

Foreign Aid Bill Beaten, 41-27,
in Surprise Action by Senate;
Mansfield Asks 'New Concept'

DEBATE IS BITTER

OCT 30 1971
Rebuff to Program Is
First Since Marshall
Plan Began in '48

SFChronicle; NYTimes
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Special to The New York Times

WASHINGTON, Oct. 29—The Senate, in a stunning surprise, rejected the Nixon Administration's foreign aid authorization bill today by a vote of 41 to 27.

It was the first time since the beginning of the Marshall Plan in 1948 that the Senate had refused to pass in some form a foreign aid measure requested by an Administration.

The unexpected defeat came when a coalition developed between fiscal conservatives who had long opposed foreign assistance and liberals who had become disenchanted with foreign aid. Between them they supplied the margin of defeat.

To a certain extent the outcome was influenced by Senators who had left town before the vote. Even if all 38 absentees had voted, however, it was regarded as far from certain that they could have changed the outcome.

Once Backers, Now Opponents

The liberals, who in years past had been the principal defenders of the foreign aid program today became its principal opponents. Among those voting against the bill were Senators Mike Mansfield, the majority leader; J. W. Fulbright, chairman of the Foreign Relations Committee, and Frank Church, Democrat of Idaho, who before the vote delivered a speech entitled, "Farewell to Foreign Aid, a Liberal Takes Leave."

Contributing to the defeat, in the opinion of some officials, was the lack of any strong pressure or support from the White House. In fact, the officials believe the White House may have contributed to the Senate rejection by Presidential statements criticizing nations that had voted against the United States in the United Nations on the China issue.

Some Senators voted against the bill in anticipation that a continuing resolution authorizing further foreign aid expenditures would be passed or on the theory that A.I.D., with nearly \$5-billion in the pipeline from past appropriations, had enough to carry on until a new program could be developed.

New Action Held Dubious

In view of the vote, it was held doubtful that a continuing resolution—which authorizes expenditures at last year's rate—could be pushed through the Senate.

While the House has passed an authorization bill, there can be no Senate-House conference on the issue, inasmuch as the Senate would have no bill to take into such a meeting.

The bill requested by the Administration would have au-

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Senate Rejects Foreign Aid Fund Bill

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thorized the expenditure of \$3.3-billion in economic and military aid in the fiscal year that began last July 1. The House of Representatives had cut the request to \$3.2-billion and sent it in September.

In the final Senate tally, 26 Democrats and 15 Republicans joined to defeat the bill, while 19 Republicans and 8 Democrats voted to approve it.

\$143-Billion Expended

After the final vote, the majority leader, Mike Mansfield of Montana, told the Senate: "What the Senate has done in its wisdom is possibly mark the end of the foreign aid program as initiated after World War II in the Marshall Plan."

He noted that about \$143-billion had been spent on foreign assistance in the postwar period. Noting that several billion dollars remain "in the pipeline," he said the program would "not die suddenly but very likely die a lingering death."

The majority leader said he hoped there would be no procedural resolution merely continuing the program at the level of last year's expenditures.

He said that "this is a clear signal separate and apart from the United Nations action on Monday" and that it was time to put into operation "a new foreign aid concept" that will take the burden off the United States, distribute it more equitably among nations and eliminate the "grab bag" concept of the aid bill.

"Perhaps this is part of the changing situation in the world in the early seventies," he continued. "Perhaps it is time to develop new ideas and get away from old ideas."

The end of the authorizing legislation, as far as the Senate is concerned, came after 10 hours of sometimes embittered debate during which Adminis-

tration's supporters managed to hold cuts in the bill to \$288-million.

Slash in Military Aid

These included reductions of \$113-million in military assistance grants and \$175-million in economic-development loans and grants to help less developed countries.

The United Nations had come in for criticism during the debate. This was represented in amendments requiring separate Congressional authorization of the annual United States assessment for running expenses and recommending that the President try to negotiate a downward revision of that assessment to 25 per cent of the total.

The heaviest blow to the Administration's hopes, until the final vote, came on a 43-to-36 vote that would cut the development loan funds of the Agency for International Development by the 50 per cent to a total of \$160-million. The Administration had requested \$400-million and the Foreign Relations Committee recommended \$320-million.

Moments after the vote on development funds the Senate shouted through a proposal by two Republican Senators, Barry Goldwater of Arizona and Theodore Stevens of Alaska, more than doubling the cost of loans to less developed countries. It would require that interest rates be no less than that on Treasury borrowing to provide the money.

The Agency for International Development has been making 40-year loans at 2 per cent in the first 10 years and 3 per cent thereafter; the rate on comparable Treasury securities runs from 6 to 8 per cent.

Aid to Cambodia Backed

Earlier in the day the Senate voted, 45 to 36, to approve the restoration of \$91-million asked by the Administration for economic and military aid to Cambodia. The action raised the ceiling on such aid from \$250-million, recommended by the committee, to \$341-million.

One of the few surprises of the day came on a 49-to-31 vote that struck from the bill a ban of economic or military aid to Greece. Economic aid to that country was discontinued several years ago but the meas-

ure provided \$118-million of military aid, including "excess" weapons and equipment, and \$60-million for F-4 fighter planes and "supporting" facilities.

The Foreign Relations Committee had adopted the language of the House-approved ban, which included a proviso that the President could find that "overriding considerations of the national defense" required a waiver the ban and reported his finding to Congress.

In the debate on the amendment to delete the ban, Senator J. W. Fulbright of Arkansas, chairman of the Foreign Relations Committee, argued that "the continued repression of human rights in Greece weakens the North Atlantic Treaty alliance" rather than strengthening it.