

The original documents are located in Box 65, folder “10/18/76 S3557 Funding Authorization for the Treaty of Friendship and Cooperation with Spain” of the White House Records Office: Legislation Case Files at the Gerald R. Ford Presidential Library

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APPROVED
OCT 18 1976

8/10/18/76

THE WHITE HOUSE
WASHINGTON
October 16, 1976

ACTION

Last Day: October 19

Postied

10/18/76

MEMORANDUM FOR THE PRESIDENT
FROM: JIM CANNON *Att Queen*
SUBJECT: S. 3557 - Funding Authorization for the Treaty
of Friendship and Cooperation with Spain

Archives

10/18/76

Attached for your consideration is S. 3557, sponsored by Senator Humphrey.

The Treaty of Friendship and Cooperation between the U.S. and Spain was signed in Madrid on January 24, 1976 and it was consented to by the Senate on June 21, 1976. The Senate's resolution of ratification made it clear that the provisions of the Treaty do not constitute an authorization for the appropriations necessary to implement it.

S. 3557 would authorize \$36 million in FY 77 to implement the Treaty, and it makes certain other provisions regarding the Treaty. A detailed breakdown of the specific authorizations and a discussion of the provisions of the enrolled bill are provided in OMB's enrolled bill report at Tab A.

OMB, Max Friedersdorf, NSC, Counsel's Office (Kilberg) and I recommend approval of the enrolled bill.

RECOMMENDATION

That you sign S. 3557 at Tab B.



OCT 18 1976

THE WHITE HOUSE
WASHINGTON

October 18, 1976

Mr. President:

This came out in the out box without
an indication of your action.

Do you wish to approve it or pocket
veto it?

Jim Cavanaugh



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

OCT 13 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill S. 3557 - Funding authorization
for the Treaty of Friendship and Cooperation
with Spain
Sponsor - Sen. Humphrey (D) Minnesota

Last Day for Action

October 19, 1976 - Tuesday

Purpose

Authorizes \$36 million for implementation of the Treaty of Friendship and Cooperation with Spain.

Agency Recommendations

Office of Management and Budget	Approval
Department of State	Approval
Department of Defense	Approval
National Security Council	Approval
Agency for International Development	No objection
Arms Control and Disarmament Agency	No objection (Informally)

Discussion

The Treaty of Friendship and Cooperation between the United States and Spain was signed in Madrid on January 24, 1976, and it was consented to by the Senate on June 21, 1976. The Senate's resolution of ratification made it clear that the provisions of the Treaty do not constitute an authorization for the appropriations necessary to implement it.

S. 3557 would provide the necessary authorization to obligate and expend funds in fiscal year 1977 to implement the Treaty, and it contains certain other provisions regarding the Treaty. The specific amounts that would be authorized are:

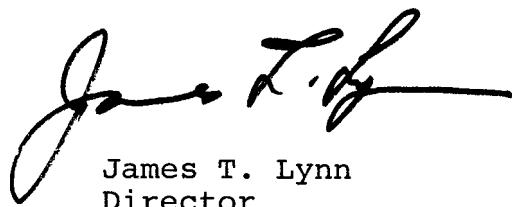
<u>Purpose</u>	<u>Amount</u>
Military assistance	\$15,000,000
Security supporting assistance	7,000,000
Military education and training	2,000,000
Loan guarantees	<u>12,000,000</u>
 Total	 <u>\$36,000,000</u>

A number of other provisions of S. 3557 would make additional specifications regarding the Treaty. These provisions:

- waive the requirement of the International Security Assistance and Arms Export Control Act of 1976 for enactment of separate legislation approving this agreement with Spain;
- waive the provision of the Foreign Assistance Act of 1961 which restricts furnishing grant assistance to economically developed nations;
- specify that the United States contribution to modernizing the aircraft control and warning network in Spain shall be financed from the Defense appropriations available for that purpose;
- satisfy the provisions of current law that would otherwise require reports to Congress before proceeding with the transfer of certain naval vessels to Spain under the Treaty; and,
- specify that proceeds from leasing aircraft to Spain under the Treaty shall be available only for the purchase of aircraft from Spain under the Treaty.

In their attached enrolled bill letters, both State and Defense strongly recommend your approval of S. 3557. State's letter concludes:

"S. 3557 will enable the United States to fulfill its undertakings under the Treaty of Friendship and Cooperation with Spain during the fiscal year 1977. Inasmuch as the treaty has already entered into force, we regard this legislation as a matter of considerable importance and urgency. We accordingly recommend that the President approve the enrolled bill."



James T. Lynn
Director

Enclosures



DEPARTMENT OF STATE

Washington, D.C. 20520

OCT 8 1976

Dear Mr. Lynn:

Reference is made to Mr. Frey's request for the views and recommendations of the Department of State with respect to S. 3557, an enrolled bill.

The enrolled bill authorizes the obligation and expenditure of funds to implement certain of the provisions of the Treaty of Friendship and Cooperation with Spain of January 24, 1976, and the Supplementary Agreements thereto. That treaty entered into force on September 21, 1976 upon the exchange of instruments of ratification between the United States and Spanish Governments.

The bill authorizes the obligation and expenditure of not to exceed certain specified amounts of fiscal year 1977 funds for military assistance, international military education and training, and security supporting assistance programs for Spain under the Foreign Assistance Act of 1961, as amended, and for the guaranty of loans to Spain to finance the purchase of defense articles and services under the Arms Export Control Act, as amended. The amounts so authorized to be obligated and expended are sufficient to meet the obligations of the United States to furnish such assistance and financing pursuant to Supplementary Agreements Number 3, 4 and 7 in the fiscal year 1977.

In addition, the bill contains provisions satisfying the requirements of, or rendering inapplicable, other provisions of law such as section 620(m) of the Foreign Assistance Act of 1961, as amended, relating to assistance to economically developed countries, and 10 U.S.C. 7307, relating to transfer of naval vessels,

The Honorable

James T. Lynn, Director,
Office of Management and Budget.

which otherwise would complicate implementation of the treaty. Other provisions deal with the disposition of funds derived from the lease of aircraft to Spain and the use of Air Force appropriations for the financing of the "Combat Grande" communications network in Spain.

Of particular significance in our view is section 1(b) of the bill, which provides that section 507(b) of the International Security Assistance and Arms Export Control Act of 1976, P.L. 94-329, "shall not apply with respect to the obligation or expenditure of funds appropriated under [section 507] to carry out the treaty." Section 507(a) authorizes the appropriation for the fiscal year 1977 of "such sums as may be necessary ... to carry out international agreements or other arrangements for the use by the Armed Forces of the United States of military facilities in Spain, Greece, or Turkey." Section 507(b) provides that no such funds may be obligated or expended "until legislation has been enacted approving such agreement or other arrangement."

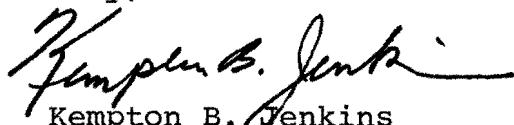
Section 507 was added to P.L. 94-329 in order to meet the requirements of the Congressional Budget Act of 1974, P.L. 93-344, regarding the date by which legislation authorizing the appropriation of funds for a fiscal year must be reported out by the relevant committee of either House. Section 507(b) is worded, however, in such a way as to suggest that legislation "approving" the treaty would be a condition precedent to its implementation, thereby giving the House of Representatives a role in the making of treaties not envisioned in the Constitution. This difficulty is resolved by section 1(b) of the present bill which makes it clear that section 507(b) is not applicable to the treaty.

S. 3557 will enable the United States to fulfill its undertakings under the Treaty of Friendship and Cooperation with Spain during the fiscal year 1977. Inasmuch as the treaty has already entered into force,

- 3 -

we regard this legislation as a matter of considerable importance and urgency. We accordingly recommend that the President approve the enrolled bill.

Sincerely,



Kempton B. Jenkins
Acting Assistant Secretary
for Congressional Relations



GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE

WASHINGTON, D. C. 20301

October 6, 1976

Honorable James T. Lynn
Director, Office of Management
and Budget
Washington, D. C. 20503

Dear Mr. Lynn:

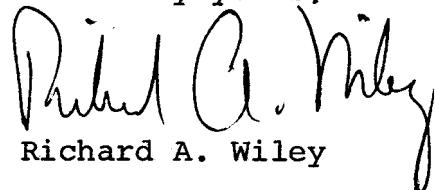
Reference is made to your request for the views of the Department of Defense on the Enrolled Enactment of S. 3557, 94th Congress, "To authorize the obligation and expenditure of funds to implement for fiscal year 1977 the provisions of the Treaty of Friendship and Cooperation between the United States and Spain, signed at Madrid on January 24, 1976, and for other purposes."

S. 3557, as passed by the Congress, would permit the obligation and expenditure in FY 1977 of \$15 million for military assistance to Spain, \$7 million for security supporting assistance to Spain, \$2 million for international military education and training for Spain, and \$12 million for the reserve required for the guaranty of a \$120 million loan extended to Spain under the Arms Export Control Act. Funds for these purposes have been appropriated by Public Law 94-441, approved on October 1, 1976 (the "Foreign Assistance and Related Programs Appropriations Act, 1977").

Section 2 of S. 3557 contains miscellaneous limitations, authorizations, waivers, and other provisions necessary to implement United States obligations under the Treaty with Spain. Section 3 of S. 3557 provides that the authorities contained therein become effective only upon such date as the treaty enters into force -- which was September 21, 1976 -- and shall continue in effect only so long as the treaty remains in force.

Inasmuch as this bill would permit the United States to implement its treaty obligations with Spain during the current fiscal year, the Department of Defense recommends that the President approve S. 3557, 94th Congress.

Sincerely yours,


Richard A. Wiley

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: October 13

Time: 900pm

FOR ACTION: **MEC/Briedersdorf**
Bobbie Kilberg

cc (for information):

Jack Marsh
Ed Schmults
Ste

FROM THE STAFF SECRETARY

DUE: Date: October 14**Time:** 530pm

SUBJECT:**S.3557-Funding authorization for Treaty of
Friendship and Cooperation with Spain****ACTION REQUESTED:**

- | | |
|---|---|
| <input type="checkbox"/> For Necessary Action | <input type="checkbox"/> For Your Recommendations |
| <input type="checkbox"/> Prepare Agenda and Brief | <input type="checkbox"/> Draft Reply |
| <input checked="" type="checkbox"/> For Your Comments | <input type="checkbox"/> Draft Remarks |

REMARKS:

please return to judy johnston,ground floor west wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

K. R. COLE, JR.
For the President

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

Mr. James M. Frey
Assistant Director
for Legislative Reference
Office of Management and Budget
Washington, D.C.

Dear Mr. Frey:

This letter replies to your request for comments from the Agency for International Development on the Enrolled Bill, S.3557, to authorize the obligation and expenditure of funds to implement for fiscal year 1977 the provisions of the Treaty of Friendship and Cooperation between the United States and Spain, signed at Madrid on January 24, 1976, and for other purposes.

The Agency for International Development has no objection to this legislation and recommends that it be enacted.

Sincerely yours,

Walter E. Warren
Walter E. Warren
Deputy General Counsel

ACTION MEMO NDUM

WASHINGTON

LOG NO.:

Date: October 3

Time: 900pm

FOR ACTION: Max Friedersdorf
Bobbie Kilberg cc (for information): Jack Marsh
Ed Schmults

FROM THE STAFF SECRETARY

DUE: Date: October 14

Time: 530pm

SUBJECT:

S.3557-Funding authorization for Treaty of
Friendship and Cooperation with Spain

ACTION REQUESTED:

- For Necessary Action For Your Recommendations
 Prepare Agenda and Brief Draft Reply
 For Your Comments Draft Remarks

REMARKS:

please return to judy johnston, ground floor west wing

No objection
K. Logares 10/14

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a
delay in submitting the required material, please
telephone the Staff Secretary immediately.

James M. Cannon
For the President

Date: October 13

Time: 900pm

FOR ACTION: Max Friedersdorf
Bobbie Kilberg cc (for information): Jack Marsh
Ed Schmults

FROM THE STAFF SECRETARY

DUE: Date: October 14

Time: 530pm

SUBJECT:

S.3557-Funding authorization for Treaty of
Friendship and Cooperation with Spain

ACTION REQUESTED:

- | | |
|---|---|
| <input type="checkbox"/> For Necessary Action | <input type="checkbox"/> For Your Recommendations |
| <input type="checkbox"/> Prepare Agenda and Brief | <input type="checkbox"/> Draft Reply |
| <input checked="" type="checkbox"/> For Your Comments | <input type="checkbox"/> Draft Remarks |

REMARKS:

please return to judy johnston, ground floor west wing

Recommend Approval.

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a
delay in submitting the required material, please
telephone the Staff Secretary immediately.

James M. Cannon
For the President



10
10 13-96
10 5:00 PM
5
5/16

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

OCT 13 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill S. 3557 - Funding authorization
for the Treaty of Friendship and Cooperation
with Spain
Sponsor - Sen. Humphrey (D) Minnesota

Last Day for Action

October 19, 1976 - Tuesday

Purpose

Authorizes \$36 million for implementation of the Treaty
of Friendship and Cooperation with Spain.

Agency Recommendations

Office of Management and Budget	Approval
Department of State	Approval
Department of Defense	Approval
National Security Council	Approval
Agency for International Development	No objection
Arms Control and Disarmament Agency	No objection (Informally)

Discussion

The Treaty of Friendship and Cooperation between the United States and Spain was signed in Madrid on January 24, 1976, and it was consented to by the Senate on June 21, 1976. The Senate's resolution of ratification made it clear that the provisions of the Treaty do not constitute an authorization for the appropriations necessary to implement it.

NATIONAL SECURITY COUNCIL

WASHINGTON, D.C. 20506

5555

October 8, 1976

MEMORANDUM FOR

**Mr. James M. Frey
Assistant Director
for Legislative Reference
Office of Management and Budget**

SUBJECT: **Enrolled Bill S. 3557**

The NSC Staff concurs in S. 3557-Treaty of Friendship
and Cooperation between the United States and Spain.


