.S. citizens and nonprofit organizations for travel or other purposes in selected countries.

APPENDIX 6

Background Material Submitted by the Department of State

Department of State

Education, Training, and So Forth, in USA

Data on programs of all agencies (including State) that bring foreigners to the United States for education, training or orientation purposes—number of persons involved, costs, authority, etc.

Number of persons involved by program category (fiscal year 1971):

Program	Total
Students	2,011
Professors and Research Scholars	488
Teachers	358
Leaders	1,107
Specialists	411
Educational Travel	317
Total	4,692

Authorization: All programs of the Department of State designed to bring foreigners to the United States for education, training, or orientation purposes are conducted under authorization provided in the Mutual Educational and Cultural Exchange Act of 1961. (Public Law 87–256)

FISCAL YEAR 1971 COSTS

Program	Number	Amoun
Students	2,011	$5,542,042
Professors and research scholars	488	1,611,477
Teachers	358	1,092,634
Leaders	1,107	5,449,418
Specialists	411	1,358,431
Educational travel	317	676,897
Total	4,692	15,730,899

National Science Foundation

Number of persons involved by program category (fiscal year 1971):

Programs	Number
Asia Foundation	24
American Friends of Middle East	3
American Scandinavian Foundation	1
U.S.-South African Leader Exchange	8
UNESCO	11
Pan American Union	8
Scientific Exchange Program Between NAS and the Academies of the USSR and Eastern Europe (Incl. Yugoslavia)	52
Institutes for College Teachers Secondary School Teachers Program Advanced Training Projects	449
Basic Research Grants including Foreign Travel	37
Polar Programs	4
Senior Foreign Scientists Program	63
U.S.-Japan Cooperative Program	108
U.S.-India Exchange of Scientists and Engineers	8
Program of Exchanges Between the U.S. and Romania	7
Total	783

Cost: Not available.

DEPARTMENT OF DEFENSE

Number of persons involved by program category (fiscal year 1970):

ARMY Programs	Number
Military Persons	3,026
Unknown Category	82
Cost: Not available	169
NAVY Programs	
Military	917
Unknown	19
Cost: Not available.	
U.S. Marine Corps, Military	44
Total	4,667

Authorization: Not available.
Cost: Not available.

DEPARTMENT OF INTERIOR

Number of persons involved by program category (fiscal year 1970):

Program	Number
Churchill Fellows	4
Ford Foundation	1
African-American Institute	1
U.N. Fellows	2
PAU	1
FAO	6
U.S.-Japan Cooperative Science Program	4
U.S.-Italy Cooperative Science Program	1
U.N. Development Program	4
Bureau of Sport Fisheries and Wildlife	14
Total	30

Authorization: Public Laws 80–402, 87–256, 85–795, 91–135, 91–190, and 83–480. The Foreign Assistance Act. Fish and Wildlife Act of 1956. (One or more of the listed Acts applies.)

ATOMIC ENERGY COMMISSION

Number of persons involved by program category (fiscal year 1970):

Program	Number
Technical Exchanges	5
East-West Affairs	32
International Atomic Energy Agency	15
Research Contract Program	6
Exchange Under ENEA, IANEC, and Euratom	6
Sister Laboratory Arrangements	2
Ad Hoc and Special Visits	32
Total	98

Authorizations: Atomic Energy Act of 1954 (42 USC Section 2011).
Cost: Not available.

