

# DEPARTMENT OF DEFENSE

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**ATTACHMENTS**  
 (REPRINT) DoD Directive 5105.38, 8/11/71

**INSTRUCTIONS FOR RECIPIENTS**

The attached reprint of DoD Directive 5105.38, "Defense Security Assistance Agency (DSAA)," dated August 11, 1971, incorporates administrative changes to pages 1, 5, 8 and 10 which are indicated by marginal asterisks; deletes references to the Deputy Director DSAA on pages 3 and 9; and adds new enclosure 1.

The reprinted Directive should be substituted for the Directive originally distributed.

**EFFECTIVE DATE**

Changes to pages 1, 5, 8 and 10 are effective immediately. Changes to pages 3 and 9 (deleting references to the Deputy Director, Defense Security Assistance Agency) are effective June 30, 1973.

*Maurice W. Roche*  
 MAURICE W. ROCHE  
 Director, Correspondence and Directives Division  
 OASD(Comptroller)

WHEN PRESCRIBED ACTION HAS BEEN TAKEN, THIS TRANSMITTAL SHOULD BE FILED WITH THE BASIC DOCUMENT

August 11, 1971

NUMBER 5105.38



ASD(ISA)

## Department of Defense Directive

**SUBJECT** Defense Security Assistance Agency (DSAA)

- References:
- (a) The Foreign Assistance Act of 1961, as amended
  - (b) The Foreign Military Sales Act, as amended
  - (c) DoD Directive 5132.2, "Assistant Secretary of Defense (International Security Affairs)," May 20, 1961
  - (d) DoD Directive 5132.3, "Department of Defense Policy and Responsibilities Relating to Security Assistance," December 20, 1972 \*
  - (e) DoD Directive 5100.27, "Delineation of International Logistics Responsibilities," December 29, 1964
  - (f) DoD Directive 5105.20, "Defense Representation, United States Mission to the North Atlantic Treaty Organization (NATO) and Europe," November 16, 1972 \*
  - (g) Military Assistance and Sales Manual
  - (h) DepSecDef Memorandum, "Realignment of Organization and Procedure for Security Assistance," May 4, 1971 (Hereby cancelled)

### I. PURPOSE AND APPLICABILITY

This Directive establishes the Department of Defense organizational structure for carrying out the responsibilities of the Secretary of Defense under the Foreign

#First amendment (Ch 1, 5/10/73)

Assistance Act of 1961, as amended; the Foreign Military Sales Act, as amended; and under Executive Orders and Directives relating to the administration of Military Assistance and Foreign Military Sales, hereinafter referred to as "Security Assistance."

The provisions of this directive are applicable to the Office of the Secretary of Defense, the Military Departments, the Joint Chiefs of Staff, the Unified/Specified Commands, and Defense Agencies, hereinafter referred to as "DoD Components."

## II. GENERAL

- A. Pursuant to the authority vested in the Secretary of Defense, there is hereby established a Defense Security Assistance Agency (DSAA), headed by a Director, under the direction, authority, and control of the Secretary of Defense, with primary staff supervision by the Assistant Secretary of Defense (International Security Affairs).
- B. To advise the Secretary of Defense on matters concerning Security Assistance and to provide DoD coordination for such matters, there is hereby established a Defense Security Assistance Council (DSAC), with membership as follows: the Assistant Secretary of Defense (International Security Affairs), Chairman; the Director, DSAA, who shall also act as Secretary; with appropriate representatives of the Joint Chiefs of Staff; the Director, Defense Research and Engineering; the Assistant Secretary of Defense (Installations and Logistics); the Assistant Secretary of Defense (Systems Analysis); and the Director, Advanced Research Projects Agency. The Chairman may request representation from other DoD Components on an ad hoc basis to address specific issues.
- C. The Director, DSAA, is hereby also designated Deputy Assistant Secretary of Defense for Security Assistance to the Assistant Secretary of Defense (International Security Affairs) as an additional duty.

- D. The basic responsibilities and functions of the Military Departments, the Joint Chiefs of Staff and the Unified Commands remain as assigned in DoD Directive 5132.3 except as specifically modified by this directive.

