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REPORT TO THE CONGRESS



Need For Improved Review And Coordination Of The Foreign Affairs Aspects Of Federal Research B-171564

Department of State and
Other Agencies

BY THE COMPTROLLER GENERAL
OF THE UNITED STATES

MAY 27, 1971

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

B-171564

To the President of the Senate and the
Speaker of the House of Representatives

This is our report on the need for improved review and coordination of the foreign affairs aspects of Federal research by the Department of State and other agencies.

Our review was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

Copies of this report are being sent to the Secretary of State and to the Director, Office of Management and Budget.

A handwritten signature in cursive script that reads "James B. Stacks".

Comptroller General
of the United States

COMPTROLLER GENERAL'S
REPORT TO THE CONGRESS

NEED FOR IMPROVED REVIEW AND
COORDINATION OF THE FOREIGN
AFFAIRS ASPECTS OF FEDERAL
RESEARCH
Department of State and Other
Agencies
B-171564

D I G E S T

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WHY THE REVIEW WAS MADE

Research performed in foreign countries or otherwise bearing on foreign affairs is sponsored in some degree by nearly every large agency of the Federal Government.

The General Accounting Office (GAO) reviewed the management of the foreign affairs aspects of this research to identify problems and make observations concerning (1) the review and clearance by the State Department for political sensitivity of proposed research projects and (2) the coordination of foreign affairs research among agencies.

FINDINGS AND CONCLUSIONS

The full dimensions of United States foreign research and the amounts being expended for such research are obscure. We have identified in this report a level of spending of about \$70 million a year, but these figures do not represent all foreign research expenditures.

The State Department has the responsibility to ensure that federally sponsored foreign research does not adversely affect United States relations with other countries. However, the Department does not review all proposals for foreign research. The State Department had not furnished the agencies with guidelines for determining conditions under which research proposed might affect foreign relations and should be submitted for review. (See pp. 19 and 20.)

Not all agency proposals for research to be performed by scientists and institutions of other countries had been submitted to the State Department for review although required. Diplomatic posts GAO visited had not performed reviews of those proposals submitted in accordance with the instructions from the Department. (See pp. 24 to 28.)

Federal agency proposals for physical and natural science research to be performed by United States contractors in other countries are not required to be submitted to the State Department for review. GAO believes that such research should be reviewed whenever it is

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determined to be potentially politically sensitive. (See pp. 29 through 31.)

Department of Defense sponsorship of research by foreign scientists has resulted in politically embarrassing incidents in several foreign countries. GAO believes that the Departments of State and Defense should study the political impact of such research and, where appropriate, take steps to reduce the risk of adverse effect. (See pp. 32 through 37.)

GAO concluded that responsibility for the State Department review function--presently divided between the diplomatic posts and two bureaus in Washington--should be assigned to the Washington bureaus. This would permit the reviews to be made under central control on a consistent basis. (See pp. 38 through 40.)

Recent proposals for improving the coordination of foreign affairs research among agencies provide for development of an annual Federal plan but do not provide machinery for carrying it out. In February 1971, however, the Under Secretaries Committee within the National Security Council system was directed to assume responsibility for ensuring interagency coordination of external foreign affairs research and for an annual consolidated plan for such research to be submitted to the President for approval. (See pp. 41 through 51.)

The State Department had a very small external research program (\$72,000 obligated in fiscal year 1970) and depended largely on other agencies to support research bearing on foreign policy. GAO believed that the Department should establish a research program of a scope commensurate with its responsibilities in foreign affairs and should develop a comprehensive statement of its external research policy. In fiscal year 1971 the Department obtained \$724,000 for external research--\$241,000 from appropriated funds and \$483,000 allocated from the Department of Defense. (See pp. 52 through 55.)

RECOMMENDATIONS OR SUGGESTIONS

GAO is recommending that the Secretary of State:

- Issue guidelines to the domestic agencies stating the factors to be considered in reviewing social and behavioral research proposals, so that the agencies can make the required reviews on a basis consistent with the Foreign Affairs Research Council reviews. (See p. 20.)
- Issue guidelines to all agencies to help them identify research in the physical and natural sciences which poses a potential risk to foreign relations; require such research proposals to be submitted to the Department for review; and require the agencies

to furnish the Department summary information about their proposals for foreign research in the physical and natural sciences. (See p. 31.)

- Require all agencies to submit their proposals for research by foreign performers directly to the Department for review. (See p. 40.)
- Develop a comprehensive statement of the Department's external research policy. (See p. 55.)

AGENCY ACTIONS AND UNRESOLVED ISSUES

The State Department commented that it was:

- Clarifying procedures for domestic agencies and Foreign Service posts to follow in reviewing research projects.
- Encouraging improved analysis by the posts of the impact and scope of Government-supported research abroad.
- Ensuring better coordination between its bureaus.
- Seeking to establish a new means for improving coordination among agencies of research policies and priorities.
- Hoping to increase substantially its funds for external research.

The Department said that it considered the present system to be the most economical and effective way to manage the review function. (See p. 39.)

The Department of Defense said:

- It supported the concept that foreign research should be reviewed for political impact.
- Coordination of foreign area research in the social and behavioral sciences was necessary to determine political impact and to ensure knowledge of other agencies' programs.

MATTERS FOR CONSIDERATION BY THE CONGRESS

The Congress and its committees have shown considerable interest in the foreign research activities of Federal agencies, and GAO believes that

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the problems in the management of the foreign relations aspects of such research discussed in this report are matters of concern to the Congress.

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CHAPTER 1

INTRODUCTION

The General Accounting Office has made a review of the management of the foreign relations aspects of Federal research in foreign countries or affairs. Its objective was to obtain information, identify problems, and make observations relating to the management of the foreign relations considerations attendant to the research activities of some of the principal Federal agencies, particularly as activities concern: (1) the clearance for political sensitivity of proposed research projects with the State Department and (2) the coordination of research plans among agencies.

The review was limited to individually identified work units or tasks in science and technology (projects) that meet the National Science Foundation's definitions of basic and applied research (see app. III) bearing on U.S. foreign policy and relations and involving either significant work performance in a foreign country or domestic work related to foreign governments, areas, or peoples (termed "foreign research" in this report).

Foreign research is sponsored in some degree by nearly every large agency of the Federal Government for a variety of purposes. No summary data are available as to what part of the estimated \$5.5 billion obligated in fiscal year 1970 for Federal research involved foreign research.

The term "foreign affairs research" is defined as research in the social and behavioral sciences dealing with international relations or with foreign areas and peoples, whether conducted in the United States or abroad.

The National Science Foundation's annual survey of Federal funds for research (see app. VI) identified estimated obligations for 1971 of \$51.2 million for contracts and grants to foreign performers. The term "foreign performers" includes only foreign scientists, organizations, or governments that carry on federally sponsored research projects outside the United States. About \$38.2 million of the estimated obligations for foreign performers was from United States owned foreign currencies excess to needs. The research by foreign performers is principally in the physical

and natural science fields but may include some projects in the social field which would also be reported in the survey of foreign affairs research.

CHAPTER 2

SCOPE OF FOREIGN RESEARCH ACTIVITY

Foreign research is generally divided into two groups of sciences, (1) the social and behavioral sciences and (2) the physical and natural sciences. (See definitions in app. III.) The researchers may be Federal employees, United States contractors or grantees, or foreign contractors or grantees (foreign performers).

The full dimensions of United States foreign research activity and the amounts being expended for such research are somewhat obscure. A survey by the Foreign Area Research Coordination Group identified estimated fiscal year 1970 obligations of \$21 million (see app. V) for social science research contracts and grants involving foreign affairs. As indicated in chapter 1, the National Science Foundation's annual survey of Federal funds for research has identified estimated 1971 obligations of \$51 million by 20 agencies for contracts and grants to foreign institutions and individuals. (See app. VI.) Data are not readily available on the extent of foreign research in the physical and natural sciences by domestic contractors or on foreign research in any field of science by Federal employees. The current level of spending in the field of foreign research, as discussed in this report, appears to be something over \$70 million a year including foreign currency expenditures.

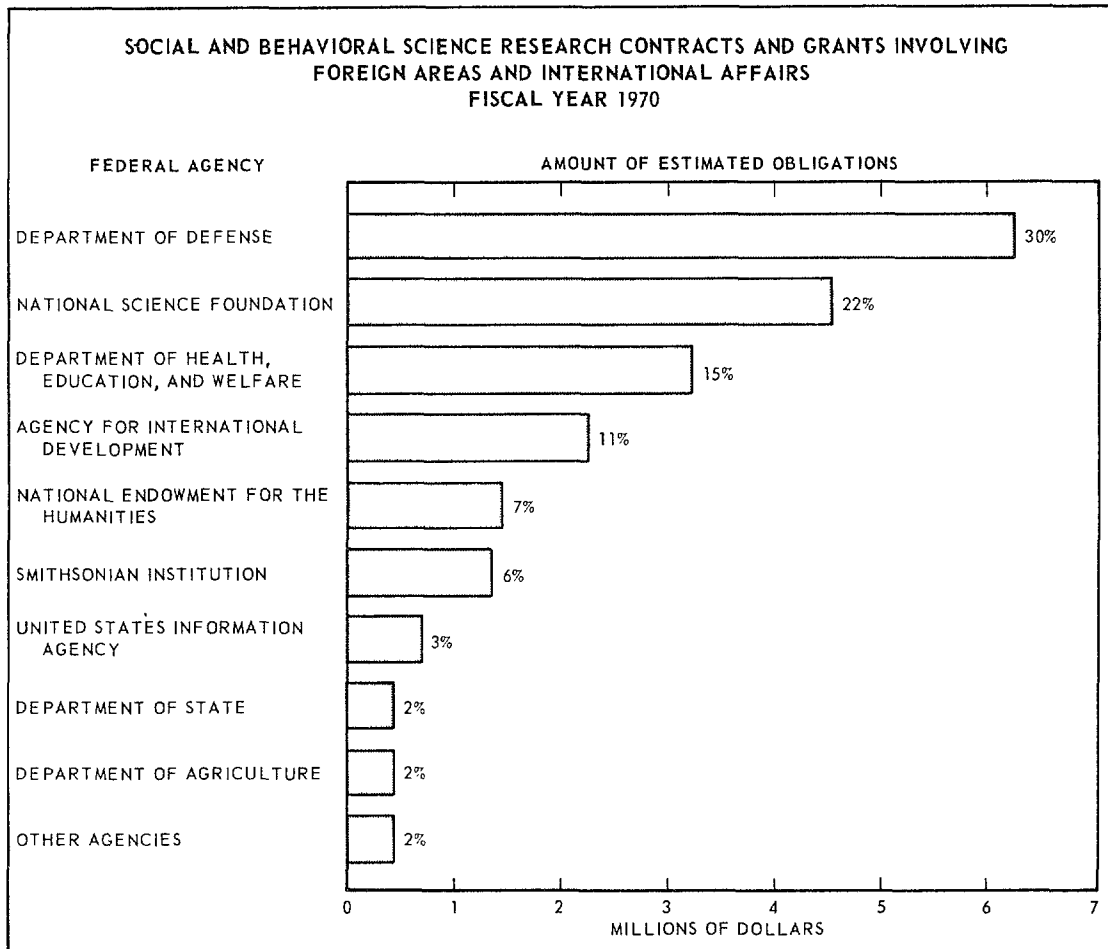
Agency officials have advised us that foreign research by domestic contractors and grantees in the physical and natural sciences is not extensive and that there is very little research undertaken by Federal employees abroad except that performed in Federal installations, such as Army medical laboratories or agricultural research stations.

The following sections describe the principal areas of activities on which information is readily available.

SOCIAL AND BEHAVIORAL SCIENCE CONTRACTS AND GRANTS

The estimated obligations of \$20.8 million for 1970 for social and behavioral science research contracts and

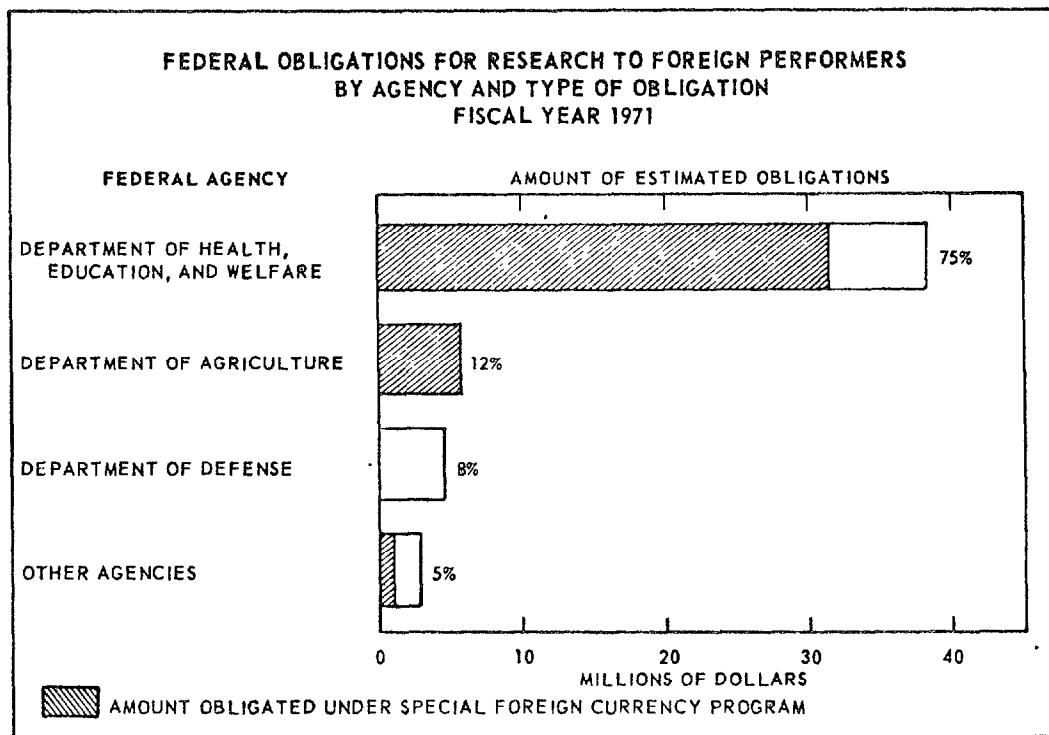
grants involving foreign affairs includes about \$6 million, or one third of the total, sponsored by the Department of Defense. Four agencies sponsored 78 percent of the total: the Departments of Defense and Health, Education, and Welfare; the National Science Foundation; and the Agency for International Development. The estimated obligations, by agency, are shown in appendix V. The relative amounts and percentages of the \$20.8 million fiscal year 1970 obligations by the principal agencies are shown in the following graph.



