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COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON, D.C. 20548

RELEASED

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March 16, 1970

Dear Senator Byrd:

Your letter of February 5, 1970, referred to us a letter dated December 15, 1969, from Mr. William G. Steele which listed seven items of alleged fiscal irresponsibility and requested information as to who was responsible for them.

The enclosed statement presents pertinent information on six of the seven items. Sufficient information was not furnished on the last item pertaining to a study of "wheelchairmanship" to enable us to identify the responsible agency.

As requested, the enclosure which accompanied your referral is returned herewith.

Sincerely yours,

(SIGNED) ELMER B. STAATS

Comptroller General
of the United States

Enclosures - 2

The Honorable Robert C. Byrd
United States Senate

089422

GENERAL ACCOUNTING OFFICE
STATEMENT RELATING TO
INQUIRY BY
MR. WILLIAM G. STEELE
ON REFERRAL BY
SENATOR ROBERT C. BYRD

The information presented below on the items of alleged fiscal irresponsibility listed in Mr. Steele's letter was obtained from the records of the responsible administrative agencies and other governmental documents.

1. "Millions to the Pentagon for publicity."

There has been growing concern among members of the Congress as to the amount of expenditures made by the Department of Defense (DOD) and the three military services for public relation activities.

Senator William Fulbright, in an address to the Senate on December 1, 1969, stated that according to statistics supplied to him by the Office of Secretary of Defense, expenditures for DOD public relation activities for last year were at least $27,953,000. The Senator went on to say that this represented a tenfold increase over the amount expended in fiscal year 1959 when the Congress placed, for the last time, a section in the DOD Appropriation Act for 1959, that limited funds for public relation purposes to $2,755,000.

The Congressional Record indicates that several members of the 91st Congress have proposed limitations as to the amount of appropriated funds that can be used for public relation purposes. An amendment was proposed in the House of Representatives to the fiscal year 1970 Department of Defense Appropriation Bill (H.R. 15090) to limit funds for these purposes to $10 million, but the amendment failed to pass.

Although the Congress did not set a monetary limitation on the funds available for public relations for fiscal year 1970, the Congress did incorporate Section 601 in the fiscal year 1970 DOD Appropriation Act (Public Law 91-171), which states:

> "* * * no part of any appropriation contained in this act shall be used for publicity or propaganda purposes not authorized by the Congress."

The Congressional Record of December 18, 1969, (page S 17184) indicates that as a result of congressional concern, the Chairman of the Senate Appropriations Committee stated that when the fiscal year 1971 appropriation bill is considered, his staff will take a "good long look" at the public relation activities of the Department of Defense and the three military services. He also indicated that the matter of a limitation on the total funds available for public relations will be considered by the committee.

In response to an inquiry made by Senator William Fulbright concerning DOD public affairs activities, the Assistant Secretary of Defense (Public Affairs) stated that his office will continue to review its functions and organizational structure with the goal of creating operational efficiency while achieving economies. The Assistant Secretary also stated that since July 1, 1969, he has effected a seven percent reduction in manpower spaces allocated to the Office of the Assistant Secretary of Defense (Public Affairs).

2. "80 Million to enlarge United Nations"

In the fall of 1969, the United Nations General Assembly authorized construction of proposed additions and major alterations to the existing United Nations premises in New York City. The total estimated cost is $80 million.

The proposed financing for the new construction is as follows:

	Millions
UN Regular Budget	$ 25
U.S. Government grant 1/	20
City Government of New York grant 2/	20
Total	$ 65

1/ Congressional action pending
2/ The City of New York has agreed to match U.S. Government grant not to exceed $20 million.

The remaining $15 million will be contributed by the United Nations Development Program (UNDP) and the United Nations Children's Fund (UNICEF), which are to be accommodated in the new building. These organizations are expected to make lump-sum contributions calculated on the basis of rentals which the organizations would have paid over some ten years had they remained in rental premises. Also, efforts will be made to obtain financial support from private sources such as the Rockefeller Foundation and the Ford Foundation.

The Secretary of State in a letter dated February 7, 1970, to the Vice President submitting for consideration a joint resolution to authorize a grant of not more than $20 million to defray a portion of the cost of expanding the United Nations Headquarters in New York City stated in part that:

"The physical facilities at U.N. Headquarters are not adequate to the requirements of an organization which has more than doubled in membership since its original plant was constructed almost twenty years ago and has substantially expanded the scope of its activities."