### III. ORGANIZATION

- A. The Defense Security Assistance Agency will consist of a Director and such subordinate units, facilities, and activities as are assigned specifically to the Agency by the Secretary of Defense.
- B. The Director, Defense Security Assistance Agency, shall report to the Secretary of Defense. Primary staff supervision will be exercised over the Director, DSAA, by the Assistant Secretary of Defense (International Security Affairs), on behalf of the Secretary of Defense.

### IV. POLICY

- A. In establishing the Defense Security Assistance Agency, it is the intention of the Secretary of Defense that:
1. The Defense Security Assistance Agency will be responsible for administering all DoD Security Assistance approved programs (see enclosure 1). \*
  2. There will be close coordination between US military force planning and Security Assistance planning under the "Total Force" concept at all levels in the Department of Defense.
  3. The Assistant Secretary of Defense (International Security Affairs) shall coordinate the activities of DoD Components related to security assistance affairs; formulate guidance for preparation of

security assistance plans and programs; and represent the Department of Defense with other governmental agencies in matters concerning security assistance, policy, and guidance.

4. The Joint Chiefs of Staff, in accordance with their statutory responsibility, shall provide the Secretary of Defense with military advice on security assistance matters, including (but not limited to) military force objectives, priorities, missions, tasks, and requirements for force development.

V. FUNCTIONS

- A. Under its Director, the DSAA will perform the following functions:
  1. Direct, administer, and supervise, within the policies established by the Assistant Secretary of Defense (International Security Affairs), approved Security Assistance plans and programs. The administration of sales programs may be delegated in whole or in part to the Military Departments, but such administration will be under the direction and supervision of the DSAA.
  2. Formulate for the approval of the Secretary of Defense detailed Security Assistance programs (development of line items) based on the advice of the Joint Chiefs of Staff and in accordance with guidance and policies promulgated by the Assistant Secretary of Defense (International Security Affairs).
  3. Review evaluations of Security Assistance Program administration, including responsibility with respect to GAO and other audits.

4. Direct and supervise implementation of Security Assistance programs to include daily line item management of Security Assistance materiel and training programs to include excess and long supply items.
5. Conduct international logistics and sales negotiations with foreign countries, as directed by the Assistant Secretary of Defense (International Security Affairs) and in coordination with the Assistant Secretary of Defense (Installations and Logistics).
6. Maintain liaison with and assist US industry in the export of military supplies, equipment, and services.
7. Manage governmental and government supported private sources of credit financing of foreign military sales.
8. Develop within policy guidance and promulgate Security Assistance procedures (MASM II, MASM III), 5105. 38-M. \* \*
9. Perform the reporting functions for Security Assistance programs.
10. Develop and operate the data processing system and maintain the worldwide data base required by all levels of management for the Security Assistance program.
11. Provide support to the Assistant Secretary of Defense (International Security Affairs) for the presentation of the annual Security Assistance program before the Congress.
12. Provide data support for the DoD portion of the annual Security Assistance budget for inclusion in the President's budget.

13. Perform such other functions as may be directed by the Secretary of Defense or the Assistant Secretary of Defense (International Security Affairs), on behalf of the Secretary of Defense.

B. The Assistant Secretary of Defense (International Security Affairs) will:

1. Formulate comprehensive DoD Security Assistance programs, including plans, policies and priorities for approval by the Secretary of Defense.
2. Provide to the Director, DSAA, policy direction and primary staff supervision.
3. Insure, through coordination with the Assistant Secretary of Defense (Comptroller), that the Security Assistance program is integrated within the DoD Planning, Programming, and Budgeting System (PPBS).
4. Serve as the principal DoD point of contact and policy spokesman relating to Security Assistance.

C. The Defense Security Assistance Council (DSAC) will:

1. Advise the Secretary of Defense on matters concerning Security Assistance.
2. Meet as necessary to coordinate within DoD all Security Assistance policies, plans and programs.
3. Create such ad hoc working groups as might be appropriate to address specific Security Assistance matters.
4. Perform such other functions relating to Security Assistance as may be directed by the Secretary of Defense.