The 1970 survey of the Foreign Area Research Coordination Group shows that about 37 percent of the funds were obligated for 382 basic research projects and that 63 percent were obligated for 339 applied research projects. Of the 721 projects, 273 were performed in the United States and 448 involved work abroad. The wide variety of purposes for which foreign affairs research is performed and data on individual agency programs is shown in appendix IV.

RESEARCH BY FOREIGN SCIENTISTS

The National Science Foundation report "Federal Funds for Research Development and Other Scientific Activities" identified estimated obligations of \$51.2 million for fiscal year 1971 for research to be performed by foreign scientists, organizations, or governments. (See app. VI.) The relative amounts and percentages of the \$51.2 million fiscal year 1971 obligations to foreign performers by the principal agencies are shown in the graph below. The graph also indicates the portion obligated under the Special Foreign Currency Program.



The National Science Foundation report states that research is contracted abroad because of certain unique natural conditions or unusual materials or specialized facilities required for the research, which do not exist in the United States. The report states also that agencies make use of well-qualified and special scientific talents

available in foreign countries, which are needed for the effective conduct of the research activities involved.

Federal agencies support this research with regular appropriations and with separate appropriations for special foreign currency programs. These programs use excess foreign currencies made available largely under the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), as amended (7 U.S.C. 1691). Eleven countries were designated excess-currency areas in 1970 and 1971: Burma, Ceylon, Guinea, India, Israel, Morocco, Pakistan, Poland, Tunisia, United Arab Republic, and Yugoslavia. About 75 percent of the Federal support for research by foreign scientists and institutions was funded with excess foreign currencies.

Three Departments--Defense, Agriculture, and Health, Education, and Welfare--provided 95 percent of the Federal support in fiscal year 1970 for research by foreign scientists and institutions. About one fifth of the obligations were for basic research and four fifths were for applied research. Funds for basic research were provided mainly by the Department of Agriculture. Research by foreign performers supported by the Department of Agriculture, concerned fields of interest to both the United States and the country involved, such as marketing, economics, plant and animal husbandry, forestry, and human nutrition.

Most of the funds for applied research by foreign performers came from the Department of Health, Education, and Welfare. The grants supplemented the objectives of its domestic program and related to studies in subjects such as disease prevention and environmental control, health services, mental health, and the physiology of man.

CHAPTER 3

STATE DEPARTMENT REVIEW OF FOREIGN RESEARCH PROPOSALS

As the agency principally responsible for United States foreign relations, the State Department has a responsibility to ensure that federally sponsored research, performed in foreign countries or having a bearing on foreign affairs, does not adversely affect United States foreign relations. To accomplish this objective, the Department reviews proposals for social and behavioral science research by Federal contractors and grantees and proposals for research by foreign scientists and institutions to determine if their performance could have an impact detrimental to United States' interests in foreign countries, and to suggest how such impact can be avoided. The reviews, however, do not cover foreign research by Federal employees or research in the physical and natural sciences by domestic contractors and grantees, which also have a potential for political sensitivity.

Nearly all foreign research may be socially or politically sensitive in some degree and the selection of research for review to safeguard United States foreign relations is a subjective judgment. The Department has taken the approach that social and behavioral science research is more likely to be sensitive than physical and natural science research, and that research in support of agency objectives, particularly that sponsored by the military and foreign affairs agencies, has more potential for sensitivity than research solely for the advancement of knowledge.

AUTHORITY FOR REVIEW

The State Department authorities for the review and clearance of foreign research range from very broad to very specific, varying with different agencies. The Secretary of State has broad authority by law and delegation to act as the principal advisor and agent of the President in the determination and execution of the foreign policy of the United States. Also, under the reorganization of the National Security Council in February 1969, the Secretary was assigned:

"authority and responsibility to the full extent permitted by law for the overall direction, coordination and supervision of interdepartmental activities of the United States Government overseas."

Under section 201 of Executive Order No. 10893 of November 1960, the chiefs of the diplomatic missions:

"shall have and exercise, to the extent permitted by law and in accordance with such instructions as the President may from time to time promulgate, affirmative responsibility for the coordination and supervision over the carrying out by agencies of their functions in the respective countries."

Specific authority is provided in section 13 of the National Science Foundation Act of 1950 (42 U.S.C. 1872) which states that the Foundation's:

"arrangements with organizations or individuals in foreign countries and with agencies of foreign countries *** shall be exercised only with the approval of the Secretary of State, to the end that such authority shall be exercised in such manner as is consistent with the foreign policy objectives of the United States."

By an exchange of letters in January 1960, the Departments of State and Health, Education, and Welfare agreed that the State Department should clear research grant awards made by the Public Health Service to foreign scientists and institutions.

These authorities, in conjunction with the President's letter to the Secretary of State dated August 2, 1965, assigning him responsibility for review of social science research in the area of foreign policy (see p. 15), constitute the basis for the Department's functions of review and clearance of proposals for foreign research.

There are no specific authorities or formal agreements regarding the State Department's review and clearance of foreign research other than those mentioned above. Therefore,

authority for review and clearance of foreign research undertaken by other agencies, including the Departments of Defense and Agriculture which are two of the principal users of foreign performers, are covered by the broad authorities which have been variously interpreted. (See p. 24.)

SOCIAL SCIENCE RESEARCH

Before 1965 each Federal agency was generally responsible for its own foreign research activities and applied its own criteria for review of proposed projects and programs for their possible impact on U.S. foreign relations. There were exceptions, such as the grants and contracts to foreign institutions of certain agencies which were reviewed at the diplomatic posts; but most foreign research of Federal agencies, including the social science research of the military and foreign affairs agencies, was usually planned and carried out without referring the projects to the State Department for review.

Project Camelot

In June 1965 adverse reactions in Chile to an Army-financed study of political instability, Project Camelot, were such that the Secretary of Defense subsequently canceled it. Project Camelot was an effort by the Army's Office of Research and Development working through a contractor, the Special Operations Research Office at American University, to produce a better understanding of how the processes of social change operate in developing countries. The objectives were stated to be (1) the systematic identification of the symptoms of the breakdown of a society and (2) the identification of actions that might forestall the breakdown.

During the initial design of the project, a consultant of the contractor traveling in Chile on personal business discussed the project with Chilean social scientists to ascertain the interest and resources available in that country. His activities were adversely reported in a local newspaper, which led to considerable adverse publicity in Chile, elsewhere abroad, and in the United States; a protest to Washington by the American Ambassador to Chile; and cancellation of the project on August 2, 1965.

As a result the President assigned the State Department the responsibility for clearance of foreign affairs research in a letter to the Secretary of State dated August 2, 1965, which stated in part:

"I am determined that no Government sponsorship of foreign area research should be undertaken which in the judgment of the Secretary of State would adversely affect United States foreign relations. Therefore I am asking you to establish effective procedures which will enable you to assure the propriety of Government-sponsored social science research in the area of foreign policy. I suggest that you consult with the Director of the Bureau of the Budget to determine the proper procedures for the clearance of foreign affairs research projects on a Government-wide basis."

The Foreign Affairs Research Council

To implement the President's directive, the Secretary of State created the Foreign Affairs Research Council. The Council is responsible for assisting the Secretary in formulating policies for review and clearance of foreign affairs research and for clearing research projects submitted to the Department for that purpose by other Government agencies. The Council is also charged by the Secretary with determining State Department needs for external research and with establishing Department policy for such research.

The Council consists of 14 members of the Department under the chairmanship of the Director of the Bureau of Intelligence and Research. It includes senior officers from each of the 5 geographic and 7 functional bureaus, the Planning and Coordination Staff, and the Foreign Service Institute. The Council's staff is provided by the Bureau of Intelligence and Research.

Procedures of the Research Council

The social and behavioral science research project proposals of other agencies submitted to the Research Council for clearance are assigned to one of the project officers on the Council staff. The project officer reviews the proposal, discussing it when necessary with representatives of the sponsoring agency, and prepares a recommendation for Department action on the basis of his experience and available information about conditions abroad. The proposal and the accompanying recommendation are then reviewed and cleared with the Research Council members directly concerned with the subject matter and the geographic area involved and, usually, with other State Department officers as well. If the proposal involves performance in a foreign country, the diplomatic post also is generally consulted. Upon completion of the review, the project officer prepares for the Chairman of the Research Council a description of the project, its problems, and the recommendation for Department action agreed upon by the reviewing officers. The Chairman's action on the recommendation is reported back to the sponsoring agency and to the interested diplomatic posts.

The Chairman's action may be approval of the proposed research, approval with conditions, or disapproval. When the Chairman approves projects conditionally, the conditions generally concern such matters as (1) coordination of field research plans by the agency with the diplomatic posts, (2) classification of the projects or subsequent review for possible classification of the report, (3) acknowledgement of Government support and purposes of the research to foreign researchers, the host government, or in the published report, or (4) restrictions on travel or requirements for subsequent review of travel plans. The State Department makes no systematic effort to determine whether the agencies have complied with the conditions imposed by the Council when research proposals are cleared conditionally. Our review at selected agencies, however, did not identify any significant problems resulting from the lack of such compliance.

The Research Council review is strictly limited to considering whether the proposed research would have adverse effects upon United States foreign relations. The reviewing officers of the Council do not consider whether the research (1) contributes to the support of United States foreign policy, (2) should be coordinated with efforts of other agencies for their mutual benefit, or (3) duplicates the research of other agencies. (However, on some occasions obvious cases of duplication have been informally brought to the attention of sponsoring agency representatives by the Research Council staff.) The Research Council procedures state that approval of a proposed project by the Department is not an endorsement of the need, method, or value of the research.

The "Procedures for Department of State Review of Government-Sponsored Foreign Affairs Research," issued November 18, 1965, set limits on the scope of the Council's review, primarily on the basis of the sponsorship of the research. Under the procedures, Government-sponsored foreign affairs research is defined as:

"research programs and studies in the social and behavioral sciences dealing with international relations, or with foreign areas and peoples, whether conducted in the United States or abroad, which

are supported by contracts or grants awarded by agencies of the United States. In-house research is not included."

The procedures distinguish between research supported by defense and foreign affairs agencies and that supported by domestic agencies. The defense and foreign affairs agencies (Department of Defense, Department of State, United States Information Agency, Arms Control and Disarmament Agency, Agency for International Development, and Central Intelligence Agency) are required to obtain clearance from the Research Council for their proposals for social and behavioral science research projects involving foreign travel or contact with foreign nationals. The domestic agencies are required to supply the Research Council summary information on such research proposals and to submit them for review and clearance if requested or if the sponsoring agency determines that the research might have a potentially adverse effect on United States foreign relations. The same requirements for informing the Council apply to military and foreign affairs agency projects conducted in the United States that do not involve contact with foreign nationals.

The procedures require that the Research Council be informed about continuous foreign affairs research programs, such as those carried on by federally funded research centers, and provide that specific projects in these programs may be reviewed by the Council. Federal grants to academic institutions for general purposes related to foreign affairs research are exempted from review, but the granting agencies are expected to keep the State Department informed about such grants.

Scope of the Research Council's review

Relatively few of the projects in the Government's entire research program are subject to Research Council review. The fiscal year 1970 report of the Council shows the number of new projects submitted and the Council's disposition of them.

Research Council Actions on New Projects
through June 1970

Type of sponsoring agency	<u>Total submitted</u>		<u>Cleared</u>		<u>Cleared conditionally</u>		<u>Not cleared</u>		<u>Returned-exempt from review</u>		<u>Withdrawn or suspended by sponsor</u>	
	Since		Since		Since		Since		Since		Since	
	FY 1970	July 1965	FY 1970	July 1965	FY 1970	July 1965	FY 1970	July 1965	FY 1970	July 1965	FY 1970	July 1965
Domestic	14	87	6	59	3	15	0	1	4	11	1	1
Foreign affairs	102	353	48	156	40	155	3	9	10	23	1	10
Military	12	195	1	69	6	96	3	8	2	17	0	5
Total	<u>128</u>	<u>635</u>	<u>55</u>	<u>284</u>	<u>49</u>	<u>266</u>	<u>6</u>	<u>18</u>	<u>16</u>	<u>51</u>	<u>2</u>	<u>16</u>

In addition to reviewing new projects, the Council makes follow-up reviews on continuing projects and reviews some foreign travel plans and some of the final reports of the researchers.

Need for improvement of review procedures

In our discussion of "Procedures for Department of State Review of Government-Sponsored Foreign Affairs Research" on page 18, we mentioned that the domestic agencies were not required to submit their social and behavioral science research projects involving foreign affairs for Research Council review unless specifically requested or unless the agency determined that the project might have potentially adverse effects on United States foreign relations.

This procedure relieves the Research Council staff from the need to review research in foreign affairs which may have a lesser potential of political sensitivity than research performed overseas by military and foreign affairs agencies; but it places the burden for determining potential political sensitivity on the sponsoring agency, which is not likely to possess the same degree of expertise in this field as the State Department.

No guidelines or criteria have been issued by the Research Council to assist the agencies in making their determinations; and therefore it is doubtful that the determinations of the sponsoring agencies have been made on a basis consistent with that used by the Research Council. State Department representatives are available for informal advice and consultation if an agency elects to inquire about a particular project, but the agencies have no basis for making

consistent judgments of the projects in their research programs as to whether they should be submitted to the Council for review.

Recommendation

We recommend that the Secretary of State issue guidelines to the domestic agencies stating the factors to be considered in reviewing research proposals so that the agencies can make the required review on a basis consistent with Research Council reviews.

Agency response

The State Department in commenting on a draft of this report (see app. I) stated that it would prepare and send guidelines to the domestic agencies, which will clarify what research constitutes a potential risk to foreign relations and which will help the agencies decide the projects to be submitted to the Research Council. We believe that issuance of such guidelines should result in greater consistency of the agency reviews with those of the Research Council.