**Jeanne W. Davis
Staff Secretary**

IMPLEMENTATION OF THE TREATY OF FRIENDSHIP AND COOPERATION BETWEEN THE UNITED STATES AND SPAIN

AUGUST 5, 1976.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

Mr. FASCELL, from the Committee on International Relations,
submitted the following

REPORT

[To accompany H.R. 14940]

The Committee on International Relations, to whom was referred the bill (H.R. 14940) to authorize the obligation and expenditure of funds to implement for fiscal year 1977 the provisions of the Treaty of Friendship and Cooperation between the United States and Spain, signed at Madrid on January 24, 1976, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSES OF THE BILL

The main purpose of the bill is to permit implementation of the treaty signed at Madrid on January 24, 1976, and consented to by the Senate on June 21, 1976. The bill would accomplish this principally by authorizing the obligation and expenditure of funds to implement the treaty for fiscal year 1977, the appropriations for which were authorized in section 507 of the International Security Assistance and Arms Export Control Act of 1976 (Public Law 94-329), which constitutes the only legal authorization of the security assistance appropriations needed to implement the treaty for fiscal year 1977. In addition, the bill authorizes other actions by the executive branch, necessary to implement the treaty, and it expresses a policy statement of the Congress of concern for the evolution of democratic processes in Spain.

BACKGROUND

Since the Truman administration first opened negotiations with Spain successive U.S. Presidents have supported continuation of agreements with Spain to provide for use of certain military facilities

in that country. The basic defense agreement entered into force on September 26, 1953 and was extended periodically until 1970 when a new executive agreement was signed which broadened the United States-Spanish relationship beyond its original military purpose to include cooperation in economic, cultural, scientific, agricultural and other areas. This more comprehensive Agreement of Friendship and Cooperation was due to expire on September 26, 1975, but was extended while negotiations began on a new agreement. The new agreement was signed on January 24, 1976, as the Treaty of Friendship and Cooperation between Spain and the United States of America.

Under previous agreements with Spain the United States has obtained the right to station U.S. Forces at several Spanish air bases and one naval base. In return the United States has invested heavily in construction of facilities at the bases and provided both substantial grant and credit assistance to Spain. The executive branch has maintained that U.S. access to these Spanish facilities is important to the support of U.S. Forces deployed in Europe as part of the U.S. commitment to the North Atlantic Treaty Organization and important also to U.S. Forces deployed in the area in connection with U.S. foreign policy interests. This rationale remains the basis of the present treaty with Spain which is not a member of NATO.

Over the years concern in the United States over the agreements with Spain has centered on a number of issues including whether the United States had assumed a new defense obligation, whether the agreement should take the form of a treaty, and whether the United States should involve itself extensively with a nondemocratic country toward which many of the NATO allies were not notably friendly and whose nondemocratic government might be strengthened by defense and other arrangements with the United States.

C O M M I T T E E A C T I O N

On February 18, 1976, the President submitted the text of the treaty to the Senate for its advice and consent.

On March 24, 1976, the chairman of the House Committee on International Relations sent a letter to the chairman of the Senate Foreign Relations Committee objecting to provisions in the treaty which the executive branch viewed as constituting authorization in law for the appropriations necessary to implement the treaty. The letter pointed out that this constituted an unprecedented attempt by the executive branch to authorize security assistance appropriations by means of a treaty provision, rather than by legislation.

The chairman's letter requested the Senate Foreign Relations Committee to consider the inclusion of a reservation to any Senate consent to this treaty which would retain for the House its constitutional and historic prerogative of legislative authorization of appropriations to fulfill security treaty commitments.

Chairman Sparkman replied in a letter of April 19, 1976, that the Senate Foreign Relations Committee was aware of the concerns in the House and intended to act to satisfy those objectives. Subsequently on June 21, the Senate passed a resolution of advice and consent to the

Spanish Bases Treaty. The Senate's conclusion regarding the authorization process which is to be followed in this instance was contained in paragraph five of the resolution of advice and consent:

(5) the sums referred to in the Supplementary Agreement on Cooperation Regarding Materiel for the Armed Forces and Notes of January 24, 1976, appended to the Treaty, shall be made available for obligation through the normal procedures of the Congress, including the process of prior authorization and annual appropriations, and shall be provided to Spain in accordance with the provisions of foreign assistance and related legislation.

Elaborating on the foregoing language, the Committee on Foreign Relations included the following statement in its report to the Senate on the treaty (Executive Report No. 94-25, May 20, 1976):

In view of the established procedures for appropriating security assistance funds only pursuant to statutory authorization, the Committee decided that this Treaty could not be a substitute for authorizing legislation. Rather, the Committee intends to deal with funding of the Treaty commitments for foreign assistance and military sales in the regular foreign assistance authorization and appropriation legislation. To emphasize this intent, the Committee added to the consent resolution appropriate language to make it clear that funds will be made available to carry out the Treaty from year to year through the normal appropriations process, including prior authorization procedures.

On June 18 a bill (S. 3557) was introduced in the Senate to underscore the intent of the Senate that an annual authorization bill is required to implement the treaty provisions under the terms of the Senate's advice and consent resolution. This bill was passed by the Senate on the same day. In the House, S. 3557 was referred to the Committee on International Relations on June 21, 1976 and subsequently to its Subcommittee on International Political and Military Affairs.

The subcommittee had earlier on June 8 and 16, 1976, held hearings on the treaty and on House Joint Resolution 927, a resolution introduced on April 28, 1976, by Representatives Dante B. Fascell and Larry Winn, Jr., to authorize the appropriations needed to implement the treaty.

Testifying on June 8 was Harry E. Berghold, Jr., Principal Deputy Assistant Secretary of Defense for Legislative Affairs. He was accompanied by Vice Adm. Patrick J. Hannifin, U.S. Navy, Assistant Deputy Chief of Naval Operations for Plans, Policy, and Operations and L. Bruce Laingen, Deputy Assistant Secretary of State, Bureau of European Affairs. The witnesses on June 16 were: Hon. Bella S. Abzug, a Representative in Congress from the State of New York; Hon. Robert J. McCloskey, Assistant Secretary of State for Congressional Relations and Ambassador at Large, and Harry E. Berghold, Jr.

The actual authorization of the appropriations to implement the treaty for fiscal year 1977 is contained in section 507 of the International Security Assistance and Arms Export Control Act of 1976 (Public Law 94-329) which was reported to the floor of the House before May 15, 1976, in compliance with the provisions of the Congressional Budget Act. However subsection (b) of that section provided that no funds appropriated under that section could be obligated or expended to carry out the treaty with Spain until legislation is enacted releasing those funds.

On July 27, the Subcommittee on International Political and Military Affairs met and agreed by voice vote to report to the full committee a new draft bill, designed to correct provisions in S. 3557 which were subject to a point of order in the House, permitting the obligation and expenditure of funds authorized under section 507 and expressing the views of Congress with respect to the defense relationship between Spain, the United States and NATO, Spain's progress toward free institutions, and Spain's participation in mutual efforts to control nuclear proliferation.

The draft bill became the basic document for the July 29 markup meeting of the full committee. Upon conclusion of this meeting, the committee, by voice vote ordered the draft bill with two technical amendments introduced as a clean bill. Representative Fascell, together with 16 other members of the committee as cosponsors, introduced the clean bill on July 29, 1976. The Committee on International Relations on August 4, 1976, ordered the bill, H.R. 14940, favorably reported to the House by voice vote.

PROVISIONS OF THE TREATY

The decision by the executive branch and Spain to formulate the new agreement as a treaty has removed at least one of the major areas of criticism voiced about the U.S. agreements with Spain since 1953. The new treaty, together with its supplementary agreements and related exchanges of notes was submitted to the Senate on February 18, 1976, and agreed to by the Senate as clarified by its resolution of advice and consent on June 21, 1976. Paragraph 5 of the resolution of advice and consent clarifies the treaty to make it clear that the provisions of the treaty do not constitute an authorization for the appropriation of funds necessary to implement the treaty.

The executive branch has indicated that a treaty more appropriately reflects the broader and more formal relationship between Spain and the United States and reflects both the wishes of the Government of Spain and the U.S. Congress. Moreover the Executive has expressed its view that the treaty more fully expresses the importance of our bilateral relationship with Spain and emphasizes U.S. support for the efforts of King Juan Carlos to lead Spain to a new era of political and social development and to establish a closer relationship with the other nations of Western Europe.

The treaty both expands and upgrades the nature of United States-Spanish cooperation in a number of areas and also provides a new

institutional framework for dealing with the areas of cooperation set forth in the treaty and its related documents. The treaty will remain in force for 5 years and there is a provision for a further 5-year extension.

A letter from the Secretary of State to the President on February 6, 1976, summarizes the treaty's major provisions as follows:

DEPARTMENT OF STATE,
Washington, February 6, 1976.

The PRESIDENT,
The White House.

I have the honor to submit to you, with a view to its transmission to the Senate for advice and consent to ratification, the Treaty of Friendship and Cooperation between the United States of America and Spain, signed at Madrid on January 24, 1976, together with its seven Supplementary Agreements and its eight related exchanges of notes. This agreement would supersede the 1970 Agreement between the United States and Spain on Friendship and Cooperation, which expired on September 26, 1975, at which time a one-year transitional period began.

The new agreement is in the form of a Treaty. This solemn form was deemed appropriate not only because of the wide scope and importance of the subject matter covered but also because both Spanish and United States authorities wanted to assure the soundest political basis for the new stage in United States-Spanish relations symbolized by the agreement.

The Treaty covers a broad spectrum of areas of mutual concern in United States-Spanish relations, with specific articles and supplementary agreements treating cooperation in the areas of economic affairs, education and culture, science and technology, and defense matters. It also provides an institutional framework to enhance the effectiveness of cooperation in all these areas. The principal new elements of substance are in this institutional area, and include the creation of a high-level United States-Spanish Council, to oversee the implementation of the entire agreement, and a set of subordinate bodies, including joint committees for the various areas of cooperation and a Combined Military Coordination and Planning Staff. The agreement specifies the military and non-military assistance to be given Spain over the five-year initial term of the agreement, and grants to the United States essentially the same rights to use military facilities in Spain which it enjoyed under the 1970 arrangements. The principal changes in military facilities are a reduction and relocation of United States tanker aircraft within Spain and establishment of a date for withdrawal of the nuclear submarine squadron from the Rota Naval Base.

Article I of the Treaty, together with Supplementary Agreement Number One, and a related exchange of notes, establishes the United States-Spanish Council, under the joint chairmanship of the Secretary of State of the United States and the Foreign Minister of Spain. The Council, which is to meet at least semi-annually, will have headquarters in Madrid, a permanent secretariat, and permanent representatives serving as deputies to the Chairman to assure its ability to function in their absence. An important aspect of the new arrangement is the integration of the military cooperation into the Council structure.

Article II, together with Supplementary Agreement Number Two, calls for the development of closer economic ties between the United States and Spain, placing emphasis on co-operation in those fields which facilitate development. In this connection, the agreement takes into account the current readiness of the Export-Import Bank to commit credits and guarantees of approximately \$450 million to Spanish companies. The agreement also specifies general principles to guide United States-Spanish relations in the economic field.

Article III, together with Supplementary Agreement Number Three and a related exchange of notes, provides for a broad program of scientific and technical cooperation for peaceful purposes with principal emphasis on areas having significance to the social and economic welfare of the peoples of Spain and the United States as well as to developmental progress. A total of \$23 million would be provided by the United States in the form of grant to support this five-year program. One of the first matters of concern in scientific and technological cooperation will be studies relating to a solar energy institute which Spain wishes to establish, with some seed money for the studies being drawn from the U.S. grant.

Article IV of the Treaty, together with Supplementary Agreement Number Four and a related exchange of notes, provides for a continuation and expansion of educational and cultural cooperation. The agreement contemplates a grant from the United States in the amount of \$12 million to support this five-year program, which is considered to be of particular importance in strengthening the relationship between the United States and Spain.

Articles V and VI of the Treaty, together with Supplementary Agreements Five, Six and Seven, and related exchanges of notes, deal with cooperation in the area of defense. The defense relationship which these provisions represent is one woven firmly into the fabric of existing United States philosophy and planning for the defense of the North Atlantic area. It represents a decision to assist Spain in developing a role which will contribute actively to that defense, and provides transitional institutions to prepare the way for an ap-

propriate Spanish role in NATO. These provisions do not constitute a security guarantee or commitment to defend Spain. They do, however, constitute a recognition of Spain's importance as a part of the Western World.

To this end, a Combined Planning and Coordination Staff, with no command functions, is provided for by Supplementary Agreement Number Five, which sets forth a carefully drawn mandate and geographic area of common concern. All activities of the staff focus on the contingency of a general attack on the West. There is no commitment, express or implied, in the drawing up of the contingency plans.

To further the purposes of the Treaty, Spain grants the United States the right to use and maintain for military purposes those facilities in or connected with Spanish military installations which the United States has heretofore enjoyed, with the exception that the number of KC-135 tankers in Spain will be reduced to a maximum of five and the remaining tankers relocated; and that the nuclear submarines will be withdrawn from Spain by July 1, 1979, a date which corresponds with our changing requirements. In addition, the United States undertakes not to store nuclear devices or their components on Spanish soil. Details concerning the facilities granted are set forth in Supplementary Agreement Number Six, a related exchange of notes which includes U.S. military strength levels authorized in Spain, and an exchange of notes confirming United States military over-flight rights and rights to use facilities in Spain for military aircraft transiting to third countries.

The details of the military assistance to be provided Spain are set forth in Supplementary Agreement Number Seven and a related exchange of notes. Under these arrangements, the United States would provide to Spain, over the five year initial term of the Treaty, repayment guarantees under the Foreign Military Sales program for loans of \$600 million, \$75 million in defense articles on a grant basis, \$10 million in military training on a grant basis, and a U.S. Air Force contribution, on a cost-sharing basis, of up to \$50 million for the aircraft control and warning network used by the U.S. Air Force in Spain. In addition, provision is made to transfer to Spain five naval vessels and 42 F4E aircraft on terms which benefit that country.