D. The Joint Chiefs of Staff will:

1. Correlate Security Assistance planning with US

military force planning and security objectives.

2. Recommend to the Secretary of Defense Security Assistance programs and military force objectives for US allies.
  3. Participate in the formulation of, and review and comment on, the comprehensive Security Assistance programs prepared by the DSAA.
  4. Conduct broad evaluations of the effectiveness of Security Assistance from the viewpoint of the security interests of the United States.
- E. For their respective areas of responsibility, the Commanders of Unified Commands will:
1. Correlate Security Assistance plans and programs with US military plans.
  2. Command the Military Assistance Advisory Groups. (NOTE: For the purpose of this Directive, the term "Military Assistance Advisory Group" also encompasses Joint US Military Advisory Groups, Military Missions, Military Advisory Groups, US Military Groups, and US Military Representatives exercising responsibility at the governmental level for Security Assistance and other related DoD matters with the host nations to which they are accredited. Military Service Attaches will be included when designated specifically by the Secretary of Defense.)
  3. Make recommendations to the Secretary of Defense for the development of Security Assistance plans and programs.
  4. Review and evaluate the implementation of approved programs and, when appropriate, make timely recommendations to the Secretary of Defense for updating and amending these programs.

5. Provide such data to the DSAA as may be required in the daily overall implementation of Security Assistance programs.
- F. The Chief of the MAAG is responsible for making recommendations for and executing the approved Security Assistance program in the country to which accredited. The Chief of the MAAG shall be responsive to and provide such data to the unified command concerned and to the DSAA as may be required for the performance of their respective functions and responsibilities.

## VI. RELATIONSHIPS

- A. In the performance of his functions, the Director, DSAA, will:
1. Coordinate actions, as appropriate, with Defense Components having collateral or related functions in the field of his assigned responsibilities.
  2. Maintain active liaison for the exchange of information and advice with DoD Components, as appropriate.
  3. Make full use of established facilities in the Office of the Secretary of Defense and other DoD Components to avoid duplication.
- B. All DoD Components will provide, within the scope of their assigned functions, appropriate assistance as requested by the Director, DSAA, with respect to Security Assistance.
- C. Matters involving financial management, fiscal matters, accounting, auditing, budgeting, statistical reporting, PPBS, and the International Balance of Payments will be in accordance with policies and procedures established by the Assistant Secretary of Defense (Comptroller).

- D. The channel of communication with unified and specified commands on matters relating to the implementation of the approved Security Assistance Program shall be directly between those commands and the DSAA. The DSAA is authorized, in such matters, to communicate directly with commanders of unified and specified commands and with the Chiefs of Military Assistance Advisory Groups. All Assistant Secretary of Defense (International Security Affairs) and DSAA directives and communications to such commands, the Military Departments, and the Military Assistance Advisory Groups which pertain to Security Assistance affairs that have military operational implications shall be coordinated with the Joint Chiefs of Staff. Conversely, all Joint Chiefs of Staff directives and communications to the unified and specified commands, the Military Departments, or the Military Assistance Advisory Groups, which pertain to Security Assistance affairs, shall be coordinated with the Assistant Secretary of Defense (International Security Affairs).
- E. All DoD Components will cooperate fully with the Assistant Secretary of Defense (International Security Affairs) and the Director, DSAA, in a continuous effort to achieve efficient and effective administration of the Security Assistance program and to support the direction, authority, and control of the Secretary of Defense.

VII. ADMINISTRATION

- A. The Director of DSAA shall be a military officer of at least three-star rank while serving in this position.
- B. The Director, DSAA, will be responsible for the appointment of other military and civilian personnel of the Agency subject to the approval of the Assistant Secretary of Defense (International Security Affairs).

- C. The DSAA will be authorized such personnel, facilities and funds as the Secretary of Defense deems necessary for the performance of its functions.
- D. DoD Components will provide support to the DSAA as directed by the Secretary of Defense. The Military Departments will assign military personnel to DSAA in accordance with approved authorizations and procedures for assignment to joint duty.
- E. To the maximum extent possible, DSAA will rely upon the Assistant Secretary of Defense (Comptroller) and the Assistant Secretary of Defense (International Security Affairs) for administrative support and upon the DoD General Counsel for legal support.