Research by Federal employees

Foreign research by Federal employees is excluded from State Department review. It would seem that social and behavioral science research activities of a Federal employee in a foreign country would be as likely to cause adverse reaction as the same activities performed by an employee of a contractor or grantee, but the State Department procedure for review of social and behavioral science research proposals involving foreign affairs covers only research performed by contractors and grantees and specifically excludes "in-house research." (See p. 17.) The Director of the Bureau of Intelligence and Research, who is also Chairman of the Research Council, in explaining the procedures in 1965 stated:

"We have no intention and no authority to review either private research or research conducted within an agency by Government employees."

The research activities of Federal employees may involve traveling in foreign countries and dealing with foreign scientists, institutions and government representatives; but such activities have been interpreted as being excluded from review by the Research Council.

Much of the policy planning research of the military departments and agencies, which is in large part within the area of foreign affairs, is performed by a combination of in-house research by Federal employees and research by Federal contract research centers having a quasi-in-house status. The broad programs of the centers are required to be reviewed by the Council, and specific projects may be reviewed upon request, but the in-house aspects of the activity are omitted from review. When the research is conducted entirely within an agency's offices and the results are not made public, there may be little need for State Department review; but research by Federal employees can include nearly all of the same activities as performed by researchers under contracts or grants; and blanket exclusion of research activities by Federal employees from review by the Research Council appears inappropriate.

Conclusion and agency comments

We believe that research activities by Federal employees in a foreign country can be equally as sensitive as the same activities by employees of contractors and grantees and that the State Department review function should be expanded to include appropriate parts of such research activity.

The Defense Department agreed that the State Department should review these projects and commented that all proposed social and behavioral science projects (including those performed by Federal employees) were submitted for approval and coordination with the State Department. State Department procedures, however, exclude projects performed by Federal employees from review, and, when such projects are submitted, they are returned without review.

The State Department commented that there was very little research undertaken by Federal employees abroad, that what research there is comes under the control of the ambassador in the country, and that the embassy review provided better control of such research activity than could be provided by Research Council review.

In our surveys at seven diplomatic posts overseas, we found no records or other indications that such reviews were being performed. The embassy maintains a general surveillance of Federal employee activity in the country, but review of social research proposals before their implementation is a function of the Research Council. We remain of the view that proposals for research in the social and behavioral sciences in foreign countries by Federal employees should be reviewed by the State Department in the same manner as proposals for research by contractors and grantees. Such review would take place before the research is initiated when the proposal could be more easily modified. The Research Council review usually involves participation by the embassy concerned but also takes into account broader implications of the proposed activity involving other countries on which the embassy may not have full information.

In view of the State Department's advice that there is very little research undertaken by Federal employees abroad, we are making no recommendation on this matter.

PHYSICAL AND NATURAL SCIENCE RESEARCH

State Department review of foreign research proposals in fields other than the social and behavioral sciences is limited to proposals for research to be performed by foreign scientists and institutions (foreign performers). Foreign research in the physical and natural sciences by domestic contractors and grantees or by Federal employees is not reviewed by the Department for possibly adverse effects on foreign relations.

The review of proposals for research to be made by foreign performers is essentially carried out at the diplomatic posts in the countries where the projects are to be carried out. For projects to be funded by appropriations in dollars, agencies in the Departments of Defense and Agriculture are expected to submit their proposals directly to the diplomatic posts for review and approval as to their possible effect on foreign relations. Other agencies are expected to submit their project proposals, as appropriate, either to the posts or the Bureau of International Scientific and Technological Affairs in Washington, which, in turn, refers them to the diplomatic posts for comment. Bureau approval is generally based on the post's comments.

For research projects to be funded from excess foreign currencies, all agencies are required by section 27.1 of Bureau of the Budget Circular A-11 to show the results of consultations with the State Department in their justification material for appropriations. The details of the agency research proposals submitted under these requirements are transmitted to the diplomatic posts for comment as part of the State Department review process. The Department's review, as it concerns the possible effects of the proposed research on foreign relations, is generally based on the post's comments. The project proposals are subsequently submitted by the diplomatic post to representatives of the government of the foreign country concerned for approval and contract execution.

Varying agency requirements for submission of research proposals

The Office of Aerospace Research, Department of the Air Force, issued regulations requiring review and clearance by the diplomatic posts of proposed contracts to foreign performers. Officials of the Department of Agriculture advised us that they had consistently submitted their proposals for such research to the posts but had issued no instructions requiring such action. Responsible officials of the Army, Navy, and Agency for International Development have expressed the view that there is no requirement for State Department review and clearance of proposals for contracts and grants to foreign performers except for proposals in the social and behavioral sciences which are to be reviewed by the Research Council.

It appears that the different requirements for submission of research proposals to the State Department for review stem from the lack of clear and specific State Department guidelines to the agencies defining its requirements for the submission of proposals for research grants and contracts involving foreign performers.

Projects not submitted for review

Our reviews at the National Science Foundation and at the National Institute of Mental Health, where specific requirements had been established by law or agreement for State Department review of proposals for grants and contracts to foreign performers, indicated that such proposals for fiscal years 1969 and 1970 were properly submitted for State Department review. The Agency for International Development, where no specific requirement for such review had been established, submitted its entire central research program to the Research Council for review; but the Council reviewed only the research proposals concerned with the social and behavioral sciences. Neither the Council nor the Agency submitted the proposals for contracts with foreign performers for research in the physical and natural sciences included in the program, to the Bureau of International Scientific and Technological Affairs or to the diplomatic posts.

In addition to the Agency for International Development's central research program, its overseas missions also contract for research by foreign performers. Our reviews at the missions in India and Pakistan established that they had not submitted any of their proposals for contracts with foreign performers to the diplomatic posts for clearance. During fiscal years 1968-70, the dollar equivalent of about \$3 million was obligated for such contracts in India and \$700,000 was obligated in Pakistan.

The Office of Naval Research had not submitted its proposals for contracts with foreign performers to the diplomatic posts. Our review identified 73 contracts with foreign performers, representing obligations of about \$2 million during fiscal years 1968-70, for which proposals had not been submitted to the diplomatic posts for review and clearance.

Our reviews at five diplomatic posts (United Kingdom, Sweden, Germany, Italy, and Japan) and at the overseas locations of various Federal agencies included tests of the clearance of proposals for research by contracts and grants to foreign performers during the period July 1967 through February 1970. We found evidence that, of 483 proposals accepted by the Federal agencies' overseas offices for further review, 378, or 78 percent had been received at the diplomatic posts. The remainder either were not sent to the posts or no record was made of their receipt. Our review, however, did not identify any grant or contract to a foreign performer where the research proposal's not having been cleared by the diplomatic post adversely affected United States foreign relations.

Agency Comments

The State Department advised us that, when Circular Airgram CA-9481 on clearance of research by foreign performers was issued (see p. 27), it was concurred in by the affected agencies and that the Department expected the agencies to follow the guidelines in the airgram for clearing their foreign research with the Department. The Department has agreed to reissue the airgram and to request the Federal Council on Science and Technology to follow through to ensure compliance by the agencies.

The Defense Department commented that all research projects with foreign scientists and institutions have consistently been submitted to the diplomatic posts in the respective countries for clearance prior to final procurement action. Our review shows that Defense projects are generally submitted; however, we found some Navy projects which were not submitted and other projects where there was no clearance record, as discussed earlier.

Review at the diplomatic posts

The Department of State issued guidelines to the posts for review and clearance of proposals for grants and contracts for research in the physical and natural sciences by foreign performers in Circular Airgram CA-9481, dated July 18, 1968. The airgram transmitted a copy of the statement of the Federal Council for Science and Technology approved in September 1964, entitled "Policy Guidance for Research Investment Abroad by U.S. Agencies." In addition, the airgram provided criteria for reviews by diplomatic posts of proposals for physical and natural science grants and contracts to foreign performers. It provided that the post:

1. Not attempt a scientific evaluation of proposed research.
2. Be alert for any possible harmful effects of cumulative support by Federal agencies on local science or the economy.
3. Encourage support of research by the host government.
4. Determine that the proposed grant or contract does not replace local support for research.
5. When appropriate, question local authorities to ensure that the proposed research does not meet with objections by the host government.

Because of the difference in political sensitivity and other factors in each country, the airgram did not prescribe review and clearance procedures for the missions, but stated:

"The Chief of Mission should establish review procedures which he considers appropriate to the local situation. The policy review should be vested in the officer best qualified to provide that review, and internal Mission procedures should provide adequate coordination on these matters between the offices of the Defense Attache, the AID Mission or Agricultural Attache, the Scientific Attache, and with other appropriate elements of the Diplomatic Mission."

None of the seven posts we visited during January-March 1970, had established written procedures for review of research proposals. For the majority of the proposals cleared, the review involved only the checking of the principal investigator's name against various security sources in an effort to determine whether he might create a politically sensitive situation. There was little coordination of the review between elements of the posts. Proposals submitted to the scientific attache or the agricultural attache were not generally distributed outside their respective offices. Proposals submitted to the defense attache were usually referred only to the office of the scientific attache. Proposals submitted from the Research Council in Washington were generally reviewed by the political affairs officer only.

The State Department has advised us that the correction of this situation will be taken up with the individual posts and the appropriate geographic bureaus in the Department.

We have found that certain Defense research agencies located overseas are required by their guidelines to submit all research project proposals to diplomatic posts for clearance at the same time that the proposals are forwarded to the parent organizations in the United States for review. These proposals are forwarded to the posts after a cursory review by the overseas research offices, and a more detailed review is performed after comments are received from the parent organization in the United States.

Our test of 132 proposals submitted to the posts under these guidelines indicated that the research offices, after performing a detailed review, actually approved only 36, or 27 percent, of the proposals transmitted to the posts for clearance. The remaining proposals that had been transmitted were either deferred, 21 percent, or rejected, 52 percent, by the research officer. Therefore, on the basis of our limited tests, it appears that the posts were required to review and clear at least twice as many proposals as ultimately resulted in contracts or grants to foreign performers.

State Department officials have informally advised us that they will take appropriate action to eliminate the unnecessary reviews by the posts of research proposals.

Domestic contractors

Foreign research in the physical and natural sciences by United States scientists and institutions under Federal contracts and grants may involve traveling in foreign countries and dealing with foreign government agencies, institutions, and scientists. Such activity may be politically sensitive, particularly if it is sponsored by a military agency; but the State Department, and in some circumstances even the sponsoring agency, may not be informed of the researcher's plans for activities in foreign countries at the time the grant or contract is made. The State Department does not exercise a review function over these research activities and the diplomatic posts generally do not review activities in the foreign country by domestic researchers. Data on the scope and extent of such research activity is not readily available.

That foreign physical and natural science research can be politically sensitive is demonstrated by the following example. The Smithsonian Institution, under a research project financed in part by a grant from the Office of Aerospace Research, initiated a study of the behavior of birds in the tropical rain forests of Brazil. This research was adversely reported in both the United States and Brazilian news media. The article in the Washington Post, February 5, 1969, was headed "Smithsonian Bird Research Tied to Germ Warfare Study." The article indicated that the Brazil study, which was related to a larger Smithsonian program for study of migratory birds financed by the Defense Department, may ultimately be used in the germ warfare program. The project was also similarly reported on February 4, 1969, on a national television program. The publicity may not have affected this particular project because the fieldwork was already completed, but the Brazilian Government temporarily suspended the acceptance of Smithsonian support of other research in Brazil. However, no lasting adverse effects appear to have resulted.

In an airgram to all posts dated July 18, 1968, the Department expressed concern that American scientists may be in foreign areas conducting Government-sponsored physical and natural science research without the knowledge of the Department. The airgram indicated that the Department was

planning to request all agencies to incorporate appropriate instructions within their grant and contract procedures, which would provide that the Department be informed when proposed research involved foreign countries or their institutions.

As of January 1971, the Department of State had not made the above-indicated request of other Federal agencies.

Conclusion and agency comments

We believe that the State Department should review proposed research activities of domestic contractors in foreign countries when the research involves the physical and natural sciences, as well as when it involves the social and behavioral sciences, to effectively safeguard United States foreign relations, because the nature of the research can be sensitive in either case and in both cases can involve dealing with foreign scientists, institutions, and government representatives.

In commenting on this matter, the State Department agreed that domestic grantees in the physical and natural sciences should be aware of possible political sensitivity when research is performed abroad but stated that the few cases where political sensitivity would be involved would not warrant the additional work load nor the adverse domestic reaction to the direct involvement of the Department. We were informed that the Department planned to request all agencies to incorporate in their grant and contract procedures appropriate instructions outlining the possible sensitivity to research or related activities conducted abroad. The Department agreed also that it might be useful if the Department were to issue appropriate guidelines to the agencies on projects or areas which might have political sensitivity and to review proposed grants and contracts whenever the granting agency considered such review necessary.

The Defense Department commented that research contracts and grants with domestic contractors and grantees and projects performed by Federal employees that require significant foreign effort were carefully reviewed. We found that when such researchers visited foreign countries the only information furnished to the State Department on these projects

was a notification to the embassies of the purposes of the visits. We do not consider that such notification constitutes a submission of research proposals for review.

We believe that the Department should review proposals for grants and contracts for research in the physical and natural sciences on much the same basis as the Research Council reviews the proposals for grants and contracts of domestic agencies for research in the social and behavioral sciences. That is, in addition to issuing appropriate instructions and guidelines as proposed by the Department, there should be a requirement that the agencies furnish the Department pertinent summary information about their proposals for research contracts and grants involving foreign performance in advance of such performance and that they submit the proposals for review and approval by the Department when requested.

Recommendations

We recommend that the Secretary of State (1) issue instructions and guidelines to the agencies to help them identify and clarify what research in the physical and natural sciences constitutes a potential risk to foreign relations, (2) require the agencies to furnish pertinent summary information to the Department on proposals for research involving foreign performance in the physical and natural sciences by domestic contractors and grantees, and (3) require the agencies to submit their proposals for such research to the Department for review and clearance for sensitivity when requested by the Department or when the agency determines that the proposed research has a potential for political sensitivity.

Defense Department sponsorship
of foreign research

There has been concern expressed over the effect on United States foreign relations of the Department of Defense policy of sponsoring research by foreign institutions and scientists. In 1962 the President's Science Advisory Committee, International Science Panel, in its report on "Research Support Abroad through Grants and Contracts" stated:

"The reaction to the support of science by U.S. military agencies will vary from country to country and region to region. The State Department should make a judgment for each country about the desirability of a military support program on the basis of the local situation, the need for prompt action, and other factors.

"The Panel does recommend, however, that where military programs are authorized in countries in which programs do not now exist, it would be desirable to mount a civilian agency program at the same time and in any case, to have the military operate out of an office staffed by civilians, preferably under the science attache, as is planned for Rio de Janeiro."