The notes exchanged include United States assurances to Spain on settlement of damage claims which might result from nuclear incidents involving a United States nuclear powered warship reactor. These assurances are based on Public Law 93-513. Finally, there is an exchange of notes relating to the possible transfer of petroleum storage and pipeline facilities presently used by United States forces in Spain.

Associated with the Treaty and its supplementary agree-

ments and exchanges of notes are an Agreement on Implementation and procedural annexes thereto which regulate such matters as the status of United States forces in Spain and the use of the facilities there. These documents are being provided to the Congress for its information.

Respectfully submitted,

HENRY A. KISSINGER.

COMMITTEE COMMENT

The Committee on International Relations bears the primary responsibility in the House for authorizing appropriations affecting relations of the United States with foreign countries. Security assistance is one of the most important foreign policy programs, and the treaty provisions drafted to constitute authorization in law were viewed as an infringement of this committee's prerogatives and as a serious challenge to the power of the purse which the House has historically and constitutionally exercised. The committee regards the approval of this bill as underscoring one of the perogatives of the Committee on International Relations to consider and pass upon all authorizations of security assistance appropriations.

The precedent of allowing treaty provisions to serve as authorization of appropriations does not extend to security assistance appropriations. The extent to which treaty provisions may be allowed to constitute authorization in law, for purposes of the Rules of the House governing the appropriation process, is a matter within the sole discretion of the House. The decision of the committee, as reflected in this bill to authorize funds to implement the treaty on an annual basis, is, of course, in no way intended to diminish the provisions of the treaty as clarified by the Senate's advice and consent resolution.

The Committee on International Relations has been actively involved in reviewing our relationship with Spain since 1953 when the committee was first asked to authorize funds in connection with the executive agreement with Spain. The committee recognizes the importance of our relationship with Spain and the major advantages to the United States in areas related to national security policy and believes that continuing U.S. access to the three air bases and one naval base in Spain are of importance to U.S. foreign policy and to the fulfillment of its obligations to NATO. The committee has, however, carefully reviewed the testimony of executive branch witnesses and concurs with the opinion of the Senate as expressed both in its resolution of ratification of the treaty and in section 3(b) of H.R. 14940 that this treaty "does not expand the existing United States defense commitment in the North Atlantic Treaty area or create a mutual defense commitment between the United States and Spain."

The committee welcomes the recent progress in Spain toward greater political freedom and a more open society under the leadership of King Juan Carlos and therefore shares the same hopes and intentions

of the Senate, as expressed in its resolution ratifying the treaty and in section 3(a) of the bill, that the treaty will "support and foster" Spain's further progress toward free institutions and greater participation in political and economic cooperation with Western Europe. Moreover, the committee believes and hopes that continued progress toward a democratic society in Spain will result in fuller Spanish cooperation with NATO.

In summary, the committee believes that this legislation would provide essential authority to implement the treaty which will help insure U.S. access to useful military facilities at a reasonable cost and help to provide a solid basis for expanded future cooperation with Spain evolving toward a more democratic society.

ACKNOWLEDGEMENT OF CONCERNS OF THE COMMITTEE ON ARMED SERVICES

Certain provisions of H.R. 14940 relate to authorities that fall within the legislative jurisdiction of the Committee on Armed Services. However, the unique circumstances surrounding this bill, which relates to a treaty have caused these provisions to be included in a bill which has been referred to the Committee on International Relations. As a result of consultations between the chairmen of the two committees the chairman of the Committee on Armed Services, Hon. Melvin Price, addressed a letter to Hon. Thomas E. Morgan outlining his justifiable concerns and pointing out those provisions which fall within the legislative jurisdiction of the Armed Services Committee—sections 2 (c), (d), and (e).

The letter follows:

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, D.C., July 28, 1976.

Hon. THOMAS E. MORGAN,
Chairman, Committee on International Relations, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I have reference to S. 3557, a bill "To authorize the appropriation of funds necessary during the fiscal year 1977 to implement the provisions of the Treaty of Friendship and Co-operation between the United States and Spain, signed at Madrid on January 24, 1976, and for other purposes."

I understand that this legislation is presently scheduled for hearings before your Committee on Thursday, July 29, 1976. My initial review of the legislation indicates that certain of the provisions of the bill relate to matters within the primary legislative jurisdiction of the Committee on Armed Services. However, I fully appreciate that because of the unusual nature of the subject matter and unique purpose of the legislation, that this circumstance was probably unavoidable.

On the other hand, I would be remiss in my responsibilities to the Committee on Armed Services if I failed to bring these matters to your attention and suggest a possible course of action that might

satisfy the legislative and oversight responsibilities of both our Committees without creating unnecessary delays in obtaining final congressional action on this important measure.

The provisions relating to the Armed Services Committee specifically include the following:

(a) Language on page 2, lines 22 through 24, which state "the United States contribution of not to exceed \$50,000,000 shall be financed from Department of Defense appropriations";

(b) On page 2, line 25, and page 3, lines 1 through 3, which state "This Act satisfies the requirements of section 7307 of title 10, United States Code, with respect to the transfer of naval vessels pursuant to supplementary agreement numbered 7."; and

(c) On page 3, lines 6 through 10, which read "the President is authorized to apply the proceeds from the lease of aircraft to Spain under that article to the purchase of aircraft for the purpose of that article without regard to the provisions of section 2667 of title 10, United States Code, . . .".

Despite the fact that each of the cited provisions directly relate to matters within the jurisdiction of the Committee on Armed Services, I am unaware of any objection by Members of this Committee to the enactment of any of these provisions. Nonetheless, to avoid, at this late date, the necessity for a sequential referral of S. 3557 to the Committee on Armed Services, I would request that you assure me that should an objection or a contrary view be reached by any Member of the Committee on Armed Services to these provisions, that they would have the opportunity to offer an amendment on any or all of these cited provisions under whatever rule you may obtain on the legislation.

Also, I would very much appreciate the inclusion of this letter in your ultimate Committee report on S. 3557.

If you have any questions on this matter, please call me.

With warmest personal regards, I remain

Sincerely,

MELVIN PRICE, *Chairman.*

The committee understands and appreciates the concerns cited in the letter from the Chairman of the Armed Services Committee and assures the members of such committee of the opportunity to offer amendments to the appropriate provisions cited in the letter.

SECTION-BY-SECTION ANALYSIS

Section 1(a) authorizes the obligation and expenditure of the following amounts for fiscal year 1977 to carry out programs and activities provided for in the Spanish Bases Treaty:

(1) Grant military assistance under chapter 2 of part II of the Foreign Assistance Act of 1961—\$15 million.

(2) Security supporting assistance under chapter 4 of part II of the Foreign Assistance Act of 1961 to support scientific and technical programs and expanded educational and cultural cooperation—\$7 million.

(3) International military education and training under chapter 5 of part II of the Foreign Assistance Act of 1961—\$2 million.

(4) Guarantees of loans to finance Spanish purchases under section 24 of the Arms Export Control Act—\$12 million.

Section 1(b) specifically states that this act satisfies the requirement of section 507(b) of the International Security Assistance and Arms Export Control Act of 1976, Public Law 94-329, which authorizes the appropriation of these funds, but restricts their obligation and expenditure until further action by Congress through legislation such as H.R. 14940.

If fully appropriated, these funds would amount to \$36 million of new budget authority. The authorizations for fiscal year 1977 relating to foreign assistance and foreign military sales treated in section 1 and the authorities contained in section 2 are required to implement the treaty. Export-Import Bank credits and guarantees referred to in the treaty will be financed from the resources of the Bank and neither separate authorization nor appropriation is required.

Section 2(a) provides that the foreign assistance and military sales activities carried out pursuant to the treaty shall be carried out in accordance with provisions of law applicable generally to foreign assistance and military sales except as provided in section 2(b).

Section 2(b) waives the requirements of section 620(m) of the Foreign Assistance Act of 1961 for programs provided for by the treaty. Section 620(m) restricts furnishing of grant assistance to economically developed nations.

Section 2(c) provides that the contribution of not to exceed \$50 million for the maintenance and modernization of an aircraft control and warning network in Spain in implementation of the treaty will not be from the funds whose obligation and expenditure is authorized by this bill but from Department of Defense appropriations available for this purpose. This provision is not intended to require a specific line item appropriation.

Section 2(d) of the bill is designed to allow the sale to Spain under the Arms Export Control Act of four oceangoing minesweepers and one minesweeper tender as provided for in the treaty without an additional report to Congress as provided in section 7307 of Title 10 of the United States Code.

Section 2(e) relates to the use by the President of proceeds from the lease of F-4E aircraft to Spain for the repurchase of F-4C aircraft from Spain under a treaty provision designed to modernize the Spanish air defense capability. This provision reserves the proceeds from the lease for appropriations to purchase the aircraft from Spain.

Section 3(a) constitutes a policy statement of the Congress expressing concern for the evolution of democratic institutions in Spain. It is similar to language in the Senate's resolution of advice and consent expressing the intent of the Congress that the treaty will serve to support and foster Spain's progress toward free institutions and toward Spain's greater participation in Western European political and economic cooperation.

Section 3(b) states that the treaty does not create a mutual defense

commitment to Spain or an expansion of the U.S. commitment to the North Atlantic Treaty Organization in that area, but that the Congress does look forward to the development of such an expanded relationship between Western Europe and a democratic Spain which would be conducive to fuller Spanish cooperation with NATO.

Section 3(e) expresses the hope of the Congress that beyond the framework for continued nuclear cooperation for peaceful purposes provided for in the treaty, that the relationship between the United States and Spain in this field will continue to develop, commensurate with steps taken by Spain to become a party to the Treaty on the Non-Proliferation of Nuclear Weapons or the placing of all of its nuclear facilities under safeguards administered by the International Atomic Energy Agency.

Section 4 provides that the authorities contained in the bill shall be effective only upon the date of the treaty's entry into force and that they shall remain in effect only so long as the treaty remains in force.

COSTS OF TREATY AND BILL

COSTS OF TREATY

The complexity of the financial arrangements set forth in the treaty make it difficult to determine the actual final total cost of the treaty to the taxpayers over the initial 5 years the treaty will be in force. The following approximates the total estimated direct cost to the taxpayers:

	MILLIONS
Grant military equipment	\$75
Grant military training	\$10
Air defense warning and control system	\$50
Cultural, educational, scientific, and technological programs	\$35

In addition the following will or may be provided:

- \$12 million annual set aside to guarantee Foreign Military Sales (FMS) loans at a non-concessional rate at an annual rate up to \$120 million;
- transfer of four minesweepers and one tender to Spain at a favorable price; and
- lease of 42 F-4E aircraft to Spain and U.S. repurchase of 34 F-4C's at an estimated total cost to the United States of \$2 million.

COSTS OF THE BILL

H.R. 14940 provides authority of obligation and expenditure of appropriated funds necessary during fiscal year 1977 to implement the treaty. The bill would free the following funds for obligation and expenditure:

- \$15 million for grant equipment;
- \$ 2 million for grant military training;
- \$ 7 million in security supporting assistance for cultural, educational, scientific and technological programs; and

—\$12 million to provide guarantees for up to \$120 million in military sales credits.

In addition the bill would permit transfer of naval vessels Spain may wish to purchase and permit the United States to go forward with a lease of aircraft to Spain as described above at a possible cost to the United States of \$2 million.

COST ESTIMATES

Pursuant to clause 7 of Rule XIII of the Rules of the House, the committee estimates the cost of H.R. 14940 for fiscal year 1977 to be \$36 million as shown in the section of this report entitled "Costs of Treaty and Bill." This estimate coincides with the amount requested by the President for fiscal year 1977 to implement the Treaty of Friendship and Cooperation with Spain signed at Madrid on January 24, 1976.

This bill merely authorizes the obligation and expenditure of funds authorized to be appropriated in fiscal year 1977 under section 507 of Public Law 94-329, the International Security Assistance and Arms Export Control Act. However, assuming that the Congress will continue to authorize and appropriate funds on an annual basis to implement the treaty for the full 5 years that it will be in force, the committee estimates the total cost, including amounts authorized for fiscal year 1977, to be approximately \$232 million.

STATEMENTS REQUIRED BY RULE XI(1)(3) OF THE HOUSE RULES

A. OVERSIGHT FINDINGS AND RECOMMENDATIONS

The treaty provides in Supplementary Agreement Number 7, Article XI, that the undertakings relating to this bill will be carried out in accordance with and subject to applicable provisions of U.S. law. As the undertakings made possible by this bill will be handled largely through the security assistance program, the close oversight of the committee over this program has facilitated the committee's understanding of the ramifications of these undertakings.

Principal sources of oversight have been:

- (1) Review of all foreign assistance programs by members of the committee, collectively and individually, by the subcommittees, and by the full and subcommittee staffs.
- (2) Studies and reports by the General Accounting Office, and the Congressional Research Service.
- (3) Reports on several study missions undertaken by members as well as staff around the world, particularly in Spain.
- (4) Almost daily contact with the executive branch agencies responsible for the implementation of the assistance programs.
- (5) Three days of hearings on the treaty.

B. BUDGET AUTHORITY

The bill does not create new budget authority. Rather it authorizes the obligation and expenditure of funds authorized to be appropriated in section 507 of Public Law 94-329.

C. CONGRESSIONAL BUDGET OFFICE ESTIMATE AND COMPARISON

No estimates and comparisons from the Office of the Director of the Congressional Budget Office under section 403 of the Congressional Budget Act of 1974 have been received by the committee.

D. COMMITTEE ON GOVERNMENT OPERATIONS SUMMARY

No oversight findings and recommendations have been received which relate to this bill from the Committee on Government Operations.

INFLATIONARY IMPACT STATEMENT

It is difficult, if not impossible, to measure the inflationary impact of this bill upon the economy of the United States. The bill authorizes the obligation and expenditure of \$36 million already authorized to be appropriated in existing law. This amount represents a minute percentage of the gross national product.