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#### VIII. AUTHORITY

- A. In performance of his assigned responsibilities and functions, the Director, DSAA, is specifically delegated authority to:
  - 1. Command the Defense Security Assistance Agency.
  - 2. Have access to and make direct communications with all DoD Components and, after appropriate coordination, with other executive departments and agencies concerned with his assigned functions and responsibilities.
  - 3. Obtain information from any DoD Component which is necessary for the performance of DSAA functions.

#### IX. EFFECTIVE DATE, CANCELLATION, AND REVISION

- A. This Directive is effective 1 September 1971 with full implementation of all its provisions completed as soon after that date as practicable.
- B. Reference (h) is hereby cancelled.
- C. References (c), (d), (e), and (f) will be revised as necessary to conform to the provisions of this Directive.

\* Enclosure - 1  
\* ASD(ISA) memo of 2/24/73  
#First amendment (Ch 1, 5/10/73)

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Deputy Secretary of Defense

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INTERNATIONAL SECURITY AFFAIRS

ASSISTANT SECRETARY OF DEFENSE  
WASHINGTON, D. C. 20301

24 FEB 1972

In reply refer to:  
I-3101/72

MEMORANDUM FOR THE DIRECTOR, DEFENSE SECURITY ASSISTANCE AGENCY

SUBJECT: Redlegation of Authority Relating to Security Assistance

Pursuant to the authority vested in me by the memorandum, dated February 12, 1972, to the Assistant Secretary of Defense (International Security Affairs) from the Secretary of Defense (a copy of which is attached), all statutory functions thereby delegated or redelegated to the Assistant Secretary of Defense, International Security Affairs, with the exception of the function specified in subsection 509(b) of the Foreign Assistance Act of 1961, as amended, are redelegated to the Director, Defense Security Assistance Agency, or in his absence, the Deputy Director, without authorization to redelegate.

Pursuant to paragraph V.B. of Department of Defense Directive 5105.38, any request for the approval of the Department of State and the Department of the Treasury of a proposed credit sale, with attached justification, will hereafter be transmitted only over the signature of the Assistant Secretary of Defense, International Security Affairs, or in his absence, over that of the Principal Deputy Assistant Secretary of Defense, International Security Affairs.

/s/G. Warren Nutter

determine, to any friendly country or international organization, the assisting of which the President finds will strengthen the security of the United States and promote world peace and which is otherwise eligible to receive such assistance, by—

(1) acquiring from any source and providing (by loan or grant) any defense article or defense service; or

(2) assigning or detailing members of the Armed Forces of the United States and other personnel of the Department of Defense to perform duties of a non-combatant nature.

(b) In addition to such other terms and conditions as the President may determine pursuant to subsection (a), defense articles may be loaned thereunder only if—

(1) there is a bona fide reason, other than the shortage of funds, for providing such articles on a loan basis rather than on a grant basis;

(2) there is a reasonable expectation that such articles will be returned to the agency making the loan at the end of the loan period, unless the loan is then renewed;

(3) the loan period is of fixed duration not exceeding five years, during which such article may be recalled for any reason by the United States;

(4) the agency making the loan is reimbursed for the loan based on the amount charged to the appropriation for military assistance under subsection (c); and

(5) arrangements are made with the agency making the loan to be reimbursed in the event such article is lost or destroyed while on loan, such reimbursement being made first out of any funds available to carry out this chapter and based on the depreciated value of the article at the time of loss or destruction.

(c) (1) In the case of any loan of a defense article or defense service made under this section, there shall be a charge to the appropriation for military assistance for any fiscal year while the article or service is on loan in an amount based on—

(A) the out-of-pocket expenses authorized to be incurred in connection with such loan during such fiscal year; and

(B) the depreciation which occurs during such year while such article is on loan.