The estimated total identifiable cost to the United States Government will be about $34 million, computed as follows:

	Millions
Grant	$ 20
U. S. share of UN Regular Budget (32% of $25 million)	8
U.S. share of UNDP & UNICEF (40% of $15 million)	6
Total	$ 34

3. "89 thousand to University of Texas to study sea breezes"

The grant of $89,000 to the University of Texas was made by the National Science Foundation (NSF). The NSF was established by the National Science Foundation Act of 1950 (64 Stat. 149; 42 U.S.C. 1861-75). The fundamental purpose of the NSF is to strengthen basic research and education in the sciences in the United States. The congressional appropriation for NSF for fiscal year 1968 was $495 million.

The grant covered the third and final year of the investigation of the sea breeze along the Gulf Coast of Texas. The project is part of NSF's research into the atmospheric sciences in which the Congress has expressed considerable interest.

The grant was subject to the normal review and evaluation process of NSF. This process includes the utilization of non-Federal scientific personnel who are recognized experts in the research field or discipline being considered for support.

4. "Tax dollars to finance a sobering up station for Polish alcoholics"

The United States has sold several billion dollars worth of agricultural commodities for foreign currencies by authority of title I of the Agricultural Trade Development and Assistance Act of 1954, as amended. This law is also referred to as Public Law 480, the Food for Peace Act, and the Food for Freedom Act.

Sales of these commodities to a number of countries were on terms and conditions that resulted in the accumulation of foreign currency balances greatly exceeding anticipated U.S. requirements for a period of several years. These countries, known as excess currency countries, include Poland.

Section 104 of Public Law 480 permits the President to use the foreign currencies accruing from title I agricultural commodity sales for a variety of purposes, including educational, scientific, and research activities. The use of "excess" foreign currencies for these programs is controlled through the appropriation process.

The study of alcoholism in Poland was specifically identified in the President's report on the food aid programs during calendar year 1966, transmitted to the Congress on November 6, 1967, as a project to be funded from foreign currencies. This project is described at page 67 of the report as follows:

> "Alcoholism - In Poland, the forms of social welfare needed by alcoholics and their families will be tested. Another study in Polish industrial areas seeks to clarify the causes of alcoholism in new communities and the services needed in prevention."

A publication issued in 1969 by the Department of Health, Education, and Welfare entitled "Social and Rehabilitation Service, International Research and Demonstration Projects" lists the following alcoholic research projects granted to Poland and financed by excess U.S.-owned Polish zlotys:

1. To determine the psychiatric aspects of the alcoholism problem among the settled and the immigrating population in the area of the town and county of Plock, Poland in connection with formation and the development of a big industrial center. Duration of project - April 1966 to April 1969.

2. To show what form of services is most urgently needed for alcoholic families with regard to meeting both material and educational requirements of their children. Duration of project - May 1966 to May 1969.

5. "$77,897 to Poland to study trees"

The Agricultural Research Service, U.S. Department of Agriculture, authorized Project No. E21-FS-43, Grant No. FG-PO-230, executed on November 16, 1968, in the amount of 1,869,520 Polish zlotys ($77,897, equivalent). This project is to run for five years from the date of the Grant and is for "Studies on the role of endogenous growth regulators in the early stages of some forest trees". The research is being performed by the Department of Plant Physiology, Nicolaus Copernicus University, Torun, Poland.

The objective of this project is to investigate the various growth substances in the early stages of development of seedlings with special attention to the root system of different forest trees, such as oak, ash, poplar, pine, spruce, and larch. Reports on the progress of this project are submitted to United States officials each six months.

This forestry research project is financed with excess United States-owned Polish zlotys which were generated by concessional sales of United States farm products under Title I, P.L. 480. This local currency cannot be converted into dollars, but can be used, in part, for foreign scientific research that will benefit United States agriculture and forestry.

6. "Duke University got $31,200 to study camels"

The National Science Foundation (NSF) is authorized under its enabling legislation, the National Science Foundation Act of 1950 (42 U.S.C. 1861), to support basic scientific research and education in the sciences and to foster the interchange of scientific information among the world's scientists.

Under this broad authority NSF's Division of Biological and Medical Sciences awarded grant G-17619 effective May 1, 1961, to Duke University for support of research entitled "Heat and Water Balance In The Camel". The grant covered a period of about two years with payments totaling $31,200.

The purpose of the grant was to measure temperature and heat fluxes in camels under hot desert conditions in order to establish the relative roles of physiological peculiarities that contribute most to the exceptional tolerance of the camel to heat and water deprivation. Earlier studies had revealed that the camel has no capacity for physiological water storage, but that their tolerance to desert conditions is due to a combination of two factors: (1) an exceptional tolerance to loss of body water; and (2) the insulative value of the fur and a more variable body temperature than in other mammals.