DEPARTMENT OF HEALTH, EDUCATION AND WELFARE

Number of persons involved by program category (fiscal year 1970):

Programs	Number
Foreign Research Grants	31
Foreign Research Contracts	10
Special Foreign Currency Program	9
Visiting Programs	178
International Post Doctoral Fellowship Programs	137
International Conferences	1,090
Fogarty Scholars-in-Residence	4
U.S.-Soviet and U.S.-Rumanian Health Exchange	23
Referrals From CU-State (FSEB)	37
WHO Fellows (FSEB)	211
UN Fellows (FSEB)	2

	Number
Public Law 480 Research, Training and Conferences (Special Foreign Currency Program)	7
Interchange of Experts	3
NCHS International Training Program	13
Visiting Scientist Program (CDC)	3
Guest Researcher Program (CDC)	1
WHO Fellows (CDC)	31
WHO Staff Trainees	1
WHO Research Fellows (CDC)	1
NCHSRED Visiting Scientists	4
WHO Fellows (MCHS)	7
Food and Drug Administration	6
Total	1,764

Authorizations: 42 U.S.C. 241 (Health) Public Law 81–507 (Sciences).
Cost: Not available.

DEPARTMENT OF AGRICULTURE

Number of persons involved by program category (fiscal year 1970):

Program	Number
Churchill Fellows	1
Rockefeller Foundation	1
East-West Center (Hawaii)	1
FAO	97
U.S. Grance Cooperative Science Program	1
U.S.–U.S.S.R. Exchanges in Various Fields	9
Special Foreign Currency Program (PL. 480)	33
Foreign Research Associate Program	14
Foreign Specialist Employees	4
Post doctorate Fellowships	9
Organization and Administration of Agricultural Programs for Foreign Nationals	330
Young Farmers Program	27
Total	527

Authorization: Public Law 480.
Cost: Not available.

DEPARTMENT OF TRANSPORTATION

Number of persons involved by program category: (fiscal year 1970).

Program	Number
ICAO	35
Total	35

Authorization: (DOT Act Section 4). International Aviation Facilities Act June 16, 1948 (62 Stat. 450). Title 14, U.S.C. Section 195. Title 20, U.S.C. Section 221.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Number of persons involved by program category (fiscal year 1970):

Program	Number
Foreign Scientists and Technicians Education Program	59
Total	59

Authorization: 42 U.S.C. 2475 (National Aeronautics and Space Act of 1958).

NATIONAL ACADEMY OF SCIENCES

Number of persons involved by program category (fiscal year 1970):

Program	Number
Research Associateship Program	6
Total	6

Authorization: "The National Academy of Sciences was established by Congressional legislation in 1863 which puts no particular restrictions on the activities of the Academy."

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Number of persons involved by program category (fiscal year 1970):

Programs	*Number*
Churchill Fellows	1
Observative Training in the Fields of Housing and Urban Development	211
Bilateral Training Programs in Housing and Urban Development	7
Total	219

Authorization: Public Law 85–104, Section 604.

AGENCY FOR INTERNATIONAL DEVELOPMENT

Aid (fiscal year 1970):

Program: Technical Cooperation and Training.

Numbers: By Occupational Categories.

Engraving 440; physics 40; biology 559; medicine 341; sociology 281; government 215; education 1,095; executive 2,332; clerical 17; transportation 80; miscellaneous 2,141; unknown 48.

Total: 7,589.

Authorization: Public Law 87–195.

Cost: Not available.

APPENDIX 7

Locations of Personnel of 12 Agencies With Small Staffs Overseas

	United States	Foreign nationals
American Battle Monuments Commission:		
Belgium	4	37
France	22	173
Italy	4	39
Luxembourg	2	10
Mexico	1	2
Netherlands	2	19
Philippines	2	44
Tunisia	2	10
United Kingdom	2	14
Total	41	348
AEC:		
Belgium	5	----
Brazil	1	----
France	3	----
Japan	3	----
United Kingdom	2	----
Total	14	0
Environmental Protection Agency: Japan	5	----
Export-Import Bank:		
Austria	1	----
Hong Kong	1	1
GSA:		
Germany	2	----
Japan	1	1
Ryukyus	4	1
Philippines	1	----
Vietnam	2	1
HUD: France	1	----
Interior:		
Belgium	3	----
Germany	1	----
Japan	3	1
Labor: Ryukyus	3	----
National Science Foundation: Japan	3	2
Smithsonian: Tunisia	1	----
TVA:		
Sweden	1	----
Switzerland	3	----
VA: Philippines	22	75

APPENDIX 8

Bureau of African Affairs Fiscal Year 1973 Budget Summary

The budget proposed by the Bureau of African Affairs under the major function, "Administration of Foreign Affairs" in the Appropriation, Salaries and Expenses, totals $23,073,000. This amount includes American salaries and all direct operating expenses of the Bureau, overseas and domestic. There are 129 domestic and 490 overseas American positions included and 693 local positions, all direct.