(2) The provisions of this subsection shall not apply—

(A) to any particular defense article or defense service which the United States Government agreed, prior to the date of enactment of this subsection, to lend; and

(B) to any defense article or defense service, or portion thereof, acquired with funds appropriated for military assistance under this Act.

**Sec. 501.**<sup>204</sup> **Authorization.**—(a) There is authorized to be appropriated to the President to carry out the purposes of this part not to exceed \$512,500,000 for the fiscal year 1974:<sup>205</sup> <sup>206</sup> *Provided*, That funds

<sup>204</sup> 22 USC 2312.

<sup>205</sup> Sec. 12(2)(A) of the FAAet of 1973 substituted "\$512,500,000 for the fiscal year 1974" in lieu of "\$500,000,000 for the fiscal year 1972".

FA Appropriation Act, 1974: 8450,000,000, "including administrative expenses and purchase of passenger motor vehicles for replacement only for use outside of the United States: *Provided*, That none of the funds contained in this paragraph shall be available for the purchase of new automotive vehicles outside of the United States".

<sup>206</sup> With the exception of the change noted in footnote 205, Sec. 201(c)(1) of the FAAet of 1967 substituted the words to this point in lieu of "In addition to such amounts as may be otherwise authorized to support Vietnamese forces and other free world forces in Vietnam, there is authorized to be appropriated to the President to carry out the purposes of this part (excluding the support of Vietnamese forces and other free world forces in Vietnam) not to exceed \$875,000,000 for the fiscal year 1967".

the net proceeds of sale received by such country in disposing of any weapon, weapons system, munition, aircraft, military boat, military vessel, or other implement of war received under this chapter will be paid to the United States Government and shall be available to pay all official costs of the United States Government payable in the currency of that country, including all costs relating to the financing of international educational and cultural exchange activities in which that country participates under the programs authorized by the Mutual Educational and Cultural Exchange Act of 1961.<sup>216</sup>

**Sec. 506.<sup>217</sup> Special Authority.**—(a) During the fiscal year 1974,<sup>218</sup> the President may, if he determines it to be in the security interests<sup>219</sup> of the United States, order defense articles from the stocks of the Department of Defense and defense services for the purposes of part II, subject to subsequent reimbursement therefor from subsequent appropriations available for military assistance. The value of such orders under this subsection in the fiscal year 1974<sup>218</sup> shall not exceed \$250,000,000.<sup>220</sup>

(b) The Department of Defense is authorized to incur, in applicable appropriations, obligations in anticipation of reimbursements in amounts equivalent to the value of such orders under subsection (a) of this section. Appropriations to the President of such sums as may be necessary to reimburse the applicable appropriation, fund, or account for such orders are hereby authorized.

**Sec. 507.<sup>221</sup> Restrictions on Military Aid to Latin America.**—\* \* \* [Repealed—1973]

**Sec. 508.<sup>221</sup> Restrictions on Military Aid to Africa.**—\* \* \* [Repealed—1973]

**Sec. 509.<sup>221</sup> Certification of Recipient's Capability.**—\* \* \* [Repealed—1973]

**Sec. 510.<sup>222</sup> Restrictions on Training Foreign Military Students.**—The number of foreign military students to be trained in the United States in any fiscal year, out of funds appropriated pursuant to this part, may not exceed a number equal to the number of foreign civilians brought to the United States under the Mutual Educational and Cultural Exchange Act of 1961<sup>223</sup> in the immediately preceding fiscal year.

**Sec. 511.<sup>224</sup> Considerations in Furnishing Military Assistance.**—Decisions to furnish military assistance made under this part shall take into account whether such assistance will—

- (1) contribute to an arms race;
  - (2) increase the possibility of outbreak or escalation of conflict;
- or
- (3) prejudice the development of bilateral or multilateral arms control arrangements.

<sup>216</sup> For text, see page 579.

<sup>217</sup> 22 USC 2318. Former Sec. 510 was redesignated Sec. 506 by Sec. 201(j)(1) of the FAAct of 1967.

<sup>218</sup> Sec. 12(4)(A) of the FAAct of 1973 substituted "the fiscal year 1974" in lieu of "the fiscal year 1972".