Moreover, not all of these funds, if fully appropriated, will be actually expended in fiscal year 1977. A large part of the funds, if appropriated, will be used for the procurement of defense articles which have a long leadtime in production. Thus the expenditure of a significant portion of the funds authorized to be obligated in this bill will be spread over a period of years which would further diminish whatever inflationary impact such expenditures might have on the economy.

APPENDIX I

94TH CONGRESS }
2d Session }

SENATE

{ EXECUTIVE
E

**TREATY OF FRIENDSHIP AND COOPERATION
WITH SPAIN**

M E S S A G E

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

THE TREATY OF FRIENDSHIP AND COOPERATION BETWEEN THE UNITED STATES OF AMERICA AND SPAIN, SIGNED AT MADRID ON JANUARY 24, 1976, TOGETHER WITH ITS SEVEN SUPPLEMENTARY AGREEMENTS AND ITS EIGHT RELATED EXCHANGES OF NOTES



FEBRUARY 18, 1976.—Treaty was read the first time and, together with the accompanying papers, referred to the Committee on Foreign Relations and ordered to be printed for the use of the Senate

LETTER OF TRANSMITTAL

THE WHITE HOUSE, February 18, 1976.

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty of Friendship and Cooperation between the United States of America and Spain, signed at Madrid on January 24, 1976, together with seven Supplementary Agreements and eight related exchanges of notes. For the information of the Senate, I transmit also the report of the Department of State with respect to the Treaty.

I believe this Treaty will promote United States interests and objectives relating to Spain and western security. With the advice and consent of the Senate to ratification, the Treaty would serve to provide a firm basis for a new stage in United States-Spanish relations, reflecting United States support for and encouragement of the important evolution which has begun in Spain and to which the Spanish Government renewed its commitment in connection with the signing of the Treaty. The Treaty reflects the mutual conviction of Spain and the United States that the proper course of this evolution should include, as major objectives, the integration of Spain into the institutions of Europe and the North Atlantic defense system and should include a broadly based cooperative relationship with the United States in all areas of mutual interest. The Treaty should contribute positively to the achievement of these goals.

In the area of western security, the agreement provides for a continuation of the important contribution made by Spain through facilities and related military rights accorded United States forces on Spanish territory. The agreement reflects a careful balancing of Spanish concerns with the changing requirements of United States military deployment. As a new development of the United States-Spanish defense relationship, the Treaty establishes mechanisms and guidelines, such as those reflected in the provisions dealing with military planning and coordination, to help develop an active Spanish contribution to western security, a contribution which complements and is coordinated with existing arrangements. The Treaty does not expand the existing United States defense commitment in the North Atlantic Treaty area nor does it create an additional bilateral one. Finally, the Treaty pledges military assistance to the Spanish armed forces in their program of upgrading and modernization. The major portion of that assistance is in the form of loan repayment guarantees. The actual cost to the United States taxpayer is expected to be far lower than the figures listed in the agreement.

I recommend that the Senate give prompt consideration to the Treaty and consent to its ratification.

GERALD R. FORD.

TREATY OF FRIENDSHIP AND COOPERATION BETWEEN SPAIN AND THE UNITED STATES OF AMERICA

The Governments of Spain and of the United States of America; Impelled by their shared concern for the maintenance of world peace and security;

Affirming that their cooperation is beneficial for the security of both countries; strengthens the defense of the West; plays an important part in the security arrangements for the North Atlantic and Mediterranean areas; and contributes to the achievement of their shared goals;

Desiring to reaffirm and strengthen the friendship between their peoples and to continue and enrich the cooperative relationship which exists between the two countries, in the spirit of the Declaration of Principles between Spain and the United States of America, of July 19, 1974;

Agree as follows:

ARTICLE I

The close cooperation between the two countries on all matters of common concern or interest will be maintained and developed on a basis of sovereign equality. This cooperation shall encompass economic, educational, cultural, scientific, technical, agricultural, and defense matters, as well as other matters upon which they may mutually agree.

The Governments of Spain and the United States of America will keep their cooperation in all these areas under continuous review and seek to identify and adopt all appropriate measures for carrying out this cooperation in the most effective manner possible with a view to maintaining a balance of benefits, equal and effective participation of both parties, and coordination and harmonization of their efforts with those which may be being made in other bilateral and multilateral contexts.

For these purposes, a Spanish-United States Council is established under the chairmanship of the Foreign Minister of Spain and the Secretary of State of the United States of America. The functions and organization of the Council are set forth in Supplementary Agreement Number One. The Council will meet at least semi-annually.

ARTICLE II

Given the increasing international importance of economic affairs, the two parties will seek to develop their economic relations so as to ensure mutual benefit under conditions of equitable reciprocity and to promote, in particular, cooperation in those fields which facilitate development. That cooperation shall also take into account the impact which the state of the economy of each country has on its defense efforts. Their economic relationship will be carried out in accordance with Supplementary Agreement Number Two.

ARTICLE III

Given the relations of friendship which exist between the peoples of Spain and the United States of America, and recognizing that science and technology are essential factors in meeting the growing needs and in furthering the general economic development of both countries, the two Governments will carry out a broad program of scientific and technical cooperation for peaceful purposes. In the framework of that cooperation, they will direct their efforts principally to areas having the most significance to the social and economic welfare of their peoples, and to developmental progress. Their relations in these areas will be carried out in accordance with Supplementary Agreement Number Three.

ARTICLE IV

In order to continue to expand their cooperation in the educational and cultural fields with a view to furthering the familiarity of their peoples with the important cultural achievements of the other and to strengthen the friendship and understanding between their peoples which provide the necessary foundation for the overall cooperative relationship between the two countries, their relations in these areas will be carried out in accordance with Supplementary Agreement Number Four.

ARTICLE V

Having recognized that their cooperation has strengthened the security of the Western World, and contributed to the maintenance of world peace, there is established a defense relationship between Spain and the United States of America. Consistent with the Declaration of Principles of July 19, 1974, they will, through this defense relationship, seek to enhance further their own security and that of the Western World. To such end, they will seek to develop the appropriate plans and coordination between their respective armed forces. This coordination will be carried out by a coordinating body as set forth in Supplementary Agreement Number Five.

To further the purposes of this Treaty, the United States of America may use specific military facilities on Spanish territory, in accordance with the provisions set forth in Supplementary Agreement Number Six. The two parties will also, for these ends, cooperate in the acquisition as well as the production of appropriate materiel for their armed forces, in accordance with the provisions of Supplementary Agreement Number Seven.

ARTICLE VI

In view of the contribution the use of the facilities mentioned in Article V makes to the defense of the West, the parties, through mutually agreed steps, will seek on the basis of reciprocity and equality to harmonize their defense relationship with existing security arrangements in the North Atlantic area. To this end, they will, periodically, review all aspects of the matter, including the benefits flowing to those arrangements from the facilities and make such adjustments as may be mutually agreed upon.

ARTICLE VII

This Treaty and its Supplementary Agreements shall enter into force upon the exchange of instruments of ratification between the two Governments and will remain in force for five years, whereupon they may be extended for an additional five year period if the parties so agree.

ARTICLE VIII

In order to facilitate the withdrawal of the personnel, property, equipment and materiel of the Government of the United States of America located in Spain pursuant to Article V of this Treaty and its Supplementary Agreements, a period of one year from the termination of the Treaty is provided for the completion of withdrawal which will begin immediately after such termination. During that one year period, all the rights, privileges and obligations deriving from Article V and its Supplementary Agreements shall remain in force while United States forces remain in Spain.

DONE in Madrid, this 24th day of January, 1976, in duplicate, in the English and Spanish languages, both texts being equally authentic.

For the United States of America:

HENRY A. KISSINGER.

For Spain.

ARTICLE IV

In order to establish the necessary coordination between them and to ensure greater effectiveness of the reciprocal defense support granted by each to the other, the two parties agree to establish a Joint Military Committee dependent on the Council, composed of the two Chiefs of the Joint Chiefs of Staff, or their designated representatives, which shall meet semi-annually.

Dependent on this Committee and as a working body, there shall be constituted a Combined Military Coordination and Planning Staff, as provided in the Supplementary Agreement on Bilateral Military Coordination.

The respective co-directors of this Combined Staff shall serve as permanent representatives of the Chairmen of the Joint Military Committee.

ARTICLE V

For the purpose of obtaining the maximum effectiveness in cooperation for Western defense, the United States-Spanish Council, as one of its basic objectives, will work toward development of appropriate coordination with the North Atlantic Treaty Organization. In furtherance of this purpose, the Council will establish by mutual agreement a commission formed by members of the two contracting parties which shall propose to the Council specific measures to promote the establishment of meaningful coordination.

ARTICLE VI

The Council will have its seat at Madrid, where it will be provided with suitable facilities by the Government of Spain.

The administrative support for meetings of the Council and its subordinate bodies will be provided by the Spanish Government inasmuch as it is the seat of the Council. Permanent administrative costs of the Council, including salaries of any employees of the Council, will be shared equally. Each party will bear the cost of its own participation in the work of the Council, including salaries of its members of the Secretariat.

The representatives, advisors, experts and other participants of each party in the work of the Council or its subordinate bodies shall enjoy diplomatic privileges and immunities when in the territory of the other, in accordance with the norms to be agreed.

ARTICLE VII

This Agreement will enter into force and remain in force contemporaneously with the Treaty of Friendship and Cooperation between the United States and Spain.

DONE in Madrid, this 24th day of January, 1976, in duplicate, in the English and Spanish languages, both texts being equally authentic.

For the United States of America:

HENRY A. KISSINGER.

For Spain:

SUPPLEMENTARY AGREEMENT ON THE UNITED STATES-SPANISH COUNCIL

(Number 1)

ARTICLE I

The United States-Spanish Council will be responsible for overseeing the implementation of the Treaty of Friendship and Cooperation. It will review the cooperation under that Treaty; examine any problems which may arise as well as measures which might be taken to deal with them; consider steps to facilitate or improve United States-Spanish cooperation; and submit to the Governments such findings and recommendations as may be agreed. The Council will also be charged with carrying out the consultations provided for in Article III of Supplementary Agreement Number Six.

ARTICLE II

The Council will be chaired by the Secretary of State of the United States and the Foreign Minister of Spain, and will meet at least semi-annually. Each Chairman will have a Deputy who will serve as Permanent Representative on the Council and assure its functioning in the absence of his Chairman. The Chairman of the Joint Chiefs of Staff of each party or their designated representatives will be permanent military representatives on the Council. The parties shall designate such other representatives and advisors to the Council and its subsidiary bodies as they deem appropriate, taking into account the variety of matters which may be before the Council at any particular time, and the need for adequate representation on the Council from responsible ministries and departments.

ARTICLE III

The Council will have under its aegis a Joint Economic Committee, a Joint Scientific and Technological Affairs Committee, a Joint Educational and Cultural Affairs Committee, and a Joint Committee for Politico-Military Administrative Affairs. It may form such other committees and subsidiary bodies as may be deemed appropriate to facilitate the performance of the Council's functions.

The Committees and other subsidiary bodies will seek to resolve problems and advance cooperation in their areas of competence to the fullest extent possible without formal referral to the Council. They shall periodically report to the Council on matters which have come before them, actions taken, progress made, and make appropriate recommendations to the Council.

The Council will be assisted by a Permanent Secretariat under the joint direction of a United States and a Spanish Secretary, with appropriate staffing mutually agreed upon.

SUPPLEMENTARY AGREEMENT ON ECONOMIC COOPERATION

(Number 2)

ARTICLE I

In their economic relations, the United States and Spain will be guided by their shared desire to encourage economic growth, trade expansion, and other economic relations among nations, and by the principles contained in the Treaty of Friendship and Cooperation.

ARTICLE II

The two Governments reaffirm their determination to intensify their commercial relations and to take all appropriate steps to encourage the growth of their respective exports. In order that this growth may take place on a basis acceptable to both parties, they will seek to avoid the development of a disequilibrium that could be mutually disadvantageous to their overall economic relationship. To this end, the two Governments will seek to avoid imposing restrictions on the flow of trade between them in accordance with their obligations under the General Agreement on Tariffs and Trade and other existing international agreements.

ARTICLE III

The two Governments agree on the desirability of having a normal flow of United States direct investment to Spain, and to that end they will endeavor to arrive at appropriate and mutually agreeable measures to facilitate such an investment flow, within the limits of their respective laws and international obligations.

ARTICLE IV

Both Governments recognize the importance of the role played by the Export-Import Bank of the United States both in stimulating the purchase of United States capital goods by Spanish enterprises and in assisting the progress of Spain's energy and industrial development programs, and therefore they will seek to strengthen these financial relations in the future.

To this end, the Export-Import Bank of the United States, in order to contribute to Spain's development, is currently prepared to commit credits and guarantees of approximately \$450 million for Spanish companies.

ARTICLE V

The Government of Spain reiterates its objective of achieving its full integration in the European Economic Community, and the Government of the United States declares its favorable understanding of

this Spanish objective. The two Governments agree to maintain contact in seeking to arrive at mutually satisfactory solutions of any problems that may arise for either of them in this connection.

ARTICLE VI

In order to facilitate achievement of the goals established in Article II, the two Governments will reinforce their consultations regarding the most appropriate manner in which Spain can qualify for the benefits of the generalized system of preferences provided for in the United States Trade Act of 1974.

ARTICLE VII

The two Governments reaffirm their interest in carrying out a regular program of consultations on all economic matters of mutual interest. To that end, they agree to establish a Joint Economic Committee under the United States-Spanish Council. The Joint Economic Committee will monitor bilateral economic relations, discuss matters of mutual interest, seek to resolve problems which may arise, and make appropriate recommendations for furthering their economic cooperation.

ARTICLE VIII

This agreement will enter into force and remain in force contemporaneously with the Treaty of Friendship and Cooperation between the United States and Spain. It supersedes the Agreement of July 15, 1968, establishing a United States-Spanish Economic Committee.