More recently, in May 1969, the Chairman of the Senate Foreign Relations Committee, in commenting on the Defense Department's fiscal year 1970 research authorization request, stated:

"There is trouble aplenty over military research being carried out in our own educational institutions and there is no need to ask for the same kind of trouble in 44 other countries. Unless the brakes are put on this program, more incidents are inevitable. A compelling need in our foreign affairs today is to make the American presence abroad less visible. We do not accomplish that by linking foreign universities to our military establishment."

Our review identified politically embarrassing situations in four countries--Sweden, Germany, India, and Japan--that involved Department of Defense sponsorship of research by foreign scientists and institutions. The type of problems that can result from military contracts and grants to foreign scientists, when opposition groups attempt to exploit them for their own purposes, are illustrated by events in Japan.

Incidents in Japan

There have been two political incidents in Japan, both of which have involved Army-sponsored research by Japanese scientists and institutions. The first and most serious of these resulted from Army support of a conference on semiconductor physics held in Kyoto, Japan, in September 1966. The second incident concerned an Army grant involving a scientist at a Japanese university and linked to the United States Army's chemical biological warfare research in a book by an American author.

The embassy approved an Army grant of \$8,000 to the Japan Society of Physics to help cover the expenses of an international semiconductor physics conference to be held in Kyoto, Japan, in September 1966. The money was to be used to cover the traveling expenses of the American scientists who had been invited to attend. In recommending Army financial support of the physics conference, an Army official recognized that certain members of the Japanese organizing committee were reluctant to associate themselves with a military organization by accepting support but expressed the opinion that such support would help to break down the anti-military feeling within the Japanese scientific community.

No trouble resulted from the Army grant for nearly a year; but then, in May 1967, it became the subject of an "expose" by one of Japan's leading newspapers, which led to a critical assessment by the Japanese Government on the whole United States military research program in Japan.

The article acknowledged the Army Research Office's statement that the Army grants were given with no restrictions and were not related in any way to military research; however, it quoted the opinions of several Japanese

scientists to the effect that Japanese scientific integrity could become compromised through such Army support. As a result, according to the Japanese press, Japanese Government officials were questioned by the legislature concerning the purpose of the U.S. research program in Japan.

As a result of the newspaper articles and the related discussions in the legislature, the Japanese Ministry of Education published new regulations, effective October 1967, governing the acceptance of grants by national universities. Several university presidents spoke out against the United States Army research program; some universities took steps to sever ties with the United States military; and others tightened their procedures for scrutinizing military grants.

In July 1967 the Chairman of the Senate Foreign Relations Committee, in commenting on the incident, stated:

"I am not saying that the research is not beneficial. What I do not understand is the reason behind the military sponsorship of such projects. *** I cannot understand why our government takes the risk of bruising our relations with other countries by having the Department of Defense undertake such research."

In another instance adverse publicity in Japan on the nature of military-sponsored research resulted from a book published by an American writer in June 1968. On June 2, 1968, the Washington Post published an advance review of a new book by Seymour M. Hersh entitled "Chemical and Biological Warfare." According to the Post's review, the book stated that there were 27 chemical and biological warfare research contracts with prominent universities and medical colleges in Japan. Two grants to Japanese schools were specifically cited, one with Keio University on a brain-disease-causing parasite and the other with the Sasaki Institute on chromosomal changes associated with altered biological characteristics. The Japanese press published the review the following day along with the denials by the researchers that their work was related to chemical and biological warfare.

The newspapers reported that at Keio University members of the student government association on June 18 held the director for student affairs for several hours demanding an explanation. The director denied the allegations but apparently did not satisfy the student demands. On July 1 the university announced that it would decline further Department of Defense research grants.

The immediate result of the political attacks and related student protests on the Army program in Japan was the discontinuance of 24 grants, which had been approved or awarded, totaling \$328,197. In addition the regulations issued by the Japanese Ministry of Education in 1967 in conjunction with the antimilitary sentiment in Japan have precluded any new grants by the Army to the national educational institutions. These include some 74 national schools, including seven former imperial universities reputed to be the leading centers of academic research in Japan. We were advised by the Defense Department, however, that other grants were made in Japan in 1968, 1969, and 1970.

An unintentional result of these regulations had been to preclude any further grants to Japanese national schools by the National Institutes of Health. The grant regulations of the Institutes are similar to those of the Army and hence are not in accord with the Japanese regulations. There had been protracted negotiations between the National Institutes of Health and the Japanese Ministry of Education, but the differences had not been resolved by February 1970.

Reduction of Defense-sponsored foreign research

The Department of Defense has planned to reduce its expenditures for research in foreign countries in 1970 and 1971 for a number of reasons.

1. In response to the recommendation of the House Committee on Government Operations in 1968, the Department of Defense established criteria restricting the award of contracts and grants to foreign scientists and institutions to assist in reducing the balance-of-payments deficit.

STATE DEPARTMENT MANAGEMENT OF THE REVIEW FUNCTION

Responsibility for review of foreign research is divided in the State Department between the Bureau of Intelligence and Research and the Bureau of International Scientific and Technological Affairs. The diplomatic posts serve both Bureaus in the review process and perform a substantial segment of the function independently.

Coordination between bureaus of the State Department

As we mentioned on page 24 the Agency for International Development has submitted its entire central research program including proposals for research by both domestic and foreign performers to the staff of the Research Council in the Bureau of Intelligence and Research for review, but the Council reviewed only the research proposals concerned with the social and behavioral sciences. Neither the Council nor the Agency submitted the proposals for research in the physical and natural sciences by foreign performers included in the program, to the Bureau of International Scientific and Technological Affairs. Conversely, our survey at the National Institute of Mental Health showed that the Institute submitted all of its proposed research to be performed by foreign scientists and institutions to the Bureau of International Scientific and Technological Affairs, but the proposals contained therein which involved social and behavioral research were not referred to the Research Council by either the Institute or the Bureau. The State Department acknowledged that the coordination procedures between the two Bureaus needed to be clarified and strengthened. They advised us that discussions between the Bureaus would be scheduled to establish adequate guidelines to ensure that this was done.

Conclusion and agency comments

The review objectives are essentially the same for the posts and the two Bureaus in Washington. We believe therefore that assignment of the review responsibility to a single central organization would tend to improve its effectiveness by ensuring that the reviews were made under a

central control on a consistent basis. The research proposals of the Departments of Defense and Agriculture which are now submitted directly to the posts would be submitted to the central organization for transmission to the posts after administrative review. The central organization would have responsibility for overseeing the posts' research review functions and for ascertaining that the agencies submitting research proposals clearly understood and complied with the Department's requirements. A single central organization receiving all proposals for research in foreign areas and affairs would be afforded an overview of foreign research activity on a Government-wide basis which would provide a perspective not presently available and would contribute to the overall effectiveness of the review function.

The State Department has expressed the view that, inasmuch as the potential for political sensitivity is less in the physical and natural sciences than in the social and behavioral sciences and the criteria used for reviewing research proposals for political sensitivity in these two areas are different, the present division of review responsibility between the two Bureaus is the most practical arrangement.

We believe that review by a single organization would be more effective, although the planned improvement of coordination between the two Bureaus (see p. 38) should benefit the overall review function.

We believe, however, that to obtain consistent reviews, develop an overall perspective, and exercise effective oversight over the review performance at the posts, the research proposals now submitted to the post directly from the sponsoring agencies should be submitted through the Department of State in Washington regardless of whether the review there is performed by one organization or two. We believe that, in addition to providing more consistent reviews and an overall perspective as mentioned above, focusing the reviews within the Department, would place the reviewers in a better position to assess sensitivity relating to the social implications in physical and natural research proposals and to deal with the increasing trend toward interdisciplinary research in modern science.

Recommendation

We recommend that the Secretary of State require all agencies, including the Departments of Defense and Agriculture, to submit their proposals for research by foreign performers to the Department of State for review rather than directly to the diplomatic posts.

CHAPTER 4

COORDINATION OF FOREIGN AFFAIRS RESEARCH

BY THE DEPARTMENT OF STATE

Research by contract and grant in foreign affairs was estimated to amount to \$21 million in Federal obligations for fiscal year 1970. (See app. V.) These estimates were compiled by the Department of State from information furnished by various Federal agencies. Included were widely varying research activities, such as grants to individual social and behavioral scientists, contracts for both short-range investigations and continuing projects applicable to specific agency missions, limited studies of policy, and data collection.

About \$11 million of the total, comprising grants under the programs of the Department of Health, Education, and Welfare; the National Science Foundation; the National Endowment for the Humanities; the Smithsonian Institution; and the exchange program of the Department of State, represents general support of research which may have little direct relationship to the foreign policy or affairs.

The remaining \$10 million represents social and behavioral sciences research in foreign affairs by the military and foreign affairs agencies in support of their missions and, in general, represents the research directly related to foreign policy. About \$6.2 million is funded by the Defense agencies, \$2.2 million by the Agency for International Development, and the remainder is made up of small amounts from a number of agencies. (See p. 54.)

Most agencies' foreign research activities are an integral part of their total research program and supplement larger domestic research functions; and each agency has its own procedures for setting priorities, allocating responsibilities, and ensuring coordination within the agency. Some agencies have set up agencywide research committees; others have a series of formal reviews within the organization; but each generally coordinates foreign research with its other research activities. The variety of research programs among Federal agencies, however, has resulted in multiple

investigations on similar problem areas. Although multiple approaches to problem solving are probably desirable, we believe that they need to be carefully coordinated and that priorities need to be established to obtain the maximum benefits from the resources available.

NEED FOR IMPROVED COORDINATION

As early as April 1964, the Subcommittee on International Organizations and Movements of the House Committee on Foreign Affairs called attention to the pressing need to improve the coordination of Government-sponsored research in foreign affairs in its Report No. 2: "Ideological Operations and Foreign Policy" (H. Rept. No. 1352, 88th Cong.). The subcommittee urged the executive branch to devise appropriate means for the assignment of responsibilities, and allocation of resources to the various agencies active in this field.

"Effective methods must be evolved to insure that the results of research conducted by Government agencies are promptly made available to all agencies concerned with foreign policy operations. Other arrangements must be worked out to divide research assignments and make certain that all requirements are covered to the extent that funds are available. A system of priorities must be established and enforced to insure that scarce resources--human and financial--are applied first to the most urgent tasks."

The foregoing statement was repeated in the Subcommittee's Report No. 4: "Behavioral Sciences and the National Security" in January 1966 (H. Rept. 1224, 89th Cong.). The report acknowledged actions taken in response to their concern but stated that the actions fell short of the goals outlined in their earlier report.

In his statement before the subcommittee in August 1965, the Secretary of State commented that research had become indispensable to the intelligent formulation and implementation of foreign policy and stated that the Department bore the main responsibility for coordinating research in the field of foreign affairs.

Coordination by the Foreign Area Research Coordination Group

The Foreign Area Research Coordination Group was established in 1964 by the Department of State to achieve

systematic coordination among agencies of Government-sponsored foreign area and affairs research in the social sciences. Its purposes are to ensure cooperative effort in research activities, to prevent duplication between agencies, to encourage maximum use of research results, and to promote good relations between Government and private research organizations. The Deputy Director of the Bureau of Intelligence and Research is Chairman, and the Office of External Research of the Bureau provides the staff support for the Group. Its members are representatives of the:

- Agency for International Development
- Arms Control and Disarmament Agency
- Department of Agriculture
- Central Intelligence Agency
- Department of Defense:
 - Advanced Research Projects Agency
 - Defense Research and Engineering
 - International Security Affairs
 - Defense Intelligence Agency
 - Department of the Air Force
 - Department of the Army
 - Department of the Navy
- Department of Health, Education, and Welfare
- Department of Labor
- Department of State
- Executive Office of the President
- National Academy of Sciences (observer)
- National Aeronautics and Space Administration
- National Endowment for the Humanities
- National Science Foundation
- Smithsonian Institution
- United States Information Agency

Most of the Group's 21 members are represented on its eight standing subcommittees and its ad hoc subcommittee, where most of the work is done. The Group has established standards for Government use of academic research; compiled lists of research needs of geographic areas; published annual funding tables for foreign research; maintained an inventory of Government-sponsored research; and provided a setting for occasional joint projects, information exchange, and Government-academic relationships.

The Foreign Area Research Coordination Group has no budget of its own to support research and has no authority to request agencies to conduct particular tasks or studies. Its guidelines specifically forbid its seeking to veto or to direct the research of any agency. Because of the strictly voluntary nature of agency participation and the widely varying interests and objectives of its members, the Group is not in a position to achieve the coordination objectives prescribed in the subcommittee's report; i.e., (1) "to divide research assignments and make certain that all requirements are covered to the extent funds are available" and (2) establish and enforce a system of priorities to ensure that scarce resources are applied first to the most urgent tasks.

Coordination by the Foreign Affairs Research Council

The Foreign Affairs Research Council has the authority to impose conditions on research performance or, if necessary, veto research proposals, but its activities are narrowly limited. As we commented on page 17, the Research Council is limited to considering only whether the proposed research would have adverse effects upon United States foreign relations. The reviewing officers of the Council do not consider whether the research (1) contributes to the support of United States foreign policy, (2) duplicates the research of other agencies, or (3) should be coordinated with that of other agencies for their mutual benefit. The Council procedures provide that approval of a proposed project by the Department is not an endorsement of the need, method, or value of the research. The Research Council review, therefore, is essentially negative in character and does not purport to contribute to the expansion of knowledge and information in foreign relations.

Coordination by the Arms Control and Disarmament Agency

Executive Order No. 11044, dated August 20, 1962, provided for the Arms Control and Disarmament Agency to coordinate, with the advice and assistance of affected agencies, research development and other studies to be conducted by or for the Government for arms control and disarmament policy formulation.

Arms Control and Disarmament Agency officials have advised us that they have been able to obtain information from other agencies about arms control or disarmament research completed or in progress and to obtain some information about funds obligated, but that information about the other agencies' research plans in this field has not been supplied to them. As a result the Arms Control and Disarmament Agency has not been able to achieve effective coordination between Federal departments and agencies of research plans related to its arms control and disarmament responsibilities.

Comments by the National Academy of Sciences

In a 1968 report the National Academy of Sciences' Advisory Committee on Government Programs in the Behavioral Sciences recommended that, in the field of foreign affairs, long-range behavioral science research objectives be drawn up by an interagency planning group headed by the Department of State.