<sup>219</sup> Sec. 12(4)(B) of the FAAct of 1973 substituted "in the security interests" in lieu of "vital to the security".

<sup>220</sup> Sec. 12(4)(C) of the FAAct of 1973 substituted "\$250,000,000" in lieu of "\$200,000,000".

<sup>221</sup> Sec. 12(5) of the FAAct of 1973 repealed Secs. 507, 508 and 509.

<sup>222</sup> 22 USC 2321a. Section 510 was added by Sec. 203 of the FAAct of 1969.

<sup>223</sup> For text, see page 579.

<sup>224</sup> 22 USC 2321d. Sec. 511 was added by Sec. 201(f) of the FAAct of 1971.

(b) The provisions of this section shall not apply in the case of any law making continuing appropriations and may not be waived under the provisions of section 614 (a) of this Act.

**Sec. 654.<sup>525</sup> Presidential Findings and Determinations.**—(a) In any case in which the President is required to make a report to the Congress, or to any committee or officer of either House of Congress, concerning any finding or determination under any provision of this Act, the Foreign Military Sales Act, or the Foreign Assistance and Related Programs Appropriation Act for each fiscal year, that finding or determination shall be reduced to writing and signed by the President.<sup>526</sup>

(b) No action shall be taken pursuant to any such finding or determination prior to the date on which that finding or determination has been reduced to writing and signed by the President.

(c) Each such finding or determination shall be published in the Federal Register as soon as practicable after it has been reduced to writing and signed by the President. In any case in which the President concludes that such publication would be harmful to the national security of the United States, only a statement that a determination or finding has been made by the President including the name and section of the Act under which it was made, shall be published.

(d) No committee or officer of either House of Congress shall be denied any requested information relating to any finding or determination which the President is required to report to the Congress, or to any committee or officer of either House of Congress, under any provision of this Act, the Foreign Military Sales Act, or the Foreign Assistance and Related Programs Appropriation Act for each fiscal year, even though such report has not yet been transmitted to the appropriate committee or officer of either House of Congress.

**Sec. 655.<sup>527</sup> Limitations Upon Assistance to or for Cambodia.**—

(a) Notwithstanding any other provision of law, no funds authorized to be appropriated by this or any other law may be obligated in any amount in excess of \$341,000,000 for the purpose of carrying out directly or indirectly any economic or military assistance, or any operation, project, or program of any kind, or for providing any goods, supplies, materials, equipment, services, personnel, or advisers in, to, for, or on behalf of Cambodia during the fiscal year ending June 30, 1972.

(b) In computing the \$341,000,000 limitation on obligation authority under subsection (a) of this section in fiscal year 1972, (1) there shall be included in the computation the value of any goods, supplies, materials, or equipment provided to, for, or on behalf of Cambodia in such fiscal year by gift, donation, loan, lease, or otherwise, and (2) there shall not be included in the computation the value of any goods, supplies, materials or equipment attributable to the operations of the Armed Forces of the Republic of Vietnam in Cambodia. For the purpose of this subsection, "value" means the fair market value of any goods, supplies, materials, or equipment provided to, for, or on behalf of Cambodia but in no case less than 33 $\frac{1}{3}$  per centum of the amount the United States paid at the time such goods, supplies, materials, or equipment were acquired by the United States.

<sup>525</sup> 22 USC § 2414. Sec. 654 was added by Sec. 304(b) of the FAAct of 1971.

<sup>526</sup> For other reports required to be submitted to Congress, see Reports to Congress, Index to FAAct page 1333.

<sup>527</sup> 22 USC 2415. Sec. 655 was added by Sec. 304(b) of the FAAct of 1971.

(c)<sup>528</sup> No funds may be obligated for any of the purposes described in subsection (a) of this section in, to, for, or on behalf of Cambodia in any fiscal year beginning after June 30, 1972, unless such funds have been specifically authorized by law enacted after the date of enactment of this section. In no case shall funds in any amount in excess of the amount specifically authorized by law for any fiscal year be obligated for any such purpose during such fiscal year.