DONE in Madrid, this 24th day of January, 1976, in duplicate, in the English and Spanish languages, both texts being equally authentic.

For the United States of America:

HENRY A. KISSINGER.

For Spain:

SUPPLEMENTARY AGREEMENT ON SCIENTIFIC AND TECHNOLOGICAL COOPERATION

(Number 3)

ARTICLE I

The common efforts of the two Governments under their program of scientific and technological cooperation will, in conformity with the Treaty of Friendship and Cooperation, be directed principally to those fields of applied research and technological development having the most significance to the social and economic welfare of the peoples of the United States and Spain. In this context, the fields of energy, industrialization, environmental and urban problems, agriculture, and natural resources are recognized as having particular importance to developmental progress. Both Governments will give early and special emphasis to these fields within the program of cooperation.

ARTICLE II

Cooperation between the two Governments will be based on the following principles:

- (a) mutuality of interest;
- (b) selection of specific scientific and technical sectors of major interest; and
- (c) preparation of plans for collaboration between institutions and entities of the two countries.

Their cooperation and activities in the fields of science and technology will be subject to the legislative requirements of the two countries, including the annual appropriation of funds.

ARTICLE III

Cooperation may take such forms as deemed appropriate, including but not limited to:

- (a) joint or coordinated planning, support, or implementation of projects and the supply of equipment;
- (b) exchange of scientific and technological information, subject to the conditions agreed to by the two countries;
- (c) establishment, operation, and utilization of scientific and technical installations related to individual projects; and
- (d) exchange of scientific and technical personnel related to the cooperative projects and activities contained in this agreement.

ARTICLE IV

Cooperative programs and activities may be the subject of specific agreements for their appropriate implementation.

(24)

ARTICLE V

Scientific and technical cooperation shall be effected as follows:

- (a) annual programs composed of sets of specific projects financed by contributions from the United States Government;
- (b) special programs in which each participant will, in general, bear the costs pertaining to its obligations;
- (c) funding for annual and special programs shall be subject to the availability of the necessary funds.

ARTICLE VI

Cooperation in science and technology shall be coordinated through the Joint Committee for Scientific and Technological Cooperation which shall be responsible for:

- (a) formulation of an annual program of scientific and technical cooperation between the two countries;
- (b) review of all programs, activities, and operations, including the preparation of an annual report; and
- (c) the Joint Committee may recommend to the Governments modification, postponement, or termination of programs, where warranted, after consultation with all affected agencies and institutions.

ARTICLE VII

The annual program of scientific and technical cooperation, under this Agreement, shall be established through exchange of notes between the Ministry of Foreign Affairs and the Embassy of the United States at Madrid, or through formal decision of the United States-Spanish Council, acting on the basis of recommendations of the Committee.

ARTICLE VIII

Scientific and technical information of a non-proprietary nature resulting from cooperation under this Agreement shall be made available to the world scientific community through customary channels in accordance with normal procedures.

The disposition of any patents, know-how, and other proprietary property derived from the cooperative activities shall be provided for in the specific agreements referred to in Article IV.

ARTICLE IX

Each Government will facilitate, consistent with law, the entry and exit of equipment and material to be utilized in cooperative activities under this Agreement, as well as the personal effects of scientific and technical personnel and their families.

ARTICLE X

Nothing in this Agreement shall preclude or prejudice scientific and technological cooperation outside the terms of this Agreement by institutions of the United States or Spain or by nationals of either country with each other or with third parties.

ARTICLE XI

Institutions, organizations, or entities of third countries may participate in cooperative programs or activities with the joint approval of the Governments of the United States and Spain.

ARTICLE XII

Programs and activities currently in force and established by the competent authorities shall not be affected by this Agreement. However, they may be included in this Agreement when both Governments so decide.

ARTICLE XIII

In the field of energy, both Governments consider that cooperation in research and development in nuclear and nonnuclear aspects of energy and energy conservation is important. To increase cooperation in energy research and development, both Governments will endeavor to remain within the framework of cooperation in the context of the International Energy Agency and will ensure that, to the maximum extent possible, appropriate research linkages are maintained with that organization and its member countries.

ARTICLE XIV

With respect to nuclear cooperation for peaceful purposes, the areas of interest for both countries which shall receive early consideration in the development of cooperative programs and institutional agreements will include: basic physics research, reactor technology, fuel safety and treatment, radioactive metrology, contamination, and radioactive wastes.

ARTICLE XV

Cooperation in solar energy research and its applications for domestic, industrial, and agricultural use is of interest to both countries and shall receive early consideration in the preparation of the general cooperation agreements and in the development of special programs within those agreements.

Both Governments will also give consideration to cooperation on other forms of energy.

ARTICLE XVI

In the field of environmental and urban problems, both Governments recognize the usefulness of annual programs already carried out, and consider it desirable to increase this cooperation wherever possible, giving special attention to the following aspects:

- (a) monitoring, reduction, and where feasible, elimination of environmental pollution;
- (b) conservation and protection of reserves and natural areas, including their fauna; and
- (c) urban and regional planning directed to improvement of the quality of human life.

ARTICLE XVII

In the field of agriculture, both Governments recognize the continuing importance that cooperation holds for the peoples of each country

and of the world, and will continue to encourage, as appropriate, cooperation in such programs and activities as may be of mutual interest. These may include, *inter alia*, agricultural scientific research, agricultural health standards, professional training, exchange of instructors and researchers, and exchange of information for technical and scientific progress in agriculture. In the development of cooperative programs, the special problems and priorities of each country shall be taken into account.

ARTICLE XVIII

In the area of natural resources, both Governments recognize the importance of research to their identification, conservation, and efficient utilization, and agree to develop and implement cooperative programs in areas to be jointly defined. Such programs may include, *inter alia*, information exchange, provision of expert services, specialized work experiences, and development and intensification of inter-institutional linkages. In the development of natural resources cooperation, early attention shall be given to oceanography.

ARTICLE XIX

This Agreement shall enter into force and remain in force contemporaneously with the Treaty of Friendship and Cooperation between Spain and the United States.

DONE in Madrid, this 24th day of January (1976, in duplicate, in the English and Spanish languages, both texts being equally authentic.

For the United States of America:

HENRY A. KISSINGER.

For Spain:

Commission and the Joint Committee on Educational and Cultural Affairs will cooperate as appropriate in their respective fields to reinforce the effectiveness of the action of both parties.

SUPPLEMENTARY AGREEMENT ON EDUCATIONAL AND CULTURAL COOPERATION

(Number 4)

ARTICLE I

Aware of the importance of the cultural achievements of the two countries and the desirability of strengthening the traditional friendship and understanding between their peoples, Spain and the United States will expand their cooperation in the educational, cultural, and scientific fields. Through the Joint Committee on Educational and Cultural Affairs they will seek to develop programs for more effective cooperation; carry out programs already approved for that purpose; seek to resolve problems that may arise; and make such recommendations as may be necessary in relation to these matters. Their cooperation and decisions in the fields of education, culture, and science will be subject to the legislative requirements of the two countries, including the annual appropriation of funds.

ARTICLE II

The program of exchanges between Spain and the United States in these fields will be expanded in both numbers and scope. The expansion will involve teachers, researchers, scientists, scholars and students and will be extended into all branches of learning, especially natural and applied sciences, economics, and the language and culture of the two countries. In the field of arts and letters, the two Governments will sponsor visits of authors and artists and encourage the reciprocal dissemination of their works.

ARTICLE III

The two Governments will cooperate in the expansion of the Spanish educational system. The United States will assist Spain in research, development, and advanced training for professors and other teaching personnel. The United States will also provide documents, equipment, and materials to educational research and teaching laboratories and libraries, as appropriate, for Spanish universities and other centers of higher learning. Both Governments will foster an exchange of cultural materials.

ARTICLE IV

Both Governments recognize the importance of the Fulbright-Hays program in promoting educational and cultural exchanges between the two countries, through the Commission on Cultural Exchange between Spain and the United States of America. Both Governments will contribute regularly to the financing of the Fulbright-Hays program. The

ARTICLE V

The two Governments consider it a matter of special interest to increase the knowledge of their respective languages in the two countries by encouraging the activities of institutions and organizations engaged in the teaching of Spanish and the dissemination of Spanish culture in the United States, and at the same time encouraging the work of institutions and organizations engaged in similar activities with respect to the language and culture of the United States.

ARTICLE VI

The annual Educational and Cultural Cooperation Program which is the subject of this Agreement will be established by exchange of notes between the Ministry of Foreign Affairs and the Embassy of the United States at Madrid, or by a formal decision of the United States-Spanish Council, taking as a basis the recommendations of the Committee.

ARTICLE VII

This Agreement shall enter into force and remain in force contemporaneously with the Treaty of Friendship and Cooperation between the United States and Spain.

DONE in Madrid, this 24th day of January, 1976, in duplicate, in the English and Spanish languages, both texts being equally authentic.

For the United States of America:

HENRY A. KISSINGER.

For Spain:

SUPPLEMENTARY AGREEMENT ON BILATERAL MILITARY COORDINATION

(Number 5)

ARTICLE I

A combined Military Coordination and Planning Staff shall be established at Madrid to facilitate coordination between the Spanish Armed Forces and the Armed Forces of the United States, as well as other forces dedicated to North Atlantic defense.

The Combined Staff will operate within the overall framework of the United States-Spanish Council and receive the Council's guidance through the Joint Military Committee. The Council will be kept apprised of the work of the staff, including all proposed joint exercises or other activities. The staff will have no command function.

ARTICLE II

The mission of the Combined Staff shall be to prepare and coordinate plans, which are in harmony with existing security arrangements in the North Atlantic area, for actions which could be taken in the geographic area of common interest as defined in Article III, in case of an attack against Spain or the United States in the context of a general attack against the West.

All such activities of the Combined Staff will take into account the requirements of the constitutional processes of the United States and Spain which must be met before any plans or other measures may be implemented.

Every effort shall be made to insure that these activities of the Combined Staff serve to complement and strengthen Western defense as a whole.

The Combined Staff shall be the vehicle to provide the Spanish Armed Forces the United States doctrine and information required to achieve the necessary strategic, tactical and logistical coordination within the area of common interest.

ARTICLE III

The geographic area of common interest is defined as follows:

- (a) Spain, including adjacent air space.
- (b) Atlantic area.

(1) Northern limit: the parallel of 48 degrees north latitude to the European continent.

(2) Western limit: from the intersection of 48 degrees north latitude and 23 degrees west longitude, south to the parallel of 23 degrees north latitude.

(3) Southern limit: the parallel of 23 degrees north latitude eastward from 23 degrees west longitude to the coastal waters of the African littoral.

(4) Eastern limit: northward along the African coast to the Strait of Gibraltar, and thence northward along the coast of Europe to 48 degrees north latitude.

(c) Mediterranean area: from the Strait of Gibraltar to the meridian of 7 degrees east longitude.

(d) The area excludes the territory of third states and their territorial waters.

ARTICLE IV

The organization of the Combined Staff shall be established by the Joint Chiefs of Staff of the United States and Spain with the approval of the respective national authorities. The Combined Staff shall be headed by two co-directors, one from each country, both having the same general/flag rank. Administrative arrangements will be established by mutual agreement. Militarily, the staff will be responsible to the United States Joint Chiefs of Staff and the Spanish Joint Chiefs of Staff through the Joint Military Committee.

ARTICLE V

Spanish liaison officers shall be assigned to such headquarters as are agreed upon.

ARTICLE VI

This agreement shall enter into force and remain in force contemporaneously with the Treaty of Friendship and Cooperation between Spain and the United States of America.

DONE in Madrid, this 24th day of January, 1976, in duplicate, in the English and Spanish languages, both texts being equally authentic.

For the United States of America:

HENRY A. KISSINGER.

For Spain:

to resolve the matter jointly. Each Government retains, however, the inherent right of self-defense.

SUPPLEMENTARY AGREEMENT ON FACILITIES

(Number 6)

ARTICLE I

Pursuant to Article V of the Treaty of Friendship and Cooperation and by way of contribution to the Western defensive effort, the Government of Spain grants the United States of America the right to use and maintain for military purposes the existing facilities in or connected with the Spanish military bases and installations listed in this agreement and its annex.

The facilities referred to above include those located at Rota Naval Base; the Torrejon and Zaragoza Air Bases, the Bardenas Reales firing range; and Moron, which remains on stand-by status.

The 98th Strategic Wing of tanker aircraft will be withdrawn from Spain but a detachment of a maximum of five tanker aircraft may be stationed at and use the Zaragoza Air Base. The nuclear submarine squadron will commence a phased withdrawal from Rota beginning on January 1, 1979 and this withdrawal will be completed by July 1, 1979.

Facilities within each Spanish military base or connected with it, such as lands, buildings, installations, and other major permanent items, made available for use by the United States forces, shall be listed in an inventory maintained by the parties, which indicates the purpose for which they are used. The parties will also maintain a list containing the identification and general strength levels of the United States military units stationed in Spain for the use and maintenance of these facilities.

United States forces may obtain supplies by means of the Cadiz-Zaragoza pipeline, under conditions which will be agreed.

The United States will not store nuclear devices or their components on Spanish soil.

ARTICLE II

The use and maintenance of the facilities authorized by Article I of this Agreement and the status of the United States forces in Spain as well as the use of the Spanish air space will be regulated by the express terms and technical conditions contained in arrangements agreed between the two Governments.

ARTICLE III

In the case of external threat or attack against the security of the West, the time and manner of the use by the United States of the facilities referred to in this Supplementary Agreement to meet such threat or attack will be the subject of urgent consultations between the two Governments, and will be resolved by mutual agreement in light of the situation created. Such urgent consultations shall take place in the United States-Spanish Council, but when the imminence of the danger so requires, the two Governments will establish direct contact in order

ARTICLE IV

Through the Joint Committee for Politico-Military Administrative Affairs, the parties will seek to assure the necessary coordination between the two Governments, and to resolve such problems as may arise as a result of the application of this Supplementary Agreement.