In commenting on the Foreign Area Research Coordination Group and the Foreign Affairs Research Council of the Department of State, the Committee stated that neither mechanism provided a basis for defining Government-wide objectives for research in international affairs and that there were no organized means of ensuring that areas of research essential to policy planning were supported or that cumulative bodies of knowledge on international problems were developed. The committee also commented:

"By and large, the research programs of departments and agencies with foreign operations have developed according to the perception each had of its needs in relation to its own mission. The variety of research programs has encouraged a pluralism in approach to policy issues that is important to retain. But it has reflected the lack of central coordination that has been a constant problem of American foreign policy since the second world war. It has produced pluralism without the counterbalance of central overview and a heavy domination of funding from defense agencies. Generally research in civilian foreign affairs has been fragmentary, erratic, and weakly defended. Moreover, a low value has been placed on research as an instrument of planning in the Department of State. This has served to limit the Department's role in providing leadership for government-wide research in international affairs and in supporting a place for research in other foreign affairs agencies."

Also in 1968 the Panel on the Behavioral Sciences of the Defense Science Board, National Academy of Sciences, issued a report with similar conclusions and recommendations. The report stated that (1) the Department of Defense had an

increasing need for behavioral science information on foreign areas, (2) Defense and the civilian foreign affairs agencies shared many research needs, and (3) there was no organization to provide coherent planning for meeting these shared needs.

The Panel recommended that the Secretary of Defense propose the establishment of an interagency planning group for behavioral science foreign area research which would:

1. Evolve an overall plan of research in foreign areas to ensure coverage of fields of common interest and to allocate leadership responsibility among departments for action on research topics.
2. Review major agency proposals for foreign area research.
3. Agree on an allocation of funding and managerial responsibility for projects of common interest to and among the several agencies to which the research is particularly relevant.

In its discussion of the problem, the Panel commented that some agencies, such as the Department of State, might have equal if not greater need than the Department of Defense for social and behavioral science research, but that other agencies had not sponsored such research in any significant amount, and that the Defense Department had probably sponsored work that might better have been sponsored by the other agencies.

National Security Council interest

In 1969 the National Security Council staff evidenced an interest in the coordination of social science research related to national security policy. An interagency ad hoc committee was formed which was chaired by the Director, Bureau of Intelligence and Research of the Department of State, and which proposed means of accomplishing more effective coordination. We were advised that the the approach of the Committee was to focus on coordination of social research by contracts and grants sponsored by the

military and foreign affairs agencies through the preparation of an overall plan to establish research priorities and assign responsibilities.

Conclusion and agency comments

In our draft report we proposed that the Secretary of State establish an organization within the Department responsible for coordinating the Federal agency research related to foreign policy. The organization would (1) adopt annually an overall plan of foreign affairs research developed with the advice and assistance of other agencies participating in foreign affairs research, (2) assign areas of research responsibility to the participating agencies and review the programs developed by the agencies for conformance to the assignments, and (3) establish a system of priorities for the most urgently needed research and require the participating agencies to perform in accordance with the priorities established to most effectively use available funds and manpower. The present functions of the Foreign Area Research Coordination Group would also be transferred to the new organization so that full responsibility for coordinating foreign affairs research would be under a single organization.

The Defense Department did not agree and commented that the control, approval, and assignment of priorities of military foreign affairs research should be excluded from State Department responsibility.

The State Department agreed that better coordination of Federal contract research related to foreign policy was needed. They advised us that the adoption of an annual interdepartmental research plan, assignment of research responsibilities to participating agencies, and establishment of priorities for research were central to the improved coordination mechanisms proposed by the interagency ad hoc committee in its report of August 14, 1970, which was being considered by the National Security Council Staff.

The Department commented that the coordination proposed by the ad hoc committee was limited to contract and grant research and excluded research by Federal employees because nearly all such research related to foreign policy was subject to the statutory coordination authority of the Director of Central Intelligence through the U.S. Intelligence Board. Our surveys did not extend to the intelligence agencies, and the distinction between intelligence activities and research

was unclear; however, it appears that research, by Federal employees, relating to foreign policy but not concerning intelligence matters should also be coordinated.

The Department also commented that, in the coordination mechanism proposed by the ad hoc committee, the emphasis was upon coordination through an interagency committee rather than through State Department control. We agree that coordination is the prime objective and that the Department should not directly control research primarily related to the missions of other agencies but also related to foreign affairs. However, we were concerned that the ad hoc committee proposal did not provide the machinery to effectively carry out the overall plan it would develop and adopt.

Recent action

In February 1971, subsequent to our receipt of agency comments, the Under Secretaries Committee within the National Security Council system was directed to assume the responsibility for ensuring interagency coordination of external foreign affairs research. The Committee responsibility includes coordinating the preparation of an annual consolidated foreign affairs research plan to be submitted for approval by the President which will establish research goals and priorities and indicate areas of agency responsibilities.

A subcommittee established by the Chairman to assist the Under Secretaries Committee in the discharge of this responsibility will be chaired by the Director of the Department's Bureau of Intelligence and Research and will include representatives from Defense, National Security Council staff, and the foreign affairs agencies.

We believe that the directive assigning responsibility to the Under Secretaries Committee for interagency coordination of foreign affairs research and for an annual consolidated plan for such research to be approved by the President provides the framework for more effective coordination of research in foreign affairs.

CHAPTER 5

SCOPE OF STATE DEPARTMENT EXTERNAL RESEARCH

The Director of the Bureau of Intelligence and Research stated at the time the Foreign Affairs Research Council was established in 1965 that the Council was charged by the Secretary with determining State Department needs for external research and setting Department policy with regard to such research. In discussions with the Council staff during our review, we were advised that no statement of policy had been prepared, that such policy as existed was represented in the various statements of Department officials at hearings and other public statements and documents over the past decade, but that no attempt had been made by the Department to bring these statements together. We believe that a comprehensive statement of the Department's policy on external research is needed.

The Advisory Committee on Government Programs in the Behavioral Sciences of the National Academy of Sciences, in discussing the experience in behavioral science research with the civilian foreign affairs agencies, commented, as follows:

"Most serious, perhaps, is the low value placed on research as an instrument of planning in the Department of State. The extensive system of political reporting and intelligence that operates in the Department has never been buttressed by a strong research base ***.

"The limited role of research within the Department of State is reflected in the Department's failure to provide leadership for government-wide research efforts in international affairs and in supporting a role for research in other foreign affairs agencies."

The comments of the National Academy of Sciences are borne out by the Department's records of obligations for research contracts. The first obligations were in 1962. The amounts obligated or planned and the number of research contracts involved, by years, were as follows:

<u>Fiscal year</u>	<u>Amount obligated or planned</u>	<u>Number of research contracts</u>
1962	\$ 87,967	17
1963	78,571	30
1964	80,728	32
1965	66,881	16
1966	69,190	13
1967	119,262	10
1968	47,340	10
1969	71,944	8
1970	70,000 (planned)	7
1971	241,000 (planned)	14

The above data does not reflect the full scope of the Department's use of research, however. The External Research Branch collects and distributes reports on social science research related to foreign policy produced throughout the Government under research contracts, as well as reports produced by private researchers. Some of the obligations shown above represent the Department's share for research projects funded jointly with the Arms Control and Disarmament Agency. Also certain projects funded entirely by that Agency are administered by the Department.

Senate Report 91-290, July 3, 1969, on the Defense Procurement Authorization Act, 1970, commented that the Defense Department had been attempting to phase down its study of foreign environments and that certain projects of interest to other agencies, particularly the Department of State, should be taken over by those agencies. The report also noted that the Department of Defense should transfer \$4 million from fiscal year 1970 funds for these projects but that future funding of the projects should be contained in the budget presentations of the other agencies.

The State Department informed us that in June 1970 the Department of Defense agreed to allocate to them \$483,000 for research projects on political-military subjects to be undertaken by the Department of State.

The imbalance in funding of research in support of foreign policy is shown by the 1970 survey of the Foreign

Area Research Coordination Group. The funding by the military and foreign affairs agencies was estimated, as follows:

Department of Defense	\$6.2 million
Agency for International Development	2.2 million
Arms Control and Disarmament Agency	.2 million
Peace Corps	.1 million
United States Information Agency	.7 million
Department of State	.4 million

Of the \$.4 million for the Department of State, only \$.07 million was for external research contracts. Most of the remainder was for academic grants under the cultural affairs program which had no direct relationship to foreign policy support.

The State Department in-house research staff in the Bureau of Intelligence and Research is concerned primarily with evaluation and analysis of foreign service reports and intelligence information and, according to the 1971 budget justification, has neither the staff nor the expertise in many important political, economic, and sociological functional specialties to undertake a significant program of foreign affairs research. Therefore, it is apparent that the Department's foreign policy planning has had to rely, to a significant extent, on research support furnished by other agencies. Such support is not likely to be directly in line with the needs of the Department and may not be available to the same extent in subsequent years.

The Department of Defense has planned to reduce its expenditures for research in foreign countries in 1970 and 1971 for a number of reasons as discussed on pages 35 and 36. Defense Department officials informed us that they anticipated a reduction in their total research program of about 400 research projects, of which 220 were funded by about \$8.8 million of 1970 funds. They advised us that other agencies had been informed of the projects which would not be supported by Defense and that the National Science Foundation was requesting additional funds to offset the decrease in basic research.

The Department of State budget request for 1971 states that the Department has substantial and increasingly important research needs which cannot be met by the current capabilities of the research staff of the Bureau of Intelligence and Research, but the request makes no mention of additional research needed to offset the Defense reduction of research in support of foreign policy. The Department requested and obtained an additional \$225,000, of which \$171,000 was allocated to increase external research projects. This amount seems rather modest in view of the reduction in Defense funding of research and the Department of State's apparently substantial reliance on research by other agencies in past years.

CONCLUSION AND AGENCY COMMENTS

As the agency principally responsible for United States foreign policy and relations, it seems logical that the State Department should perform a significant portion of the research needed to support intelligent formulation and implementation of foreign policy.

We proposed in our draft report that the Secretary of State reconsider the Department's requirements for foreign affairs research to support foreign policy planning and programming and establish a program of research of a scope commensurate with its responsibilities in the field of foreign affairs.

The State Department expressed the view that it needed a larger research program and stated that the \$483,000 allocated from Defense in June 1970 plus the \$241,000 appropriated to the Department for fiscal year 1971 made a total of \$724,000 for external research, compared to the \$72,000 obligated in fiscal year 1970. The Department views this increase as the first stage in a gradual, phased build-up of the Department's research program. We believe that the actions taken and proposed should substantially improve the Department's research support of its foreign policy planning and programming.

RECOMMENDATION

We recommend that, to provide an effective guide for the expanded program, the Secretary of State develop a comprehensive statement of the Department's external research policy.

CHAPTER 6

SCOPE OF REVIEW

The principal objectives of our review were to obtain information, identify problems, and make observations relating to the management of the foreign relations considerations attendant to the performance of Federally funded research in or about foreign countries. We reviewed the management practices of some of the principal Federal agencies related to such activities with particular emphasis on two objectives:

1. The submission, review, and clearance by the State Department of agency-proposed research that may have a potential for generation of effects adverse to United States foreign relations.
2. The coordination among agencies in planning research in foreign affairs.

The review was limited to research projects; i.e., individually identified work units or tasks in science that meet the National Science Foundation's definitions of basic and applied research (see app. III) involving either significant work performance in a foreign country or work in the United States concerning foreign governments, people, or areas. Excluded from the review are: (1) large or continuing research programs that can be coordinated individually between agencies and separately considered by the Congress, (2) international cooperative science activities in which the Federal Government participates, and (3) international scholarships and exchanges of persons or information.

Our review was performed at agency offices in Washington and at agency offices and diplomatic posts in seven foreign countries. Our reviews at some of the agencies and posts were limited in scope and did not include work to meet all the review objectives.

The foreign countries we visited were: Germany, India, Italy, Japan, Pakistan, Sweden, and the United Kingdom. The agency offices in Washington were:

Agency for International Development
Department of Agriculture:
 Agricultural Research Service, International Programs
 Economic Research Service
Arms Control and Disarmament Agency
Department of Defense:
 Department of Air Force, Office of Aerospace Research
 Department of Navy, Office of Naval Research
 Assistant Secretary of Defense (International Security Affairs)
 Advanced Research Projects Agency
Department of Health, Education, and Welfare:
 National Institute of Mental Health
Department of State:
 Bureau of Intelligence and Research
 Bureau of International Scientific and Technological Affairs
National Science Foundation

APPENDIXES



DEPARTMENT OF STATE

Washington, D.C. 20520

October 7, 1970

Mr. Oye V. Stovall
Director, International Division
United States General Accounting Office
Washington, D.C. 20548

Dear Mr. Stovall:

The Secretary has asked me to reply to your letter of August 7, 1970, which requested our comments on your draft report dealing with the management of the foreign relations aspects of Federal foreign research.

We found the report as a whole a very useful piece of work which will help us improve our performance in this field. We are especially gratified that the report recognizes the need for a larger research program in the Department of State.

Our detailed comments (Tab A) explain our basis for not accepting some of the recommendations of the draft report. Essentially, we want to emphasize coordination of research rather than Department control, and are proceeding with positive action in this regard. In brief, we are: clarifying research review procedural guidelines for domestic agencies and our Foreign Service Posts; encouraging improved analysis by these Posts of the impact and scope of government-supported research abroad; assuring better coordination in the Department between the bureaus concerned and with the field; and seeking to establish a new inter-agency mechanism to improve the coordination of research policies and priorities. We also hope to increase substantially the funds for Department-sponsored research in the immediate future as well as to enhance the Department's leadership role in foreign affairs research.

At the same time, we consider that the most economical and effective way to manage the review function is through the present system. The types of research involved, the criteria used in review, and the need for evaluation all differ so substantially that we think a centralized operation would not be practical. We already have the means in our Bureau of Administration to assure coordination in the review process.

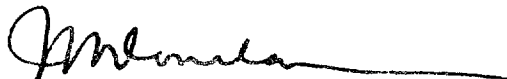
APPENDIX I

An aspect not emphasized in your report but worthy of special note is the Government-wide review function performed for several years by the Department in reviewing research projects involving use of excess foreign currencies. This function requires assessment of the political sensitivities and priorities of proposed research as well as of the availability of excess currencies, and has the full support and cooperation of the Office of Management and Budget.