(d) The provisions of subsections (a) and (c) of this section shall not apply with respect to the obligation of funds to carry out combat air operations over Cambodia.

(e) After the date of enactment of this section, whenever any request is made to the Congress for the appropriation of funds for use in, for, or on behalf of Cambodia for any fiscal year, the President shall furnish a written report to the Congress explaining the purpose for which such funds are to be used in such fiscal year.<sup>529</sup>

(f) The President shall submit to the Congress within thirty days after the end of each quarter of each fiscal year, beginning with the fiscal year which begins July 1, 1971, a written report showing the total amount of funds obligated in, for or on behalf of Cambodia during the preceding quarter by the United States Government, and shall include in such report a general breakdown of the total amount obligated, describing the different purposes for which such funds were obligated and the total amount obligated for such purpose, except that in the case of the two quarters of the fiscal year beginning July 1, 1971, a single report may be submitted for both such quarters and such report may be computed on the basis of the most accurate estimates the President is able to make taking into consideration all information available to him.<sup>530</sup>

(g) Enactment of this section shall not be construed as a commitment by the United States to Cambodia for its defense.

X **Sec. 656.<sup>531</sup> Limitations on United States Personnel and Personnel Assisted by United States in Cambodia.**—The total number of civilian officers and employees of executive agencies of the United States Government who are citizens of the United States and of members of the Armed Forces of the United States (excluding such members while actually engaged in air operations in or over Cambodia which originate outside Cambodia) present in Cambodia at any one time shall not exceed two hundred. The United States shall not, at any time, pay in whole or in part, directly or indirectly, the compensation or allowances of more than eighty-five individuals in Cambodia who are citizens of countries other than Cambodia or the United States. For purposes of this section, "executive agency of the United States Government" means any agency, department, board, wholly or partly owned corporation, instrumentality, commission, or establishment within the executive branch of the United States Government.

<sup>528</sup> Sec. 12(c) of the Foreign Assistance Act of 1973 provides: "(c) Sec. 655(c) shall not apply to assistance authorized to be furnished under any provision of law for fiscal year 1974."

<sup>529</sup> For other reports required to be submitted to Congress, see Reports to Congress, Index to FAAct, page 133.

<sup>530</sup> For other reports required to be submitted to Congress, see Reports to Congress, Index to FAAct, page 133.

<sup>531</sup> 22 USC 2417. Sec. 657 was added by Sec. 304(b) of the FAAct of 1971.

**Sec. 657.<sup>532</sup> Annual Foreign Assistance Report.**—(a) In order that the Congress and the American people may be better and more currently informed regarding the volume and cost of assistance extended by the United States Government to foreign countries and international organizations, and in order that the Congress and the American people may be better informed regarding the sale of arms to foreign countries and international organizations by private industry of the United States, not later than December 31 of each year<sup>533</sup> the President shall transmit to the Congress an annual report, for the fiscal year ending prior to the fiscal year in which the report is transmitted, showing—

(1) the aggregate dollar value of all foreign assistance provided by the United States Government by any means to all foreign countries and international organizations, and the aggregate dollar value of such assistance by category provided by the United States Government to each such country and organization during that fiscal year;

(2) the total amounts of foreign currency paid by each foreign country or international organization to the United States Government in such fiscal year, what each payment was made for, whether any portion of such payment was returned by the United States Government to the country or organization from which the payment was obtained or whether any such portion was transferred by the United States Government to another foreign country or international organization, and, if so returned or transferred, the kind of assistance obtained by the country or organization with those foreign currencies and the dollar value of such kind of assistance;

(3)<sup>532</sup> the aggregate dollar value of all weapons, weapons systems, munitions, aircraft, military boats, military vessels, and other implements of war, and the aggregate dollar value of each category of such implements of war, exported under any export license, to all foreign countries and international organizations and to each such country and organization, during that fiscal year;