The organization and operation of the Committee will be developed with a view to dealing effectively and expeditiously with the problems which may arise, to promoting the direct contact between military and civilian officials of both parties appropriate to these ends, and finally, to fostering the maximum cooperation in all matters of mutual concern.

Prior to the expiration of the Treaty, and no less than three months before, the Joint Committee for Politico-Military Administrative Affairs will study the modalities and timetable resulting from the application of Article VIII of the Treaty, in case the extension established by Article VII does not go into force.

ARTICLE V

This agreement will enter into force contemporaneously with the Treaty of Friendship and Cooperation and remain in force with it and thereafter in accordance with Article VIII of the Treaty of Friendship and Cooperation.

DONE in Madrid, this 24th day of January, 1976, in duplicate, in the English and Spanish languages, both texts being equally authentic.

For the United States of America:

HENRY A. KISSINGER.

For Spain:

ANNEX TO ARTICLE I

In addition to the facilities listed in Article I, there are minor facilities outside of the principal Spanish installations mentioned in this Article. These facilities are:

- Jarama Water System Annex;
- Sonseca Weather Station Site;
- Torrejon ILS Outer Marker;
- Zaragoza Radio Beacon Annex;
- Soller Tropo Site and Housing Annex;
- Humosa Tropo Site;
- Guardamar Tropo and Transmitter Site;
- Inoges Tropo Site;
- Menorca Tropo Site;
- Moron Naval Communications Facility;
- Estaca de Vares LORAN Station;
- Estaca de Vares Communication Relay Station;
- Estartit (Gerona) LORAN Station;
- Cartagena Petroleum and Munitions Storage Facilities;
- El Ferrol Petroleum Facilities;
- Lloches Petroleum Storage Farm;
- La Muela Petroleum Storage Farm;
- El Arahal Petroleum Storage Farm.

SUPPLEMENTARY AGREEMENT ON COOPERATION REGARDING MATERIEL FOR THE ARMED FORCES

(Number 7)

ARTICLE I

The Government of the United States will issue repayment guarantees under its foreign military sales program to facilitate the extension of loans to the Government of Spain by eligible lenders for the purpose of financing the purchase by the Government of Spain of defense articles and defense services in furtherance of the present Treaty of Friendship and Cooperation. The aggregate principal amount of loans guaranteed by the Government of the United States in accordance with this Article shall total \$120,000,000 during each of the five years during which the present Treaty of Friendship and Cooperation shall remain in force.

ARTICLE II

(1) The Government of the United States will furnish defense articles to the Government of Spain on a grant basis with a value of \$75,000,000 over the period during which the present Treaty of Friendship and Cooperation shall remain in force.

(2) In addition, the Government of the United States will continue to furnish on a grant basis training for personnel of the armed forces of Spain, the value of which shall be \$2,000,000 during each of the five years of validity of the Treaty.

(3) The value of defense articles furnished under this Article will be calculated in the manner most favorable to the Government of Spain, consistent with applicable United States laws and regulations.

ARTICLE III

All defense articles or defense services furnished to the Government of Spain in accordance with this Agreement shall be furnished subject to the terms and conditions set forth in Article I of the Mutual Defense Assistance Agreement of September 26, 1953 between the two Governments, except that Article I, paragraph 3, of that Agreement shall not apply to defense articles and defense services purchased by the Government of Spain pursuant to this Agreement. In addition to such terms and conditions, the Government of Spain agrees that the net proceeds of sale received by it in disposing of any weapon, weapons system, munition, aircraft, military vessel, or other implement of war, including scrap therefrom, furnished on a grant basis by the Government of the United States, will be paid to the Government of the United States and shall be available to pay the official costs of the Government of the United States payable in the currency of Spain, including all costs relating to the financing of international educational and cultural exchange activities in which the Government of

Spain participates. Defense articles and defense services are furnished pursuant to this Agreement exclusively for legitimate self-defense, or for participation in collective measures consistent with the Charter of the United Nations or requested by the United Nations for the purpose of maintaining or restoring international peace and security.

ARTICLE IV

The Government of the United States will assign a high priority to the delivery to Spain of grant materiel agreed upon and of the necessary logistic support of the aforesaid needed materiel for the life of the Agreement.

ARTICLE V

The Government of the United States agrees to make the maximum effort to facilitate acquisition by the Government of Spain of four complete squadrons (of 18 aircraft each) of F-16 light fighter aircraft, or others of similar characteristics.

ARTICLE VI

The Government of the United States agrees to contribute to modernizing, semi-automating and maintaining the existing aircraft control and warning network utilized by the United States Air Force in Spain, in an amount not exceeding \$50,000,000.

Details of those improvements and of the maintenance and the cost-sharing arrangements shall be set forth in a subsequent implementing agreement.

ARTICLE VII

With regard to the execution of new joint utilization projects agreed to by the armed forces of the two countries, such as the case covered in the preceding article, the two parties shall mutually agree on the respective percentages of participation in such projects to be charged to the defense budget of each country.

ARTICLE VIII

The Government of the United States will offer for sale to the Government of Spain, at a favorable price consistent with applicable law, naval vessels of the following quantities and types; four MSO ocean-going minesweepers and one ARL minesweeper tender.

ARTICLE IX

The Government of the United States agrees to give prompt consideration to proposals for transfer to the Government of Spain of the technical data, equipment, and materials necessary for production in Spain of specific defense items. In each case, such production shall remain subject to specific agreement between the two Governments.

ARTICLE X

(1) The Government of the United States will make available for lease to the Government of Spain 42 F-4E aircraft from the inven-

tory of the United States Air Force the delivery of which aircraft shall be effected on the dates agreed upon.

(2) The Spanish Government will pay the United States Government the amount agreed upon for lease of these aircraft. The lease may be terminated by the Government of Spain prior to expiration of the lease with one year prior notice to the Government of the United States. The lease may be extended by the Government of Spain beyond the term of the lease for an amount to be agreed upon until an equivalent number of F-16 aircraft can be made available for delivery to Spain pursuant to Article IV hereof.

(3) The Government of Spain will sell to the Government of the United States 34 F-4C aircraft and F-4C specific support equipment and accessories for an amount agreed upon. The delivery of the F-4C aircraft to the Government of the United States will be concurrent with the delivery of the F-4E aircraft to the Government of Spain.

(4) The Government of the United States agrees to sell to the Government of Spain the necessary spare parts and support equipment for maintenance of the F-4E aircraft until termination of the lease.

ARTICLE XI

It is expressly agreed by the two Governments that the undertakings of the Government of the United States provided for in this Agreement will be carried out in accordance with, and subject to, applicable provisions of United States law and the appropriation of the necessary funds by the United States Congress.

The undertakings of the Government of Spain hereunder will be carried out in accordance with and subject to applicable provisions of Spanish law.

ARTICLE XII

The Agreement will enter into force and remain in force contemporaneously with the Treaty of Friendship and Cooperation between the United States and Spain.

DONE in Madrid, this 24th day of January, 1976, in duplicate, in the English and Spanish languages, both texts being equally authentic.

For the United States of America:

HENRY A. KISSINGER.

For Spain:

MADRID, January 24, 1976.

His Excellency, D. JOSÉ MARÍA DE AREILZA Y MARTÍNEZ-RODAS,
Minister of Foreign Affairs of Spain.

No. 67

EXCELLENCY: I have the honor to refer to the recent discussions between the Government of Spain and the Government of the United States of America relating to United States military facilities in Spain, and to assure you that the Government of the United States of America will settle damage claims resulting from nuclear incidents pursuant to the following:

The United States Congress has enacted Public Law 93-513, a copy of which is enclosed, which provides that the United States will settle claims for bodily injury, death or damage to or loss of real or personal

property proven to have resulted from a nuclear incident involving the nuclear reactor of a United States nuclear-powered warship on the basis of absolute liability. As of December 6, 1974, the provisions of this legislation are in effect for all United States nuclear-powered warships entering Spanish as well as all other foreign ports. A discussion of the purpose of this legislation is contained in the October 16, 1974, report by the Joint Congressional Committee on Atomic Energy, a copy of which is also enclosed.

While the foregoing law applies only to claims arising from nuclear incidents involving the nuclear reactor of a United States nuclear-powered warship, the Government of the United States of America gives its further assurances that it will endeavor, should the need arise, to seek legislative authority to settle in a similar manner claims for bodily injury, death or damages to or loss of real or personal property proven to have resulted from a nuclear incident involving any other United States nuclear component giving rise to such claims within Spanish territory.

Additionally, I am pleased to note that in any situation described above, the Spanish Government could use the provisions of Article XXVII of the Agreement in Implementation and that the United States would be prepared to waive the provisions of Article XXV of that Agreement.

Accept, Excellency, the assurances of my highest consideration.
Enclosure: Public Law 93-513.

ROBERT J. McCLOSKEY,
Ambassador-at-Large.

[TRANSLATION]

MINISTRY OF FOREIGN AFFAIRS,
Madrid, January 24, 1976.

His Excellency, ROBERT McCLOSKEY,
Ambassador of the United States of America,
Washington, D.C.

MR. AMBASSADOR: I have the honor to acknowledge receipt of your note dated today, which translated into Spanish reads as follows:

[For text of United States note, see United States note No. 67 of January 24, 1976.]

I have the honor to inform you that the Spanish Government accepts with satisfaction the contents of Your Excellency's note and trusts in a broad application of its provisions.

Accept, Mr. Ambassador, the assurances of my highest consideration.
[s] J. M. DE AREILZA.

MADRID, January 24, 1976.

His Excellency, D. JUAN JOSÉ ROVIRA Y SÁNCHEZ HERRERO,
Ambassador of Spain, Ministry of Foreign Affairs, Madrid.

No. 68

EXCELLENCY: I have the honor to refer to the Treaty of Friendship and Cooperation of this date and other related agreements between our two Governments and specifically to the operating rights granted to the United States Forces thereunder.

It is the understanding of my Government that, in addition to those operating rights set forth in that Treaty and related agreements, the

air and naval bases provided for by the Treaty may be utilized for flights by aircraft of the land, sea or air armed forces of the United States, as well as by other United States aircraft chartered wholly by such forces in transit through Spain enroute to other destinations. Appropriate arrangements will be made to ensure that persons who enter or leave Spanish territory in such aircraft, who are not otherwise duly authorized, meet requirements for Spanish passport and customs control. Upon giving the required notice, aircraft of or chartered wholly by those forces may overfly Spanish territory, in accordance with applicable Spanish air traffic regulations.

If your Government concurs in the foregoing, I have the honor to propose that this note and Your Excellency's note in reply to that effect shall constitute an agreement between our two Governments on this matter.

Accept, Excellency, the assurances of my highest consideration.

ROBERT J. McCLOSKEY,
Ambassador-at-Large.

[TRANSLATION]

MINISTRY OF FOREIGN AFFAIRS,
Madrid, January 24, 1976.

His Excellency, ROBERT McCLOSKEY,
Ambassador of the United States of America,
Washington, D.C.

MR. AMBASSADOR: I have the honor to refer to Your Excellency's note dated today, which translated into Spanish reads as follows:

[For text of United States note, see United States note No. 68 of January 24, 1976]

I wish to inform Your Excellency that the Government of Spain expresses its agreement that your note, together with this reply, shall constitute an agreement between our two Governments.

Accept, Excellency, the assurances of my highest consideration.

[s] JUAN J. ROVIRA.

MADRID, January 24, 1976.

His Excellency, D. JUAN JOSÉ ROVIRA Y SÁNCHEZ HERRERO,
Ambassador of Spain, Ministry of Foreign Affairs, Madrid.

No. 69

EXCELLENCY: I have the honor to refer to the Treaty of Friendship and Cooperation and the Agreement in Implementation, and to note that full consideration of Procedural Annexes XI and XII to the Agreement in Implementation of Chapter VIII of the Agreement of Friendship and Cooperation of August 6, 1970, was not possible. No new texts were drafted to replace them. Accordingly, I propose that those annexes remain in force until new annexes are developed.

In this connection, I have the honor to propose that the Mixed Technical Commission established by Procedural Annex XI be given the task of proposing the plans necessary for the possible eventual transfer of responsibility to the Spanish Government for the operation and maintenance of all or part of the petroleum products pipeline and associated storage facilities at present operated by United States

forces, with a view to developing new procedural annexes XI and XII, and if appropriate, to transferring facilities which may be affected. Another Commission which may include the members of the one mentioned above will be formed to study plans for a possible transfer of naval fuel storage tanks at Rota, Cartagena and Ferrol.

My Government agrees to eliminate any administrative charges referred to in Procedural Annex XII, Paragraph 3, as of January 1, 1976, pending conclusion of new procedural annexes.

The reduction or elimination of similar charges referred to in Procedural Annex XII, Paragraph 8, will be the subject of prompt consultation.

If your Government concurs in the foregoing, I have the honor to propose that this note and Your Excellency's reply to that effect shall constitute an agreement between our two Governments on this matter.

Accept, Excellency, the assurances of my highest consideration.

ROBERT J. McCLOSKEY,
Ambassador-at-Large.

[TRANSLATION]

MINISTRY OF FOREIGN AFFAIRS,
Madrid, January 24, 1976.

His Excellency, ROBERT McCLOSKEY,
Ambassador of the United States of America, Washington, D.C.

MR. AMBASSADOR: I have the honor to refer to Your Excellency's note dated today, which translated into Spanish reads as follows:

[For text of United States note, see United States note No. 69 of January 24, 1976].

I wish to state to Your Excellency that the Government of Spain expresses its agreement that your note, together with this reply, shall constitute an agreement between our two Governments.

Accept, Mr. Ambassador, the assurances of my highest consideration.

[s] JUAN J. ROVIRA.

MADRID, January 24, 1976.

His Excellency, D. JUAN JOSÉ ROVIRA Y SÁNCHEZ HERRERO,
Ambassador of Spain, Ministry of Foreign Affairs, Madrid.