Our comments incorporate the views of the Administrator of the Agency for International Development. I understand that the views of the Arms Control and Disarmament Agency have already been communicated to Mr. Staats. Another copy of their statement is attached at Tab B.

Please let me or our GAO liaison officer, Charles Ellison, know if there are any aspects of the report that you would like to discuss further.

Sincerely yours,



Joseph F. Donegan, Jr.
Deputy Assistant Secretary for Budget and Finance

Attachments:
As stated.

Comments cleared in draft:
SCI - Mr. Pardee
AID - Mr. Butterfield
INR - Mr. Denney

Department of State Comments on
Draft GAO Report: Survey of the Management of the
Foreign Relations Aspects of Federal Foreign Research

Review of Domestic Agency Projects (pages 18-20) [See GAO note.]

The report recommends that the review procedures be revised to provide for submission of projects by agencies on a consistent basis or, alternatively, that the Department issue guidelines to agencies which are not required to submit all projects for formal review. The concern here is that agency determinations of potential sensitivity, and hence, in the case of the domestic agencies, of the need to submit projects for review, may not be consistent with Department Research Council reviews. We see no need to revise the review procedures in this regard, but we agree that guidelines might be useful.

The review procedures distinguish, as the report notes, between research supported by defense and foreign affairs agencies and that supported by domestic agencies. We think this distinction is an important one and should be maintained. The reason for the distinction is not merely to relieve the Research Council staff from the review of a large number of projects which have, with few exceptions little potential for political sensitivity. A more important motivation is the attempt to strike a balance between the potential risk of research to our foreign relations and the smooth process of research management in the Federal government, a process which cannot but be complicated by Department review. In the case of the defense and foreign affairs agencies, we believe past experience shows conclusively the need for review. In the case of the domestic agencies, we believe the additional paperwork and delays introduced by Department review are simply not warranted to the same degree. Therefore the procedures treat different agencies differently.

Given these differences, it might be useful for the Research Council to issue guidelines to the domestic agencies which would help them decide which projects to submit for formal review. Such guidelines could remind these agencies of their obligations under the review procedures and perhaps clarify what research constitutes a potential risk to foreign relations. Such guidelines will be prepared and sent to the domestic agencies.

GAO note: Pages 19 and 20 in final report.

APPENDIX I

There already exists, however, an additional safeguard. As the report correctly points out, domestic agencies are required to supply the Research Council with summary information on research proposals which they do not submit for formal clearance, and submit them for clearance by the Council if requested. Moreover in the case of domestic agency proposals involving foreign travel or contact with foreign nationals, the procedures require that:

....the agencies will insure that the Ambassador is informed through State channels sufficiently in advance of the arrival of contractor personnel in a country so that he may transmit timely advice to Washington.

The submission of summary information and notification of our ambassadors abroad have worked well.

[See GAO note.]

GAO note: Comments deleted refer to material which was omitted from the final report.

[See GAO note 1.]

Physical and Natural Science Research (pages 22-28) [See GAO note 2.]

The report asserts (1) that the requirements for submission of proposals have been variously interpreted by the Agencies sponsoring such research; (2) that not all such research proposals have been submitted for review; and (3) that the diplomatic posts had not performed the reviews in accordance with the guidelines from Washington.

We agree that the requirements for submission of proposals have been variously interpreted by the agencies sponsoring such research. When Circular Airgram 9481 dated July 18, 1968, "Clearance and Coordination..." was concurred in by the various agencies, we anticipated that the agencies would follow the guidelines set up by that Airgram for clearing their foreign research with the Department of State. The Bureau of International Scientific and Technological Affairs will insure that the guidelines are reviewed and reissued. Moreover the International Committee of the Federal Council on Science and Technology will be requested to follow through to assure compliance by the agencies.

GAO notes:

1. Comments deleted refer to material which was omitted from the final report.
2. Pages 23 through 28 in final report.

In working out the guidelines for the clearance of foreign grants and contracts in the physical sciences, it was agreed that some agencies, such as Defense, Agriculture and AID, which have their own staffs abroad whether in or closely related to the embassies, might accomplish the review more effectively by clearing such research proposals on a direct basis with the overseas missions rather than through the Department in Washington.

The GAO report notes that some of the overseas missions failed to establish and publish internal procedures for coordinating post clearances of research proposals. The correction of this situation will be taken up with the individual posts and the appropriate geographic bureaus in the Department.

Since the GAO review was initiated, the Department of Agriculture has initiated the clearance of their PL-480 foreign research proposals with the Department of State. The Department of Agriculture's foreign research grant program is almost totally contained in the excess currency area.

We acknowledge that coordination procedures between the Department's Bureau of Intelligence and Research and Bureau of International Scientific and Technological Affairs need to be clarified and strengthened. Discussions between the two bureaus will be scheduled to establish adequate guidelines to insure that this is done.

State Department Management of the Review Function (pages 28-31) [See GAO note.

The report notes that review responsibility is divided in the Department between the Bureau of Intelligence and Research and the Bureau of International Scientific and Technological Affairs, as well as the diplomatic posts, and recommends that management of the review process be centralized in a single organization in the Department. All research proposals would be submitted to the central organization, thereby eliminating post reviews.

We concur in the need for clarification of coordination procedures between the two bureaus which share in the review process and we agree that the diplomatic posts must be better related to the process. We do not agree, however, that the situation requires a single review mechanism. The potential for political sensitivity is less in the physical and natural science area than in the social and behavioral sciences. The criteria or factors used by the Department of State for reviewing research proposals for political sensitivity in these two areas are different and should remain so. The present division of review responsibility between the Bureau of International Scientific and Technological Affairs and the Bureau of Intelligence and Research is the most practical although the arrangement can be made even more effective by clarifying present coordination procedures between the

GAO note: Pages 38 through 40 in final report.

two bureaus and with the diplomatic posts. How the management of the Department's review function can be improved will be considered by the two bureaus concerned.

In addition, the Bureau of International Scientific and Technological Affairs is considering proposing to the technical agencies that an annual review of all foreign physical and natural science research be made. This would include those proposals supported by both dollar and excess currencies. This proposal will not only allow the Department to make some general assessments of possible political sensitivity, but will also provide an opportunity to encourage research which might also contribute to our broader international objectives.

Expansion of State Department Review (pages 31-34) [See GAO note 1.]

We agree that domestic grantees in the physical sciences also should be aware of possible political sensitivity when research is performed abroad. We do not agree, however, that such research should be subject to Department of State approval. The few cases where political sensitivity would be involved would not warrant the additional workload nor the adverse domestic reaction to the direct involvement of the Department of State.

The Bureau of International Scientific and Technological Affairs plans to request all agencies to incorporate, in their grant and contract procedures, appropriate instructions outlining the possible sensitivity to research or related activities conducted abroad. We believe that the granting agency should be responsible for monitoring such matters. We do agree that it might be useful if the Department of State were to issue appropriate guidelines to the technical agencies on projects or areas which might have political sensitivity. The Department would also be willing to review proposed grants whenever considered necessary by the granting agency.

Review of In-House Research (pages 35-37) [See GAO note 2.]

We do not disagree with the report's observation that research in foreign countries by Federal employees (so-called in-house research) can be at least as sensitive as research conducted by government contractors. We cannot concur, however, in the recommendation that the Research Council review proposed research abroad by Federal employees or clear for publication unclassified reports resulting from such research.

First, there is very little research undertaken by Federal employees abroad. What research there is comes under the control of the American Ambassador in the country where the research is being performed.

GAO notes:

1. Pages 29 to 31 in final report.
2. Pages 21 to 22 in final report.

Under the terms of Executive Order No. 10893, Chiefs of Mission have "affirmative responsibility for the coordination and supervision over the carrying out by agencies of their functions in the respective countries." This authority was reaffirmed in the President's letter to ambassadors of December 9, 1969. Embassy review provides more knowledgeable and expeditious control of local research by Federal employees than could Research Council review.

[See GAO note 1.]

In the physical or life science area, there are a number of federally-supported research installations abroad. The establishment of such installations have been cleared with the Department and with the appropriate overseas mission. Their programs and activities are reviewed periodically and whenever any sensitivity to such activities develop.

We believe that such Federal laboratories are sufficiently sensitive to foreign political reaction to their activities that they do take great pains to insure that the Department of State is kept informed. The absence of any adverse foreign reactions to the operation of such installations would make it appear that present procedures are adequate.

Impact of Defense-Sponsored Research (pages 43-44) [See GAO note 2.]

The report recommends that diplomatic posts be required to study the impact of military sponsorship of research abroad, in order that they can make judgments on the desirable scope of such research. We can see value in occasional studies of the impact of US Government-supported research in foreign countries, but we would not limit such consideration to military sponsorship. Research supported by civilian agencies also can have a substantial impact on United States relations with foreign countries.

A few diplomatic posts in addition to Stockholm have in fact made overall assessments of this impact -- in general centering on, but not necessarily limited to, Defense-sponsored research. For example New Delhi in March 1969 and Bangkok in June 1970 made such assessments. In addition, insofar as social science contract research is concerned, embassies are usually asked for comments on the potential sensitivity of proposed activity in their countries, and such comments

GAO notes:

1. Comments deleted refer to material which was omitted from the final report.
2. Pages 32 and 37 in final report.

are, sometimes explicitly, based in part on an assessment of the overall impact of existing U.S. Government research activities in the country.

New Defense Department guidelines for overseas research and the Mansfield Amendment limiting DoD research to projects having a direct relationship to a military mission should help reduce the impact of Defense-related research abroad. The overseas posts are sufficiently alert to possible problems in this area so that it is believed present local review and controls are adequate to avoid embarrassing situations. The reduction in Defense Department expenditures for research in foreign countries has in fact served to reduce sensitivity. Further studies of military sponsorship of research abroad would not appear warranted at this time.

Need for Improved Coordination (pages 45-56) [See GAO note.]

We agree that better coordination of Federal contract research related to foreign policy is needed and we are pleased that the GAO report recognizes what the Department has done already toward this end. The pioneering work of the Foreign Area Research Coordination Group under Department leadership has made possible consideration of the more effective procedures proposed in the report. These procedures -- adoption of an annual interdepartmental research plan, assignment of research responsibilities to participating agencies, and establishment of priorities for research -- are in fact central to the improved coordination mechanism proposed by the interagency, ad hoc committee, chaired by the Department's Director of Intelligence and Research, in its report of August 14, 1970. The report is now being considered in the NSC staff.

The improved coordination envisaged by the ad hoc committee is limited to contract and grant research, however, and does not extend to what the report calls "all research of Federal agencies directly related to foreign policy." The reason for this is simply that the excluded research is in-house research, and nearly all in-house research related to foreign policy is subject to the statutory coordination authority of the Director of Central Intelligence, which is exercised through the U.S. Intelligence Board on which the Department of State is represented by the Director of Intelligence and Research.

There is another feature of the improved coordination mechanism proposed by the ad hoc committee which differs substantially from the model suggested by the report. That is the emphasis upon coordination through an interagency committee, rather than control by the State Department. We consider that Department control of the foreign affairs-related study programs of other agencies would not be wise or practical, for the following reasons:

GAO note: Pages 41 to 51 in final report.

(1) As the GAO report observes, "Most agencies' foreign research activities are an integral part of their total research program, supplementing larger domestic research functions, and each agency has its own procedures for setting priorities..." etc. The primary goal of an agency's research program must be the support of that agency's mission. The Department, through its chairmanship of an interagency coordination group, can lead in the cooperative development of Government-wide foreign affairs research goals and priorities and in the cooperative assignment of responsibilities to agencies but it cannot, as recommended by the report, "require participating agencies to perform..."

(2) Were the Department to control the research of other agencies, then should not the Department also defend before Congress that portion of other agencies' research budgets devoted to foreign affairs studies and, in fact, administer such research itself? We doubt that the several Congressional Committees involved would welcome such action. We believe they would feel, as the Department does, that coordination is more appropriate than control because other agencies have legitimate reasons to study topics related to foreign policy as part of their overall research programs and they are in the best position to determine their own research needs.

We agree of course that, if agencies must continue to run their own research programs, it is desirable to harmonize insofar as possible their necessarily divergent research goals in the interest of assuring that the most urgent needs are met. The free exchange facilitated by an interagency committee should make such harmonization possible, and, at the same time, continue the diversity of approaches and methods which enrich policy making.

Expansion of State Department Research Program (pages 56-63) [See GAO note.]

We agree that the Department needs a larger research program, "of a scope commensurate with its responsibilities in the field of foreign affairs," and we welcome the GAO recommendation in favor of such a program. The Department has requested additional funds from Congress for contract research and has reached agreement with the Department of Defense (since the report was written) for an allocation of DoD research funds to State.

In June 1970 the Department of Defense agreed to allocate to the State Department \$483,000 for research projects on political-military subjects to be undertaken by State. Should the full Department budget request for \$171,000 (in addition to the base of \$70,000) in additional contract funds be approved, State will have \$724,000 for contract research this year. Last year we spent \$72,000. It is true that three quarters of a million dollars is modest in terms

GAO note: Pages 52 to 55 in final report.

of what the Defense Department has spent on foreign affairs-type research in past years: Nevertheless this increase is seen as the first stage in a gradual, phased build-up of the Department's research program in which maximum relevance to foreign policy making and good management will be stressed. Qualified personnel as well as additional funds will be required in the future if the program is to have both the quality the Department desires and the scope the GAO recommends.

The Department's interest in and commitment to research cannot be assessed solely in light of its contract research budget. Outside studies can complement, challenge and enrich -- but cannot take the place of the professional-in-house analysis done within the Department, notably in the Bureau of Intelligence and Research. The fast breaking, highly sensitive nature of foreign affairs today often requires that the research expert be on tap, fully primed and already plugged in to the policy process. Thus the Department has long maintained a vigorous in-house research bureau, whose FY-1971 requested budget, which includes support of external research, is \$6,105,500.

Copy

OCT 1 1970

MEMORANDUM

TO: State/INR - Mr. Cline

FROM: ACDA/DD - Philip J. Farley

SUBJECT: ACDA Comments on GAO Draft Survey on Management of Foreign Research

ACDA has reviewed the draft report, "Survey of the Management of the Foreign Relations Aspects of Federal Foreign Research," circulated by the General Accounting Office on August 7, 1970. Our comments thereon are submitted to you for coordination and transmission to the GAO in accordance with the latter's request.