(4)<sup>532</sup> all exports of significant defense articles on the United States Munitions List to any foreign government, international organization, or other foreign recipient or purchaser, by the United States under this Act or any other authority, or by any individual, corporation, partnership, or other association doing business in the United States, including but not limited to, full information as to the particular defense articles so exported, the particular recipient or purchaser, the terms of the export, including the selling price, if any, and such other information as may be appropriate to enable the Congress to evaluate the distribution of United States defense articles abroad; and

(5)<sup>532</sup> such other matters relating to foreign assistance provided by the United States Government as the President con-

<sup>532</sup> 22 USC 2417, Sec. 23 of the FAAct of 1973 reenacted Sec. 657 to this point; amended paragraph (3) of subsection (a), which formerly read as follows: "(3) the aggregate dollar value of all arms, ammunitions, and other implements of war, and the aggregate dollar value of each category of such arms, ammunitions, and implements of war, exported under any export license, to all foreign countries and international organizations, and to each such country and organization, during that fiscal year; and"; added paragraph (4), and renumbered former paragraph (4) as paragraph (5).

<sup>533</sup> Sec. 304(c)(3) of the FAAct of 1971 provides: "The provisions of this subsection and section 657 of such Act, as added by subsection (b) of this Act, shall apply with respect to each fiscal year commencing on or after July 1, 1971."

siders appropriate, including explanations of the information required under clauses (1) through (4) of this subsection.

(b) All information contained in any report transmitted under this section shall be public information. However, in the case of any item of information to be included in any such report that the President, on an extraordinary basis, determines is clearly detrimental to the security of the United States, he shall explain in a supplemental report why publication of each specific item would be detrimental to the security of the United States. A supplemental report<sup>534</sup> shall be transmitted to the Congress at the same time that the report is transmitted.

(c) If the Congress is not in session at the time a report or supplemental report<sup>534</sup> is transmitted to the Congress, the Secretary of the Senate and the Clerk of the House of Representatives shall accept the report or supplemental report<sup>534</sup> on behalf of their respective Houses of Congress and present the report or supplemental report<sup>534</sup> to the two Houses immediately upon their convening.

(d) For the purposes of this section—

(1) "foreign assistance" means any tangible or intangible item provided by the United States Government under this or any other law to a foreign country or international organization, including, but not limited to, any training, service, or technical advice, any item of real, personal, or mixed property, any agricultural commodity, United States dollars, and any currencies owned by the United States Government of any foreign country; and

(2) "provided by the United States Government" includes, but is not limited to, foreign assistance provided by means of gift, loan, sale, credit, or guaranty.<sup>535</sup>

**Sec. 658.<sup>536</sup> Limitation on Use of Funds.**—(a) Except as otherwise provided in this section, none of the funds appropriated to carry out the provisions of this Act or the Foreign Military Sales Act shall be obligated or expended until the Comptroller General of the United States certifies to the Congress that all funds previously appropriated and thereafter impounded during the fiscal year 1971 for programs and activities administered by or under the direction of the Department of Agriculture, the Department of Housing and Urban Development, and the Department of Health, Education, and Welfare have been released for obligation and expenditure.

(b) The provisions of this section shall not apply—

(1) to funds being withheld in accordance with specific requirements of law; and

(2) to appropriations obligated or expended prior to April 30, 1972.

**PART IV<sup>537</sup> \* \* \* [Repealed—1962]**

<sup>534</sup> Sec. 23 of the FAAct of 1973 substituted "supplemental report" in lieu of "supplement to any report" in the last sentence of subsection (b), and substituted "supplemental report" in lieu of "supplement" each time it appeared in subsection (c).

<sup>535</sup> Sec. 23 of the FAAct of 1973 deleted paragraph (3) of subsection (d), which read: "(3) 'value' means value at the time of transfer except that in no case shall any commodity or article of equipment or material be considered to have a value less than one-third of the amount the United States Government paid at the time the commodity or article was acquired by the United States Government."

<sup>536</sup> 22 USC 2418. Sec. 658 was added by Sec. 304(b) of the FAAct of 1971.

<sup>537</sup> Sec. 401 of the FAAct of 1962 repealed Part IV of the FAAct of 1961, as amended (relating to amendments to other laws), and provided that the "repeal shall not be deemed to affect amendments contained in such part".