No. 70

EXCELLENCY: I have the honor to refer to Supplementary Agreement Number Three on Scientific and Technological Cooperation signed today. To begin the fulfillment of the provisions of said Supplementary Agreement, and to facilitate cooperation between the United States and Spain in scientific research and technological development, I have the honor to inform your Excellency of the following:

(1) The Government of the United States will provide each year, as a grant, the sum of \$4,600,000, which represents over the five year duration of the aforementioned Supplementary Agreement a total grant of \$23,000,000 to carry out the annual programs which, in accordance with paragraph a of Article V, will be made up of groups of specific projects.

(2) In addition, it is agreed that the Joint Committee on Scientific and Technological Cooperation will be charged with bringing together

United States and Spanish experts to develop the special programs mentioned in paragraph b of Article V of the said Supplementary Agreement, including in this effort the investigation of possible sources of financing, both public and private.

(3) In view of the interest of the Spanish Government in rapid implementation of the provisions of Article XV with the establishment of a Solar Energy Center located in Spanish territory, it also is agreed that the two Governments will charge the Joint Committee on Scientific and Technological Cooperation with presenting, within two months from the entry into force of the said Supplementary Agreement, a plan for carrying out appropriate studies necessary for the eventual creation of the Center. United States experts who may come to Spain to make such studies will receive all the assistance necessary from the Government of Spain so that they may carry out their tasks in the fullest collaboration with the experts whom the Spanish Government may designate.

If the foregoing is acceptable to the Government of Spain, I have the honor to propose that this note and Your Excellency's note in reply indicating concurrence shall constitute an Agreement between our two Governments on this matter.

Accept, Excellency, my renewed assurances of highest consideration.

ROBERT J. McCLOSKEY,
Ambassador-at-Large.

[TRANSLATION]

MINISTRY OF FOREIGN AFFAIRS,
Madrid, January 24, 1976.

His Excellency, ROBERT McCLOSKEY,
Ambassador of the United States of America,
Washington, D.C.

MR. AMBASSADOR: I have the honor to acknowledge receipt of your note of today, which translated into Spanish reads as follows:

[For text of United States note, see United States note No. 70 of January 24, 1976]

I have the honor to inform you that the Spanish Government accepts with satisfaction the contents of Your Excellency's note, and trusts in a broad application of its provisions.

Accept, Mr. Ambassador, the assurances of my highest consideration.

[s] JUAN J. ROVIRA.

[TRANSLATION]

MINISTRY OF FOREIGN AFFAIRS,
Madrid, January 24, 1976.

His Excellency, ROBERT McCLOSKEY,
Ambassador of the United States of America,
Washington, D.C.

MR. AMBASSADOR:

[Text of this note appears in English in United States note No. 71 of January 24, 1976]

[s] JUAN J. ROVIRA.

MADRID, January 24, 1976.

His Excellency, D. JUAN JOSÉ ROVIRA Y SÁNCHEZ HERRERO,
Ambassador of Spain, Ministry of Foreign Affairs, Madrid.

No. 71

EXCELLENCY: I have the honor to refer to your note of this date which reads in translation as follows:

In connection with the commitments assumed by the Spanish Government Under Article I of Supplementary Agreement Number Six of the Treaty of Friendship and Cooperation signed on this date, I have the honor to inform you that the facilities of Spanish property located in Spain that my Government authorizes to be used by the Armed Forces of the United States for the purposes indicated in Article V of said Treaty are detailed as follows:

In the Spanish Air Base of Torrejon

On-Base Facilities:

Facilities required for operations, administration, maintenance, communications, materiel storage, wartime supply reserve materiel storage, other storage facilities and supporting services for one tactical fighter wing, administrative aircraft, one numbered air force headquarters, one communications region headquarters, one military airlift aerial port, and standby requirements as established in the exchange of notes of August 6, 1970.

In the Spanish Air Base of Zaragoza

On-Base Facilities:

On-base facilities required for operations, administration, maintenance, communications, wartime supply reserve materiel storage, other storage facilities and supporting services for one tactical fighter training group, weapons training detachment (up to one wing equivalent), one detachment of tanker aircraft, administrative aircraft, logistic support materiel storage (Harvest Eagle), and standby requirements as established in the exchange of notes of August 6, 1970.

In the Spanish Air Base of Moron

On-Base Facilities:

On-base facilities (maintained in modified caretaker status) required for operations, maintenance, administration, materiel storage, communications, wartime supply reserve materiel storage, other storage facilities and supporting services for standby requirements as established in the exchange of notes of August 6, 1970.

In the Spanish Naval Base of Rota

On-Base Facilities required for operations, administration, maintenance, communications, materiel storage, and supporting services for one maritime patrol squadron, one fleet air reconnaissance squadron, one fleet tactical support squadron, administrative aircraft, one naval reserve maritime patrol and one naval reserve fleet tactical support squadron for training about six months per year, occasional carrier aircraft detachments for temporary basing, naval airlift aerial port, one submarine squadron including one tender ship and one floating drydock, ships' berthing and mooring and fleet logistic support, one naval communications station, one fleet ocean surveillance information facility, one naval fuel depot, one storage depot and one weather station.

Leased Properties

Properties leased by the United States as of this date may continue to be so leased.

I further wish to advise you that the Government of Spain authorizes a level of forces of the United States permanently assigned in Spain of approximately:

Air Force	6,650
Navy (including Marine Corps)	4,325
Army	35
Total	11,010

In a similar manner, the Government of Spain authorizes that other military personnel may be temporarily assigned in Spain in connection with their official duties, at a level of approximately:

Air Force	525
Navy (including Marine Corps)	1,850
Army	15
Total	2,390

In addition, and in accordance with the above-mentioned Article I of the Supplementary Agreement, I wish to inform you of the desire of my Government that an inventory be taken of the facilities and that the list mentioned in said Article be drawn up, which must be completed within 90 days of this date.

If the above merits the approval of your Government, I wish to propose that this Note and your answer shall constitute the agreement of both Governments while the inventory and list mentioned in the preceding paragraph are completed and agreed upon.

I wish to advise you that the Government of the United States agrees that your note, together with this reply, constitute an agreement between our two Governments relating to Supplementary Agreement Number Six of the Treaty of Friendship and Cooperation signed January 24, 1976.

Accept, Excellency, the assurances of my highest consideration.

ROBERT J. McCLOSKEY,
Ambassador-at-Large.

MADRID, January 24, 1976.

His Excellency, D. JUAN JOSÉ ROVIRA Y SÁNCHEZ HERRERO,
Ambassador of Spain, Madrid.

No. 72

EXCELLENCE: I have the honor to refer to Supplementary Agreement Number Four on Educational and Cultural Cooperation. In order to carry out the provisions of this Agreement and to facilitate cooperation between Spain and the United States in those fields, I have the honor to inform Your Excellency of the following:

In order to carry out the annual programs in conformity with Articles I, II, III and V of this Supplementary Agreement, the Government of the United States will furnish each year, in the form of a grant, the sum of \$2,400,000, which represents, for the five year duration of the Supplementary Agreement, a total grant of \$12 million.

Accept, Excellency, the assurances of my highest consideration.

ROBERT J. McCLOSKEY,
Ambassador-at-Large.

[TRANSLATION]

MINISTRY OF FOREIGN AFFAIRS,
Madrid, January 24, 1976.

His Excellency, ROBERT McCLOSKEY,
*Ambassador of the United States of America,
Washington, D.C.*

MR. AMBASSADOR: I have the honor to acknowledge receipt of your note dated today, which translated into Spanish reads as follows:

[For text of United States note, see United States note No. 72 of January 24, 1976.]

I have the honor to inform you that the Spanish Government accepts with satisfaction the contents of Your Excellency's note and trusts in a broad application of its provisions.

Accept, Mr. Ambassador, the assurances of my highest consideration.

[S] JUAN J. ROVIRA.

MADRID, January 24, 1976.

His Excellency, D. JUAN JOSÉ ROVIRA Y SÁNCHEZ HERRERO,
Ambassador of Spain, Ministry of Foreign Affairs, Madrid.

No. 73

EXCELLENCE: I have the honor to refer to Article X of Supplementary Agreement No. Seven on Cooperation Regarding Materiel for the Armed Forces. With respect to the implementation of the provisions of this Agreement, I have the honor to inform Your Excellency of the following:

The price agreed for the lease of the 42 F-4E aircraft will be \$53 million for a period of five years.

The delivery of these aircraft shall be completed no later than February 1, 1977, or, alternatively, no later than 180 days after the ratification of the Treaty, if the latter occurs after February 1, 1977.

The Government of the United States shall pay the Government of Spain the amount of \$55 million for the sale of 34 F-4C aircraft, including support equipment and accessories specific to these aircraft.

I have the honor to propose to Your Excellency that, if the above is acceptable to your Government, this note and Your Excellency's note in reply to that effect shall constitute an agreement between our two Governments.

Accept, Excellency, the assurances of my highest consideration.

ROBERT J. McCLOSKEY,
Ambassador-at-Large.

[TRANSLATION]

MINISTRY OF FOREIGN AFFAIRS,
Madrid, January 24, 1976.

His Excellency, ROBERT McCLOSKEY,
*Ambassador of the United States of America,
Washington, D.C.*

MR. AMBASSADOR: I have the honor to refer to Your Excellency's note dated today, which translated into Spanish reads as follows:

[For text of United States note, see United States note No. 73 of January 24, 1976.]

I wish to state to Your Excellency that the Government of Spain expresses its agreement that your note, together with this reply, shall constitute an agreement between our two Governments.

Accept, Mr. Ambassador, the assurances of my highest consideration.

[s] JUAN J. ROVIRA.

MADRID, February 3, 1976.

His Excellency, D. JUAN JOSÉ ROVIRA Y SÁNCHEZ HERRERO,
Ambassador of Spain, Ministry of Foreign Affairs, Madrid.
No. 105

EXCELLENCY: I have the honor to refer to the question of diplomatic privileges and immunities to be accorded to participants of each party in the work of the United States-Spanish Council and to propose that, pursuant to Article VI of Supplementary Agreement Number One of the Treaty of Friendship and Cooperation between the United States and Spain, signed at Madrid on January 24, 1976, the norm to be applied is that of each country's established practice with regard to diplomatic missions. The participants in the work of the Council will, therefore, receive in the country in which the work is being carried out the privileges and immunities accorded in that country to persons of equivalent rank and function who are members of the diplomatic, administrative and technical staff, as appropriate, of foreign diplomatic missions in that country.

If the foregoing is acceptable to the Government of Spain, I have the honor to propose that this note and Your Excellency's note in reply indicating concurrence shall constitute an agreement between our two Governments on this matter.

Accept, Excellency, the assurances of my highest consideration.

WELLS STABLER.

[TRANSLATION]

MINISTRY OF FOREIGN AFFAIRS,
Madrid, February 3, 1976.

His Excellency, WELLS STABLER,
Ambassador of the United States of America, Madrid.

EXCELLENCY: I have the honor to refer to your note of today's date which, translated into Spanish, reads as follows:

[For text of United States Note, see United States Note No. 105 date February 3, 1976]

I wish to inform Your Excellency that the Government of Spain agrees that your note and this reply thereto shall constitute an agreement between our two Governments.

Accept, Mr. Ambassador, the assurance of my highest consideration.

APPENDIX II

94TH CONGRESS
2d Session

SENATE

EXECUTIVE REPT.
No. 94-25

TREATY OF FRIENDSHIP AND COOPERATION WITH SPAIN

MAY 20, 1976.—Ordered to be printed

Mr. SPARKMAN, from the Committee on Foreign Relations, submitted the following

REPORT

[To accompany Ex. E, 94-2]

The Committee on Foreign Relations, to which was referred the Treaty of Friendship and Cooperation between the United States of America and Spain, signed at Madrid on January 24, 1976, together with its seven Supplementary Agreements and its eight related exchanges of notes (Ex. E, 94-2) having considered the same, reports favorably thereon with a declaration and recommends that the Senate advise and consent to ratification thereof.

1. MAIN PURPOSES

The main purpose of the treaty is to assure the continued availability to the United States of three air bases and one naval base in Spain. To this end, various forms of military assistance, sales, and other benefits totalling \$1.2 billion are provided over a five-year period.

In addition, the proposed Treaty would create the basis for a new relationship between the United States and Spain, as well as for the latter country's future relations with its Western European neighbors, subsequent to last year's change in Spanish political leadership. The Treaty would replace a series of executive agreements which have determined United States-Spanish relations since 1953 and would expand and formalize the subjects covered by such executive agreements in the past. An institutional framework is provided to facilitate increased cooperation in such areas as defense issues, economic questions, education and cultural affairs, and scientific and technological matters.

2. BACKGROUND

The first post-World War II United States military base agreement with Spain was signed at Madrid and entered into force on September 26, 1953. Through extensions, this "Defense Agreement" remained in effect until the same date in 1970. On August 6 of that year, there

was signed a new executive agreement, entitled "Agreement of Friendship and Cooperation between the United States of America and Spain." This new and more comprehensive agreement technically expired on September 26, 1975; however, there was a provision for a one-year transitional period in the event that the two governments did not agree upon a simple five-year extension. Through tacit consent on both sides, no formal move toward withdrawal occurred while negotiations went forward on new arrangements to replace the 1970 agreement.

Intense debate about the general character of the United States relationship with Spain has been intermittent since 1953. In recent years, however, the focus has narrowed. Throughout 1969 and as late as July 24, 1970, the Committee on Foreign Relations and its Subcommittee on U.S. Security Agreements and Commitments Abroad held a series of closed session devoted to exploring the nature and extent of U.S. involvement and programs in Spain. Of particular importance to the Committee was the question whether the pending new agreement should be submitted to the Senate for approval as a treaty or should continue to take the form of an executive agreement. This question became moot when the Administration suddenly signed the agreement on August 6, 1970. The issue remained of whether or not anything in the new agreement could be construed as a U.S. national commitment to come to the defense of Spain, despite strong statements by the executive branch that there was nothing which could be described as a security commitment. To insure and underscore that position the Senate in December, 1970, overwhelmingly approved a resolution to that effect sponsored by Senator Frank Church.