We have 58 points in 40 countries and two territories (Angola and Mozambique). There are 40 embassies, 8 consulates, and 1 embassy branch office.

There is an increase of $421,600 over fiscal year 1972, which is a net of $600,200 increases and $178,600 decreases. The increases include:

Wage increases—American and local	$118,500
Price increases overseas	241,300
Within-grade increases—American and local	161,600
Additional marine security guards	46,000
Additional costs for post reopened in fiscal year 1972	15,600
Additional costs for consular positions authorized fiscal year 1972	17,200
Total increases	600,200

Decreases include:

Two less days of pay in 1973	111,200
Installation costs for post reopened in fiscal year 1972	49,100
Installation costs for consular positions authorized in fiscal year 1972	18,300
Total decreases	178,600
Net increase	421,600

The budgeted amount of $23,073,000 breaks down into the following categories of expense:

American salaries, retirement and health benefits, life insurance costs, hardship post differential, and miscellaneous salary costs (53.5%)	12,349,100
Local employees' salaries and related costs (includes retirement and severance payment) (13.5%)	3,117,300
American allowances (includes education, housing and temporary lodging) (4.2%)	973,700
Rents, telephone, telegrams and utilities (15.9%)	3,664,900

As you can see, Mr. Chairman, over 87 percent of our expenses are salary costs, allowances, and rent and utility costs. The remaining categories are:

Travel and transportation of persons (includes consultation trips, post-to-post details, rest and recuperation travel, medical, educational and within-area travel) (2.4%)	560,900
Travel and transportation of things (includes pouches, ocean freight of Government property, air freight and similar costs) (1.8%)	420,100
Building operations, maintenance of equipment and automobiles; official residence expenses; and security guards (3.8%)	866,100
Supplies (includes office, medical, security, automotive, and clothing for Marine Guards) (3.0%)	683,500
Equipment (includes furnishings for office and household; office machines; security; telephone and medical equipment; and books and maps) (1.9%)	437,400

APPENDIX 9

Bureau of Near Eastern and South Asian Affairs Fiscal Year 1973 Budget Summary

The budget proposed by the Bureau of Near Eastern and South Asian Affairs under the major function, "Administration of Foreign Affairs" in the Appropriation, Salaries and Expenses, totals $18,036,000. This amount includes American salaries and all direct operating expenses of the Bureau, overseas and domestic. There are 117 domestic and 425 overseas American positions included and 713 local positions, all direct.

We have 23 countries in our area and 35 posts, which include 17 embassies, 11 consulates general, 4 consulates, 1 consular agency, and 2 limited staff posts, Cairo and Sanaa, operating as U.S. Interests Sections under the auspices of the Spanish and Italian Embassies respectively. We do not have posts in Syria, Iraq, or South Yemen.

There is an increase of $720,400 over fiscal year 1972, which is a net of $1,057,700 increases and $337,300 decreases.

