

RESTRICTED — Not to be released outside the General Accounting Office except on the basis of specific approval by the Office of Congressional Relations, a record of which is kept by the Distribution Section, Publications Branch, OAS

090632

~~448-05~~

MAR 27 1974

B-159451

RELEASED

74-0127



LM090632

The Honorable Lee H. Hamilton
House of Representatives

Dear Mr. Hamilton:

This report is in response to your request of February 21, 1974, that we provide you with data on U.S. funds going to and/or expended in South Vietnam during fiscal year 1974 and the estimated U.S. costs of activities planned for fiscal year 1975.

The Department of State at our request identified the agencies that are funding activities in South Vietnam during fiscal year 1974. We contacted the officials in each of these agencies, who, in turn, provided us with the data in the enclosure. The Department of Defense did not provide fiscal year 1975 information in time for inclusion in the report. Fiscal year 1975 Military Assistance Service Funded data was taken from the President's fiscal year 1975 Budget, and the remaining fiscal year 1975 data was provided by the Agency for International Development.

We did not obtain information on U.S. funding of Central Intelligence Agency activities or U.S. contributions to multinational organizations.

The amounts set forth for fiscal year 1974 represent funds expected to be obligated or estimates of costs expected to be incurred in that year for the programs of the respective agencies. Obligations incurred in fiscal year 1974 may not necessarily be expended in that year. Also, part of the money is expended by some of these agencies in the United States and the resulting goods and services are provided for use in South Vietnam.

The amounts shown for fiscal year 1975 represent the agencies' estimates of funds required for their programs in that year, taken from their respective fiscal year 1975 congressional presentations or estimates provided to us by agency officials.

Time did not permit us to obtain comments from the agencies involved. If we can be of further assistance please do not hesitate to contact us. We do not plan to distribute this report further unless you agree or publicly announce its contents.

Sincerely yours,

Comptroller General
of the United States

BEST DOCUMENT AVAILABLE

Enclosure

~~904404~~

090632

FUNDS FOR U.S. PROGRAMS IN SOUTH VIETNAM
FOR FISCAL YEARS 1974 AND 1975

	FY 1974 <u>programed</u>	FY 1975 <u>proposed</u>
	(000 omitted)	
<u>Department of Defense</u>		
Military Assistance Service Funded (MASF):		
Army:		
Operations and maintenance	\$ 355,900	\$ 304,800
Procurement	80,400	473,800
Military personnel	40,400	24,000
Total	<u>476,700</u>	<u>802,600</u>
Air Force:		
Operations and maintenance	247,100	250,400
Procurement	278,400	341,700
Military personnel	0	0
Total	<u>525,500</u>	<u>592,100</u>
Navy:		
Operations and maintenance	19,900	19,200
Procurement	0	36,100
Military personnel	0	0
Total	<u>19,900</u>	<u>55,300</u>
Total MASF	<u>1,022,100</u>	<u>1,450,000</u>
Defense Attache's Office	(a)	(a)
Excess Defense articles	35,000	35,000
Local currency purchases	63,600	(a)
Department total (note 1)	<u>\$1,120,700</u>	<u>\$1,485,000</u>
<u>Department of State</u>		
Direct expenses	\$ 5,036	\$ 5,036
Shared administrative expenses (Department of State portion)	2,611	2,586
Total	<u>\$ 7,697</u>	<u>\$ 7,672</u>

(a) Not available

BEST DOCUMENT AVAILABLE

FUNDS FOR U.S. PROGRAMS IN SOUTH VIETNAM
FOR FISCAL YEARS 1974 AND 1975

	<u>FY 1974</u> <u>programed</u> (000 omitted)	<u>FY 1975</u> <u>proposed</u>
<u>Agency for International Development (AID)</u>		
Indochina Postwar Reconstruction Assistance (IPR):		
Technical assistance	\$ 40,000	(a)
Humanitarian assistance	35,000	(a)
Commercial import program	190,000	(a)
Undistributed	35,000	(a)
Total	(2) 300,000	(a)
Narcotics control	205	(a)
Population control	750	(a)
Development loans	110,000	(a)
	<u>410,955</u>	<u>602,640</u>
Public Law 450 Shipments (note 3):		
Title I	309,027	182,550
Title II	500	553
	<u>309,527</u>	<u>183,103</u>
Total	<u>\$720,482</u>	<u>\$785,743</u>
<u>U.S. Information Agency (note 4)</u>		
U.S. Information Service, South Vietnam:		
Direct costs	\$ 1,887	\$ 2,059
Support costs	574	595
	<u>2,461</u>	<u>2,654</u>
Regional Post Equipment:		
Officer (administrative servicing)		
Direct costs	49	49
Saigon Correspondent Staff (Voice of America):		
Direct costs	41	39
Total	<u>\$ 2,550</u>	<u>\$ 2,742</u>

^a Not available

BEST DOCUMENT AVAILABLE

FUNDS FOR U.S. PROGRAMS IN SOUTH VIETNAM
FOR FISCAL YEARS 1974 AND 1975

	<u>FY 1974</u> <u>programed</u> <u>(000 omitted)</u>	<u>FY 1975</u> <u>proposed</u>
<u>Drug Enforcement Administration</u> <u>(Department of Justice)</u>		
Salaries, benefits, foreign allowances	\$ 125	\$ 125
Shared administration expenses (payable to Department of State)	20	22
Operating expenses	19	20
Total	<u>\$ 164</u>	<u>\$ 167</u>
<u>Federal Supply Service</u> <u>(General Services Administration)</u>		
Salaries and related expenses	\$ 39	\$ 0
Travel (in Country)	1	0
Total	<u>\$ 40</u>	<u>\$ 0</u>
<u>Department of the Treasury</u>		
Exchange Stabilization Fund--assessment of South Vietnam's financial and economic development		
Total	<u>\$ 100</u>	<u>\$ 109</u>
<u>Internal Revenue Service (IRS)</u>		
Salaries and related expenses	\$ 31	(5) (a)
Administrative expenses	14	(a)
Total	<u>\$ 45</u>	<u>(a)</u>
<u>U.S. General Accounting Office</u>		
Salaries and other personnel expenses	\$ 281	\$ 0
Shared administrative expenses (payable to Department of State) (note 4)	57	0
Total	<u>\$ 338</u>	<u>\$ 0</u>
 U.S. Government Total	 <u>\$1,852,116</u>	 <u>\$2,251,433</u>

^a Not available

GAO notes:

1. On March 18, 1974, the Department of Defense submitted a request to have the FY 1974 spending ceiling of \$1.126 billion for South Vietnam and Laos raised to \$1.6 billion. No breakdown is available showing the portion of the \$474 million increase that would be spent in South Vietnam. The Department of Defense told us that the increase in spending would be financed by funds appropriated but unobligated in prior years.
2. On March 18, 1974, AID submitted a request for a \$54 million supplemental appropriation for FY 1974 in South Vietnam.
3. Public Law 480 funds are from a Department of Agriculture appropriation.
4. Excludes personnel and other costs of Voice of America direct broadcasting in the Vietnamese language. Broadcasts go to both North and South Vietnam and are transmitted from outside Vietnam.
5. IRS's Saigon office may not be in operation in FY 1975. However, a firm decision is not expected until April 1974, and no figures will be available until then.

BEST DOCUMENT AVAILABLE