We believe it would be desirable, as the report recommends, to expand State Department review and clearance of Government-sponsored foreign affairs research to embrace not only social science research projects but also physical and natural science research projects. We would have no objection to lodging within a single organization the review functions now being performed by the Research Council, the Bureau of International Scientific and Technological Affairs, and overseas posts.

ACDA also favors the recommendation that the President assign to the Secretary of State authority and responsibility for coordination of foreign affairs research.

We feel we cannot endorse, however, the GAO suggestions for giving the proposed organization within the State Department control over this research beyond the control implied in the review and clearance process discussed above. As we understand these proposals, the Department would have the authority and responsibility to: (1) adopt an overall

-2-

plan of foreign affairs research; (2) assign areas of research responsibility to the participating agencies; and (3) establish a system of priorities with which participating agencies would have to comply.

Lodging such control with the Department of State could conflict with the statutory functions and responsibilities of individual agencies. ACDA is charged by law and executive order with primary responsibility within the US Government for arms control and disarmament, including research thereon, and the control proposals would appear to run contrary to this legislative and executive intent. One of the principal purposes of the Arms Control and Disarmament Act (22 USC 2551 et seq.) establishing the Agency was to centralize in one place the authority and expertise within the Government for arms control and disarmament matters. This responsibility was further defined in E.O. 11044.

Apart from the foregoing reservations concerning control, ACDA finds the GAO suggestions generally acceptable.

/s/ Philip J. Farley

Philip J. Farley

cc: GAO

clearances: EX
GC
IR
ST
WRC

ACDA/E:RWNary;AMChristopher;RHBWade:yrj - 9/28/70



DIRECTOR OF DEFENSE RESEARCH AND ENGINEERING
WASHINGTON, D C 20301

12 OCT 1970

Mr. Oye V. Stovall
Director
U. S. General Accounting Office
Washington, D. C. 20548

Dear Mr. Stovall:

In response to your request of August 7, 1970 to the Secretary of Defense I am forwarding Department of Defense comments on the report "Survey of the Management of the Foreign Relations Aspects of Federal Research."

DoD has reviewed the draft report and supports some but not all of the positions taken by the GAO.

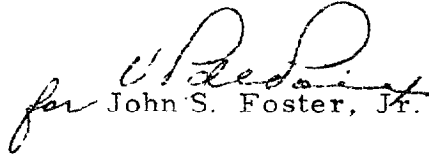
It should be made clear that there are two general categories of DoD sponsored foreign research: First, that foreign area research carried out by U. S. investigators and primarily in the U. S., with occasional travel to or temporary location in foreign areas; and second, that research in the physical and natural sciences conducted overseas by foreign performers. Because the draft report does not distinguish between these two categories, it is confusing and overemphasizes the responsibilities of the Department of State in foreign research.

DoD supports the concept that foreign research should be reviewed for political impact, particularly by the U. S. Embassy in-country, and that coordination of foreign area research in the social and behavioral sciences is necessary to determine political impact and for ensuring knowledge of other agencies' programs.

DoD does not agree with concepts in the draft report regarding other than political review by the Department of State, or establishing a body within the Department of State that could impose its needs and priorities on other Government agencies.

The above views are covered in greater detail in the enclosure to this letter. It is hoped that you will give full consideration to these comments in the preparation of your final report.

Sincerely,


for John S. Foster, Jr.

Enclosure

cc:

Mr. Knutson - Rm 3E 1030
OSD Audit Reports (Mr. Poole) -
Room 3B 860 (2 cys)
OASD(I&L)RA - Rm 3D 814 (2 cys)
OASA(FM)OM&DS - Rm 2E 665
NavComp NCD-3 - Rm 5B 728
AF Comp AFAAC - Rm 5D 256
OASD (ISA) (Mr. Aughavin) -
Room 4B 687
DIA - Rm 3E 258

GAO DRAFT REPORTSURVEY OF THE MANAGEMENT OF THE FOREIGN
RELATIONS ASPECTS OF FEDERAL FOREIGN RESEARCHI. GAO FINDINGS AND CONCLUSIONSA. 1. FINDING AND CONCLUSION 1 (Digest)

"As the agency principally responsible for United States foreign relations, the State Department has a responsibility to assure itself that Federally-sponsored foreign research does not adversely affect United States foreign relations. To accomplish this objective the Department reviews certain agency proposals for social science research by Federal contractors and grantees and proposals for research to be performed by foreign scientists and institutions to determine if their performance could have an impact in foreign countries detrimental to United States' interests, and to suggest how such impact can be avoided. The reviews, however, do not cover foreign research by Federal employees or research in the physical and natural sciences by domestic contractors and grantees which also have a potential for political sensitivity."

2. DOD COMMENT

DoD agrees that the need for review for political impacts of foreign research is necessary, as is coordination of foreign related research, if for no other reason than to enable each agency to make rational choices in the use of its resources. All proposed social and behavioral science projects with foreign implications are submitted for approval and coordination with Department of State prior to final procurement action. Contrary to the Report, research contracts and grants with domestic contractors and grantees and "inhouse" projects by Federal

employees that contain significant foreign effort are carefully reviewed when the overseas participation is not already authorized by existing government-to-government agreements.

B. 1. FINDING AND CONCLUSION 2 (Digest)

"With respect to the Department's review of proposals for social science research contracts and grants GAO found that the State Department procedures required certain agencies to submit for review only those proposals for research which might be politically sensitive, but the procedures provided the agencies no guidelines on which to make such determinations. GAO believes that as a result the State Department did not review certain research activity which was potentially politically sensitive and may have risked adverse foreign reaction."

2. DOD COMMENT

DoD policy is to submit all proposed social and behavioral sciences research projects with foreign implications to the Department of State for approval and coordination. The DoD is in agreement with the need to have State Department review these projects and will continue to coordinate such efforts.

C. 1. FINDING AND CONCLUSION 3 (Digest)

With respect to State Department Review of proposals for research to be performed by foreign scientists and institutions GAO found (1) that the requirements for submission of proposals have been variously interpreted by the agencies sponsoring such research, (a) that not all such research proposals have been submitted for review, and (3)

APPENDIX II

that the diplomatic posts we surveyed had not performed the reviews in accordance with the guidelines from Washington.

2. DOD COMMENT

DoD is most aware of the need to coordinate such contracts and grants with the U. S. Embassy in the country of origin of proposals. All research projects with foreign scientists and institutions have consistently been submitted to the diplomatic posts in the respective countries for clearance prior to final procurement action; except for those cooperative R&D projects covered by formal government-to-government agreements. DoD supports foreign investigations only if the local embassy does not raise an objection. For example, the head of the Army Research offices in Japan and Brazil serve on the Embassy Science Committee and meet on the order of once a month with their counterparts. The Report states that their survey "did not identify any contract or grant to a foreign performer which adversely affected U. S. foreign relations because the research proposal was not cleared by the diplomatic post." This statement is made in conjunction with the statement that diplomatic posts reviewed could only show receipt of 78% of proposals accepted by Federal agency oversea offices for further review. The possibility exists, of course, that no record was kept after diplomatic approval. In any case, the GAO statement is indicative of the low political profile of contracts and grants in physical and natural sciences and the fact that review procedures do exist. To delay

transmittal of proposals to diplomatic posts until after administrative approval would impose a time delay, would provide a less accurate picture of science activity in-country, and would be impractical in some countries.

D. 1. FINDING AND CONCLUSION 4 (Digest)

"GAO concluded that responsibility for the review function which is presently divided between the diplomatic posts and two bureaus in Washington should be assigned to a single central organization to improve its effectiveness by assuring that the reviews would be made under a central control on a consistent basis. The central organization would have responsibility for review of the post's clearance activity and for ascertaining that the agencies submitting research proposals clearly understood and complied with the Department's requirements."

2. DOD COMMENT

As elaborated in the Report, a single central organization to provide policy guidance and to control the review of foreign research efforts appears appropriate. However, we see no useful purpose in delaying forwarding proposals to embassies, plus the fact that the review load is spread over a number of embassies, nor do we see the need for two transmittals of the same documents, i. e., to Department of State, then to embassies. This data could better be provided in summary form from embassies to Department of State.

E. 1. FINDING AND CONCLUSION 5 (Digest)

"GAO found that State Department reviews proposals for foreign research in the social sciences by United States contractors and grantees, but is not informed of similar proposals in the physical and natural sciences even though the research involves travel in foreign countries and dealing with foreign nationals. GAO concluded that research in

foreign countries in the physical and natural sciences can also be politically sensitive, particularly if sponsored by a military agency and that the State Department should review and approve proposals for foreign research by domestic contractors and grantees in all sciences."

2. DOD COMMENTS

Contrary to the GAO finding, the Army, Navy and Air Force require that foreign travel by contractors and grantees be reviewed and that theater clearance be obtained, which requires embassy notification of purpose of visit. Also see comments under FINDING AND CONCLUSION 1.

F. 1. FINDING AND CONCLUSION 6 (Digest)

"In addition GAO concluded that the State Department should review proposed "in-house" research of Federal agencies in foreign countries because GAO believes that research activities by Federal employees in a foreign country can be equally as sensitive as the same activities by employees of contractors and grantees.

2. DOD COMMENTS

DoD has attempted to exercise every precaution in sensitivity review of "in-house" research projects. Overseas travel clearances are requested in accordance with Service Regulations for overseas travel by Federal employees engaged in "in-house" research overseas.

[See GAO note.]

GAO note: Deleted comments relate to matters which we presented in the draft report but which have been revised or omitted from the final report.

G. 1. FINDING AND CONCLUSION 7 (Digest)

"GAO found that Department of Defense sponsorship of foreign research had caused politically embarrassing incidents in several foreign countries and concluded that the State Department should attempt to avoid similar incidents in the future by studying the foreign impact of military sponsorship of research and taking steps to reduce the risk of adverse effect where appropriate. "

2. DOD COMMENT

This was covered in the Report under the subheading "Defense Department Sponsorship of Foreign Research". The information cited by the Report from the 1962 President's Science Advisory Committee expresses normal concern over any program between nations. The remainder of the section includes assumptions rather than data, ignores the national security aspects of such research, and overlooks the good will generated in responsible elements of society.

During the first half of 1968 the governments of Norway and Sweden both undertook a review of our support of research in-country in response to charges set forth by leftist opposition groups apparently looking for an issue to embarrass those governments. Both governments concluded since the work supported covered basic research, the results were openly available, and the support carried no special conditions, that our program would be allowed to continue. These studies by two separate governments, one a U.S. ally, one a true neutral, show the true position of our research program. Because certain opposition

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groups label this program something else, for their own advantage, does not make it so.

The Report mentioned that politically embarrassing situations arose in three countries over a ten year period from DoD support of research. As stated above, such incidents occur, at the discretion of the instigator, primarily for in-country impact. The GAO took the most drastic example, Japan, as its example in the report, and constructs its argument around two incompletely reported incidents.

The first incident is Army support of an International semiconductor physics conference held in Kyoto, Japan in September, 1966. The support provided was done at the request of Dr. Kaya, former President of the Japanese Science Council and the University of Tokyo and was primarily for the support and travel of American keynote speakers. This action was fully coordinated with U. S. Embassy, Japan, followed precedent of previous U. S. support of conferences, and was in consonance with the Kennedy-Ikeda and Johnson-Sata agreements on science.

The Army support was warmly applauded by participants at the conference during a dinner as was the support provided by Japanese industry. In further describing the course of events, the Report states that this support became the subject of an "expose" by one of Japan's leading newspapers in May 1967. The "expose" was made at the

beginning of a highly charged period of Japanese-American relations in an effort to embarrass the Japanese Government and was part of a period of often violent student, nationalistic, and leftist anti-American agitation. It does not appear that any form of prior review can prevent misrepresentation after the fact. The Japanese Ministry of Education undertook a review of grants from all sources and established new rules only for national universities, as the national universities are part of the Japanese government. In the absence of individual government-to-government agreements, grants to the national universities by any agency of another government would have to be, in effect, outright gifts.

The political climate in Japan at the time of Mr. Hersh's book "Chemical and Biological Warfare" in 1969 had grown even more violent and extreme. This book, though presenting information that is not true, was eagerly seized upon by those elements in Japan interested in embarrassing the government. For example, the Report makes no mention that the medical students at Keio University struck in our support, though negative demonstrations are reported in some detail.

[See GAO note.]

GAO note: Deleted comments relate to matters which we presented in the draft report but which have been revised or omitted from the final report.

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[See GAO note.]

II. GAO RECOMMENDATION AND SUGGESTIONS

A. 1. RECOMMENDATION OR SUGGESTION 1 (Digest)

GAO note: Deleted comments relate to matters which we presented in the draft report but which have been revised or omitted from the final report.

"Consider revising the procedures for submission of foreign affairs research to afford a means whereby determinations for submission of research proposals by the agencies can be made on a consistent basis."

2. DOD POSITION

Concur.

B. 1. RECOMMENDATION OR SUGGESTION 2 (Digest)

"Assign a single central organization responsibility for (a) review of Government-sponsored research in foreign areas and affairs, (b) review the diplomatic posts performance of the research project clearance function with a view toward improving that operation, and (c) taking steps to clearly establish the Department's requirements for agency submission of proposals for contracts and grants for research by foreign scientists and institutions." [See GAO note 1.]

2. DOD POSITION

Concur. See comments under FINDING AND CONCLUSION 4 above.

C. 1. RECOMMENDATION OR SUGGESTION 3 (Digest)

[See GAO note 2.]

2. DOD POSITION

GAO notes:

1. Parts (b) and (c) which were presented in the draft report have been deleted from the final report.
2. Deleted comments relate to recommendation which we presented in the draft report but which has been revised in our final report, and therefore are not applicable.

D. 1. RECOMMENDATION OR SUGGESTION 4 (Digest)

"Amend the procedures for review of foreign affairs research to require that when proposed research in the social and behavioral sciences by Federal employees involves performance in a foreign country, the proposal must be submitted to the Foreign Affairs Research Council for review and approval." [See GAO note.]

2. DOD POSITION

Concur. DoD policy currently requires submission of all social and behavioral science research with foreign involvement for Department of State information coordination.

E. 1. RECOMMENDATION OR SUGGESTION 5 (Digest)

"Require the diplomatic posts to prepare studies of the impact of military sponsorship of research in each country where there is a significant amount of such research activity, and weight the value of such research against the risk of adverse effects it may have to reach a judgment regarding the desirable scope of such research activity." [See GAO note.]