The increases include:	
Wage increases—American and local	$219,400
Price increases overseas	145,300
Within-grade increases—American and local	167,100
Additional costs for consular positions authorized fiscal year 1972	43,400
Additional costs for new posts and chancery relocation authorized fiscal year 1972	51,700
Additional costs for improved support positions (10 Americans, 8 locals)	430,800
Total increases	1,057,700
Decreases include:	
Two less days of pay in 1973	−$104,200
One-time costs for establishing consular positions and for chancery relocation authorized fiscal year 1972	−233,100
Total decreases	337,300
Net increases	720,400

The budgeted amount of $18,036,000 breaks down into the following categories of expense:

American salaries, retirement and health benefits, life insurance costs, hardships post differential, and miscellaneous salary costs (61.3%)	$11,052,200
Local employees' salaries and related costs (includes retirement and severance payments) (18%)	3,252,900
American allowances (includes education, housing, and temporary lodging) (4.8%)	859,600

As you can see, Mr. Chairman, over 80 percent of our expenses are salary costs and allowances. The remaining categories are:

Rents, telephone, telegrams, and utilities (6.1%)	$1,102,900
Travel and transportation of things (includes pouches, ocean freight of Government property, air freight, and similar costs) (3.3%)	602,800
Building operations, maintenance of equipment, and automobiles; official residence expenses; and security guards (2.5%)	451,900
Supplies (includes office, medical, security, automotive, and clothing for Marine guards) (2.6%)	474,800
Equipment (includes furnishings for office and household; office machines; security, telephone and medical equipment; and books and maps) (1.4%)	238,900

APPENDIX 10

Bureau of East Asian and Pacific Affairs Fiscal Year 1973 Budget Summary

The Budget proposed by the Bureau of East Asian and Pacific Affairs under the major function, "Administration of Foreign Affairs" in the Appropriation, Salaries and Expenses, totals $23,955,500. This amount includes American salaries and all direct operating expenses of the Bureau, overseas and domestic. The budget provides 142 positions in Washington, 586 American and 909 local positions overseas, all direct.

We are closing a consulate at Kuching, Malaysia this year and in 1973 we plan to close a political adviser office in Naha, Japan of 2 Americans and open a consulate general in Naha with 8 Americans and 11 locals. In 1973 we will have a total of 35 posts in our area. There are 15 embassies, 5 consulates general, 13 consulates and 2 consular agencies.

The budget provides for increases of 4 American and 3 local positions and $1,124,900 over fiscal year 1972. The latter consists of increases totaling $1,280,300, partially offset by decreases of $155,400.

Increases include:	
Wage increases—American and local	$382,400
Price increases overseas	340,700
Within-grade increases—American and local	156,900
Additional costs for consular positions authorized fiscal year 1972	27,500
Improved support	372,800
Establishment of a consulate general in Naha, Okinawa—2 American and 3 local positions:	
American salaries	$39,700
Operating expenses	130,200
Total	169,900
Automated visa name check system	123,300
Maintenance of Communications facilities:	
2 American positions:	
American salaries	21,600
Operating expenses	33,000
Total	54,600
Move of the embassy in Suva	25,000
Total increases	1,280,300
Decreases include:	
Two less days of pay in 1973	136,800
Nonrecurring costs—new positions in 1972	18,600
Total decreases	155,400
Net increases	1,124,900

The budgeted amount of $23,955,500 breaks down into the following categories of expense:

American salaries, retirement and health benefits, life insurance costs, hardship post differential, and miscellaneous salary costs (62.9%)	$15,062,900
Local employees' salaries and related costs (includes retirement and severance payments) (16.4%)	3,918,100
American allowances (includes education, housing and temporary lodging) (3.4%)	805,800

As you can see, Mr. Chairman, over 82 percent of our expenses are salary costs and allowances.

The remaining categories are:

Rents, telephone, telegrams and utilities (8.4%)	$2,011,900
Travel and transportation of things (includes pouches, ocean freight of Government property, air freight and similar costs) (2.1%)	507,800
Building operations, maintenance of equipment and automobiles; official residence expenses; and security guards (3.7%)	899,000
Supplies (includes office, medical, security, automotive and clothing for Marine Guards) (1.8%)	429,600
Equipment (includes furnishings for office and household; office machines; security; telephone and medical equipment; and books and maps) (1.3%)	320,400

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