2. DOD POSITION

Concur in part. Implementation of any such judgments, if required, should be in collaboration with the defense agencies concerned. It is clear that support of any research by any U. S. agency can draw adverse criticism in the local press, if that be the interest of the publisher. In addition, there is the distinct danger that these reviews concerning the possible adverse effects of military-supported research

GAO note: Recommendation deleted from final report.

in a country may eliminate all overseas research in the particular country. The result would be isolation of U. S. scientific interests from the scientific community in that country.

F. 1. RECOMMENDATION OR SUGGESTION 6 (Digest)

"With regard to the coordination of Federal research in foreign affairs . . . the Secretary of State . . . establish an organization to coordinate and control all research of Federal agencies directly related for foreign policy . . . The organization should be required to:

(1) Adopt an annual overall plan of foreign affairs research developed with the advice and assistance of other agencies participating in foreign affairs research.

(2) Assign areas of research responsibilities to participating agencies and review the programs the agencies develop for conformance to their assignments.

(3) Establish a system of priorities for the most urgently needed research and require the participating agencies to perform in accordance with the priorities established in order to effectively use available funds and manpower." [See GAO note.]

2. DOD POSITION

Nonconcur. The control, approval and the assignment of priorities of military foreign affairs research should be excluded from the State Department area of responsibility.

G. 1. RECOMMENDATION OR SUGGESTION 7 (Digest)

"The present functions of the Foreign Area Research Coordination Group should also be transferred to the new organization so that full responsibility for coordination of foreign affairs research is under a single organizational head." [See GAO note.]

2. DOD POSITION

Nonconcur. Reference comment under FINDING AND

GAO note: Recommendation deleted from final report.

APPENDIX III

Foreign affairs research concerns research programs and studies in the social and behavioral sciences dealing with international relations or with foreign areas and peoples, whether conducted in the United States or abroad, and whether performed by contractors or grantees of Government agencies or by Federal employees.¹

FIELDS OF SCIENCE

Social sciences are directed toward an understanding of the behavior of social institutions and groups and of individuals as members of a group. These include such sciences as cultural anthropology, archeology, economics, history, political science, psychological science, sociology, and economic and social geography.

Behavioral sciences can be used in the broad sense to include all the major disciplines that deal with group and individual behavior--anthropology, economics, history, political science, psychology, and sociology--and those aspects of other disciplines, such as geography, psychiatry, and linguistics, that have behavioral dimensions.

Physical sciences are concerned with the understanding of the material universe and its phenomena; they comprise the disciplines of astronomy, chemistry, and physics.

Natural sciences have been grouped to include the remaining fields as defined by the National Science Foundation.

Life sciences are the biological, medical, and agricultural sciences.

Environmental sciences are concerned with the gross nonbiological properties of the areas of the solar system which directly or indirectly affect man's survival and welfare; they comprise the disciplines of atmospheric sciences, earth sciences, and oceanography.

¹ Defined by GAO for the purposes of this report.

Mathematical sciences employ logical reasoning with the aid of symbols and are concerned with the development of methods of operation employing such symbols.

Engineering sciences are concerned with studies directed toward developing engineering principles or toward making specific scientific principles usable in engineering practice.

Other sciences is the category provided for reporting research which cannot be readily classified under one of the above-named fields.

Description of Foreign Affairs Research
Programs of Federal Agencies (See GAO note.)

Agency for International Development

AID's centrally sponsored research program focuses on various aspects of developmental processes that have relevance and usefulness in the less developed countries. In fiscal year 1970 AID supported 11 applied research projects, all conducted outside the United States.

Department of Agriculture

In FY 1970 USDA supported 11 applied research projects, all of which were conducted abroad.

Economic Research Service. Sponsors research dealing principally with efforts to expand foreign markets for agricultural products. Involved in these analyses are appraisals of foreign economic development, and interpretation of world conditions and developments affecting the world food balance as well as foreign markets for US products.

Agricultural Research Service. The International Programs Division of the ARS administers a broad program of agricultural research under the provisions of Public Law 480. Research in the field of agricultural economics - e.g., economics of farming and market structure - is assigned to the Economic Research Service for technical supervision. Grants are made to foreign institutions for periods of 3-5 years, and all research is conducted by foreign scholars.

Arms Control and Disarmament Agency

The ACDA external research program concentrates on specialized studies pertinent to priority arms control issues. Selection of projects is

based on consideration of the importance and respective priorities of various arms control issues to be faced by the Agency and the extent to which external research can assist in their resolution. In FY 1970 ACDA supported five applied research projects; three involved research overseas.

Department of Defense

DoD contract and grant programs for foreign area social science research and studies are designed to encourage research in relevant areas and to assist decisionmaking and policymaking functions by providing mission- and policy oriented studies. Defense programs include research in cultural and social change including cross-cultural research; a cultural information analysis center; and political-military and strategic studies. In FY 1970 DoD supported 76 projects, of which 20 involved work abroad.

Department of Health, Education, and Welfare

HEW's research programs include studies of foreign education systems; foreign areas and languages; effects of drugs on age and behavior; nutrition of children; research on etiology, diagnosis, treatment, prevention, and control of mental illness; promotion of mental health; and social welfare. In FY 70 HEW supported 190 projects in these areas, of which 59 involved research overseas.

Department of Labor

FY 1970 marked the 8th year of the research program developed and administered by the office of Manpower Administration, under title I of the

GAO note: Data from survey Foreign Affairs Research Coordination Group.

Manpower Development and Training Act, to guide and help perfect programs for better use of U.S. manpower resources. During the past 4 years this research has been supplemented by programs of studies under the Economic Opportunity Act and the Social Security Act. Three applied research projects concerned with the international manpower area received support in FY 1970, two of which involved research conducted outside the United States.

National Aeronautics and Space Administration

NASA as a technical agency is not primarily involved in foreign area research. Efforts are limited to investigations which focus on such national concerns as the ramifications of national space programs and the foreign policy opportunities generated by space-developed technology. In FY 1970 two such projects were supported, both of which consisted of applied research; one was conducted in the United States, the other in Peru.

National Endowment for the Humanities

The Endowment makes grants in support of research projects across the whole range of humanistic studies. In all cases support is made in response to the initiatives of independent scholars, and projects supported represent the interests and scholarly concerns of the humanistic community--not of an Endowment research "program" as such. In FY 1970, 160 grants were made in the social and behavioral sciences relating to foreign areas and international affairs, 121 of them involved research outside the United States by either American or foreign scholars. Although grants are not made to non-nationals, occasional assistance on a project is received from scholars of other countries.

National Science Foundation

Supports scientific research in all social science disciplines, but not policy evaluation. In FY 1970 NSF supported 146 projects, 113 of which were conducted outside the United States.

Smithsonian Institution

Grants are awarded to U.S. universities and museums for research in the anthropological sciences, principally archaeology, to be conducted in any one of 11 excess currency countries. In FY 1970, 29 projects were supported, all basic research.

Department of State

Office of External Research. Research programs deal with the conduct of U.S. foreign relations. Six applied research studies and three research conferences were supported in FY 1970. Two of the studies involved research overseas

Bureau of Educational and Cultural Affairs. Under the FY 1970 International Exchange Program, grants were awarded to 22 research scholars and assistance was given to seven centers for research and study abroad. These programs were in the basic research category. Many U.S. students, teachers, and university lecturers conducted research while abroad on grants, but this research is not included since it was not the primary purpose of their grants.

U.S. Information Agency

Research projects are conducted to find ways to reach and inform foreign populations, determine their attitudes on key international issues, and describe their communication habits and media preferences. Research programs are also undertaken to examine patterns of influence in foreign societies and to evaluate the effectiveness of USIA products and programs. All contracted research projects are conducted outside the United States. USIA supported 45 such projects in FY 1970.

APPENDIX V

FEDERAL AGENCY OBLIGATIONS FOR SOCIAL AND
 BEHAVIORAL RESEARCH INVOLVING FOREIGN AREAS
 AND INTERNATIONAL AFFAIRS
 FISCAL YEAR 1970 (note a)

<u>Federal agency</u>	<u>Amount of estimated obligations</u>	
	(000 omitted)	
DEPARTMENT OF DEFENSE:		
Army	\$2,527	
Navy	726	
Air Force	659	
Advanced Research Projects Agency	801	
International Security Affairs	<u>1,500</u>	\$ 6,213
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE:		
Office of Education	1,660	
Health Services and Mental Health Administration	1,059	
Social and Rehabilitation Service	322	
National Institutes of Health	<u>202</u>	3,243
NATIONAL SCIENCE FOUNDATION:		
Division of Social Sciences		4,497
AGENCY FOR INTERNATIONAL DEVELOPMENT:		
Central Research		2,216
Regional Bureaus		(b)
SMITHSONIAN INSTITUTION:		
Office of International Activities		1,256
NATIONAL ENDOWMENT FOR THE HUMANITIES:		
Division of Fellowship and Stipends	827	
" " Research and Publications	<u>556</u>	1,383
ARMS CONTROL AND DISARMAMENT AGENCY:		
Social, Economic and Behavioral Sciences		195
PEACE CORPS		
		75
UNITED STATES INFORMATION AGENCY:		
Office of Research and Assessments	503	
USIS Posts	<u>156</u>	659 ^c
DEPARTMENT OF STATE:		
Office of External Research	125	
Bureau of Educational and Cultural Affairs:		
American Research Scholars	116	
Assistance to Centers for Research and Study Abroad	<u>180</u>	421
DEPARTMENT OF AGRICULTURE:		
Economic Research Service	195	
Agriculture Research Service	<u>178</u>	373
DEPARTMENT OF LABOR:		
Office of Manpower Administration		52
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION		
		200
Total		<u>\$20,783</u>

^aData from survey made by Foreign Area Research Coordination Group (FAR).

^bAID followed the practice of determining that activities which were more than 50% "Development" would not be listed as research projects, although they included research elements. Under this criterion, none of the research and development activities of the regional bureaus qualified for inclusion by AID in the funding survey.

^cDoes not include \$85,700 in excess foreign currencies.

ESTIMATED FEDERAL OBLIGATIONS FOR RESEARCH
TO FOREIGN PERFORMERS BY AGENCY
FISCAL YEAR 1971 (note a)

<u>Federal agency</u>	<u>Amount of estimated obligations</u>		
	<u>Total</u>	<u>Special foreign currency program</u>	<u>Dollar obligations</u>
(000 omitted)			
DEPARTMENT OF AGRICULTURE:			
Agricultural Research Service	\$ 5,363		
Forest Service	<u>628</u>	\$ 5,991	\$ 5,991
			\$ -
DEPARTMENT OF COMMERCE:			
Environmental Science			
Services Administration	441		
National Bureau of Standards	<u>401</u>	842	787
			55
DEPARTMENT OF DEFENSE:			
Department of the Army			
	873		
Department of the Navy			
	175		
Department of the Air Force			
	1,500		
Defense Agencies	<u>1,827</u>	4,375	-
			4,375
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE:			
Environmental Health Services			
	316		
Health Services and Mental			
Health Administration	15,467		
National Institutes of Health	16,742		
Social and Rehabilitation			
Service	<u>5,740</u>	38,265	31,341
			6,924
DEPARTMENT OF TRANSPORTATION			
		200	-
			200
AGENCY FOR INTERNATIONAL DEVELOPMENT			
		398	-
			398
ATOMIC ENERGY COMMISSION			
		538	30
			508
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION			
		334	-
			334
NATIONAL SCIENCE FOUNDATION			
		<u>207</u>	<u>100</u>
			<u>107</u>
Total		<u>\$51,150</u>	<u>\$38,249</u>
			<u>\$12,901</u>

^aData from survey made by National Science Foundation.

APPENDIX VII

PRINCIPAL OFFICIALS OF GOVERNMENT AGENCIES
 RESPONSIBLE FOR ADMINISTRATION OF ACTIVITIES
 DISCUSSED IN THIS REPORT

<u>Tenure of office</u>	
<u>From</u>	<u>To</u>

DEPARTMENT OF STATE

SECRETARY:

William P. Rogers	Jan. 1969	Present
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DIRECTOR, BUREAU OF INTELLIGENCE
 AND RESEARCH:

Ray S. Cline	Oct. 1969	Present
Thomas L. Hughes	Apr. 1963	Aug. 1969

DIRECTOR, BUREAU OF INTERNA-
 TIONAL SCIENTIFIC AND TECHNOLOG-
 ICAL AFFAIRS:

Herman Pollack	July 1967	Present
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AGENCY FOR INTERNATIONAL DEVELOPMENT

ADMINISTRATOR:

John A. Hannah	Mar. 1969	Present
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DEPARTMENT OF DEFENSE

SECRETARY OF DEFENSE:

Melvin R. Laird	Jan. 1969	Present
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ASSISTANT SECRETARY OF DEFENSE
 (International Security Affairs):

G. Warren Nutter	Feb. 1969	Present
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DIRECTOR OF DEFENSE RESEARCH AND
 ENGINEERING:

Dr. John S. Foster, Jr.	Oct. 1965	Present
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<u>Tenure of office</u>	
<u>From</u>	<u>To</u>

DEPARTMENT OF DEFENSE (continued)DIRECTOR, ADVANCED RESEARCH PROJ-
ECTS AGENCY:

Eberhardt Rechtin	Nov. 1967	Present
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DEPARTMENT OF THE ARMY

SECRETARY OF THE ARMY:

Stanley R. Resor	July 1965	Present
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CHIEF OF RESEARCH AND DEVELOPMENT:

Lt. Gen. A. W. Betts	Apr. 1966	Present
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DEPARTMENT OF THE NAVY

SECRETARY OF THE NAVY:

John H. Chafee	Jan. 1969	Present
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CHIEF OF NAVAL RESEARCH, OFFICE
OF NAVAL RESEARCH:

Rear Adm. C. O. Holmquist	June 1970	Present
Rear Adm. T. B. Owen	June 1967	June 1970

DEPARTMENT OF THE AIR FORCE

SECRETARY OF THE AIR FORCE:

Robert C. Seamans, Jr.	Jan. 1969	Present
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COMMANDER, OFFICE OF AEROSPACE
RESEARCH:

Brig. Gen. Harvey W. Eddy	Aug. 1969	Present
Brig. Gen. Leo A. Kiley	Jan. 1968	July 1969