Such questions were very much in the minds of the U.S. representatives when negotiations for a new agreement began at the end of 1974. The main impetus for a new arrangement came from the Spanish side, largely because of a long-held and growing belief that Spain exposes itself to possible reprisals for making its territory available to U.S. forces, but receives comparatively little tangible in return. As time passes, so does the Spanish memory of almost \$1.9 billion in American assistance during the period 1949-1975, with roughly \$1.55 billion of that sum taking the form of grants (Export-Import Bank loans of about \$1.33 billion are additional). The reason, of course, is that such aid was concentrated in the decade after 1953. On the other hand, the United States since 1970 has been making a special effort to compensate for the absence of a security commitment by broadening the fields of cooperation with Spain and by trying to promote Spanish interests with respect to European and Atlantic institutions. For its part, the executive branch, through the study and decision mechanisms of the National Security Council, determined before the negotiations that the military facilities in Spain were necessary to the United States.

Throughout 1975, the U.S. negotiating team, while by no means foreclosing the idea of a treaty (but not a security treaty), basically was dealing with the concept of another executive agreement. Praiseworthy efforts were made to keep appropriate members of Congress informed within limits with respect to either eventuality. Late in the year, however, the Secretary of State decided to accelerate the negotiating process, and also to submit the results as a treaty. Presumably

because a number of contingent promises had already been made to the Spanish Government, the treaty articles were not framed in a customary way. Instead, cross references were made to Supplementary Agreements which contain financial provisions. Furthermore, not only the Treaty articles but the Supplementary Agreements and exchanges of notes were submitted as treaty text. Correctly or not in constitutional terms—as noted by Senator Javits—the executive branch takes the position that the package signed on January 24, 1976, cannot be separated by the Senate in giving or withholding its advice and consent to ratification.

3. MAJOR PROVISIONS

As mentioned above, the Treaty of Friendship and Cooperation expands and upgrades United States-Spanish relations in a number of fields, and provides a new institutional framework for such relationships. At the top of the structure is a high-level United States-Spanish Council. The Treaty and its Supplementary Agreements (and by inference the eight exchanges of notes) will enter into force upon the exchange of instruments of ratification and will remain in force for five years; they may be extended for five more years if both parties agree.

The best way to summarize the nature of the various articles is to quote from the Secretary of State's letter of submittal, dated February 6:

Article I of the Treaty, together with Supplementary Agreement Number One, and a related exchange of notes, establishes the United States-Spanish Council, under the joint chairmanship of the Secretary of State of the United States and the Foreign Minister of Spain. The Council, which is to meet at least semi-annually, will have headquarters in Madrid, a permanent secretariat, and permanent representatives serving as deputies to the Chairman to assure its ability to function in their absence. An important aspect of the new arrangement is the integration of the military cooperation into the Council structure.

Article II, together with Supplementary Agreement Number Two, calls for the development of closer economic ties between the United States and Spain, placing emphasis on cooperation in those fields which facilitate development. In this connection, the agreement takes into account the current readiness of the Export-Import Bank to commit credits and guarantees of approximately \$450 million to Spanish companies. The agreement also specifies general principles to guide United States-Spanish relations in the economic field.

Article III, together with Supplementary Agreement Number Three and a related exchange of notes, provides for a broad program of scientific and technical cooperation for peaceful purposes with principal emphasis on areas having significance to the social and economic welfare of the peoples of Spain and the United States as well as to developmental progress. A total of \$23 million would be provided by the United States in the form of grant to support this five-year program. One of the first matters of concern in

scientific and technological cooperation will be studies relating to a solar energy institute which Spain wishes to establish, with some seed money for the studies being drawn from the U.S. grant.

Article IV of the Treaty, together with Supplementary Agreement Number Four and a related exchange of notes, provides for a continuation and expansion of educational and cultural cooperation. The agreement contemplates a grant from the United States in the amount of \$12 million to support this five-year program, which is considered to be of particular importance in strengthening the relationship between the United States and Spain.

Articles V and VI of the Treaty, together with Supplementary Agreements Five, Six and Seven, and related exchanges of notes, deal with cooperation in the area of defense. The defense relationship which these provisions represent is one woven firmly into the fabric of existing United States philosophy and planning for the defense of the North Atlantic area. It represents a decision to assist Spain in developing a role which will contribute actively to that defense, and provides transitional institutions to prepare the way for an appropriate Spanish role in NATO. These provisions do not constitute a security guarantee or commitment to defend Spain. They do, however, constitute a recognition of Spain's importance as a part of the Western World.

To this end, a Combined Planning and Coordination Staff, with no command functions, is provided for by Supplementary Agreement Number Five, which sets forth a carefully drawn mandate and geographic area of common concern. All activities of the staff focus on the contingency of a general attack on the West. There is no commitment, express or implied, in the drawing up of the contingency plans.

To further the purposes of the Treaty, Spain grants the United States the right to use and maintain for military purposes those facilities in or connected with Spanish military installations which the United States has heretofore enjoyed, with the exception that the number of KC-135 tankers in Spain will be reduced to a maximum of five and the remaining tankers relocated; and that the nuclear submarines will be withdrawn from Spain by July 1, 1979, a date which corresponds with our changing requirements. In addition, the United States undertakes not to store nuclear devices or their components on Spanish soil. Details concerning the facilities granted are set forth in Supplementary Agreement Number Six, a related exchange of notes which includes U.S. military strength levels authorized in Spain, and an exchange of notes confirming United States military overflight rights and rights to use facilities in Spain for military aircraft transiting to third countries.

The details of the military assistance to be provided Spain are set forth in Supplementary Agreement Number Seven and a related exchange of notes. Under these arrangements, the United States would provide to Spain, over the five year ini-

tial term of the Treaty, repayment guarantees under the Foreign Military Sales program for loans of \$600 million, \$75 million in defense articles on a grant basis, \$10 million in military training on a grant basis, and a U.S. Air Force contribution, on a cost-sharing basis, of up to \$50 million for the aircraft control and warning network used by the U.S. Air Force in Spain. In addition, provision is made to transfer to Spain five naval vessels and 42 F4E aircraft on terms which benefit that country.

The notes exchanged include United States assurances to Spain on settlement of damage claims which might result from nuclear incidents involving a United States nuclear powered warship reactor. These assurances are based on Public Law 93-513. Finally, there is an exchange of notes relating to the possible transfer of petroleum storage and pipeline facilities presently used by United States forces in Spain.

The Administration has assured the Committee on Foreign Relations that the only agreements, notes, etc., not included in the printed text of the Treaty consist of an "Agreement on Implementation" and procedural annexes thereto. These documents have been provided to the Committee and have been analyzed. They deal with the general topics of (1) relative U.S. and Spanish roles in administrative and military matters, (2) criminal jurisdiction and claims, (3) labor issues, (4) customs and fiscal questions, and (5) logistical matters in the base areas. In connection with item (2), the Spanish have agreed to status of forces provisions at least as favorable as those received by U.S. personnel in NATO countries.

4. COMMITTEE ACTION

On February 18, 1976, the Treaty of Friendship and Cooperation with Spain was transmitted by the President to the Senate and referred to the Committee on Foreign Relations. The Committee held three public hearings on the Treaty during the month of March. On March 3 the principal members of the U.S. negotiating team and other responsible officials appeared: namely, Ambassador-at-Large Robert McCloskey, Assistant Secretary of State for European Affairs Arthur Hartman, Deputy Assistant Secretary of Defense for International Security Affairs Harry Bergold, and Vice Admiral Patrick Hannifin. Some 15 public witnesses were heard on March 12 and March 24, including Representative Bella S. Abzug, former Ambassador James Loeb and New York City Council President Paul O'Dwyer. Much of the testimony was negative or, if not adverse, called for delay to determine the character of future political developments in Spain.

The Committee met to discuss the Treaty on April 13 and on May 18. At the first of those meetings, the Chairman directed that texts of a number of proposals by Members be circulated to the Committee. The least controversial and complicated of these were proposals by Senator Clark, designed to append to the resolution of ratification two declarations supporting the concept of Spanish progress toward democracy and participation in the institutions of Western European political and economic cooperation, as well as NATO. These were formally introduced as Senate Resolution 401 on March 2 by Senator Clark

for himself and Senator Eagleton. In fact, the proposals became the nucleus for the overall declaration later adopted as part of the resolution of ratification. Senator Pell, for example, submitted an amendment to S. Res. 401 encouraging Spain to accept the Non-Proliferation Treaty or the International Atomic Energy Agency Safeguards.

The most difficult problem regarding the Treaty did not revolve around the character of political events in Spain. Rather, it concerned the phrasing of the Treaty articles taken in conjunction with the normal procedures of the Congress, and was raised immediately upon the convening of the first Committee hearing. A highly unusual, if not unique, situation is created by a treaty which after ratification appears to commit the Congress to provide sums of money for various purposes over a five-year period. Committee Members devoted much time to meetings with executive-branch officials in an effort to find a way out of the impasse. At the May 18 meeting the Committee believed it had before it a feasible approach—presented by Senator Clark—set forth as the fifth paragraph of the declaration (discussed below) incorporated in the single resolution of ratification. Thereupon the resolution was put to a vote and was approved 12 to 2: those voting in the affirmative were: Senators Sparkman, Mansfield, Pell, McGee, Humphrey, Clark, Case, Javits, Scott, Pearson, Percy and Griffin; those voting in the negative were Senators Symington and Biden.

5. COMMITTEE DECLARATION

Printed below are the five paragraphs which constitute the declaration made a part of the resolution of ratification:

(1) the United States, recognizing the aspiration of Spain to achieve full participation in the political and economic institutions of Western Europe, and recognizing further that the development of free institutions in Spain is a necessary aspect of Spain's full integration into European life, hopes and intends that this Treaty will serve to support and foster Spain's progress toward free institutions and toward Spain's participation in the institutions of Western European political and economic cooperation;

(2) the United States, while recognizing that this Treaty does not expand the existing United States defense commitment in the North Atlantic Treaty area or create a mutual defense commitment between the United States and Spain, looks forward to the development of such an expanded relationship between Western Europe and a democratic Spain as would be conducive to Spain's full cooperation with the North Atlantic Treaty Organization, its activities and mutual defense obligations;

(3) the United States, recognizing that this Treaty provides a framework for continued nuclear cooperation for peaceful purposes with Spain, looks forward to a continued relationship in this field commensurate with steps taken by Spain toward becoming a party to the Treaty on the Non-Proliferation of Nuclear Weapons or placing all of its nuclear facilities under safeguards administered by the International Atomic Energy Agency;

(4) Senate advice and consent to ratification shall be understood to apply only to the initial five-year period of the Treaty, so that any United States agreement to an extension of the Treaty shall require the further advice and consent of the Senate; and

(5) the sums referred to in the Supplementary Agreement on Cooperation Regarding Materiel for the Armed Forces and Notes of January 24, 1976, appended to the Treaty, shall be made available for obligation through the normal procedures of the Congress, including the process of prior authorization and annual appropriations, and shall be provided to Spain in accordance with the provisions of foreign assistance and related legislation.

The first and second paragraphs, sponsored by Senators Clark and Eagleton, express the hopes of the Committee and surely of most Americans concerning future developments in Spain. Without presuming to offer advice or to interfere in any way in the domestic affairs of a friendly nation, the sponsors wish to make it clear that approval of the Treaty must not be interpreted as approval of the status quo. On the contrary, it is hoped that the broader and stronger ties created by the Treaty will favorably affect all the Spanish people and encourage their greater participation in Western European and Atlantic affairs.

At the suggestion of Senator Pell, the Committee adopted the third paragraph on the nuclear issue. The Committee is increasingly concerned about the dangers of nuclear proliferation and believes strongly that every opportunity should be taken to promote adherence by other nations to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), particularly in cases where some form of nuclear cooperation with another country is already a fact. The Committee understands that it is expected that much of the \$450 million in Export-Import Bank credits and guarantees mentioned in the Treaty may be used to finance the sale of nuclear reactors to Spain. Neither the Supplementary Agreement on Economic Cooperation nor that on Scientific and Technological Cooperation involves a commitment to supply nuclear reactors. There is only a pledge under the latter agreement to give "*early consideration*" (emphasis added) to the development of programs and arrangements which will include "reactor technology." The Committee believes that any such events should be related to steps taken by Spain toward adhering to the NPT, or placing all of its nuclear facilities—not just those supplied by the United States—under IAEA safeguards.

The fourth paragraph relates to the fact that the Treaty provides that it "may be extended for an additional five years if the parties so agree." The Treaty is not specific, however, as to how such an extension would be accomplished. Therefore, to avoid any future misunderstanding, the Committee added to the consent resolution a declaration of the Senate's expectation that the executive branch will seek Senate advice and consent prior to entering into any extension agreement. It should be emphasized that this stipulation is directed solely at the process of U.S. Government decision-making, and would thus in no way affect the substance of the Treaty relationship.

The fifth and final paragraph of the declaration is of the utmost significance. When ratified, the Treaty will constitute a commitment by the United States to carry out the undertakings specified therein, including those with regard to financial assistance to Spain. According to Supplementary Agreement number 7 on cooperation regarding materiel for the Spanish armed forces, United States security assistance will be subject to the appropriation of the necessary funds by the United States Congress. In view of the established procedures for appropriating security assistance funds only pursuant to statutory authorization, the Committee decided that this Treaty could not be a substitute for authorizing legislation. Rather, the Committee intends to deal with funding of the Treaty commitments for foreign assistance and military sales in the regular foreign assistance authorization and appropriation legislation. To emphasize this intent, the Committee added to the consent resolution appropriate language to make it clear that funds will be made available to carry out the Treaty from year to year through the normal appropriations process, including prior authorization procedures.

As regards the conditions under which such assistance will be furnished to Spain, the Committee notes the Treaty's stipulation that "the undertakings of the government of the United States provided for in this Agreement [supplementary agreement #7 which establishes the commitment of military assistance] will be carried out in accordance with, and subject to, applicable provisions of U.S. law." In the Committee's understanding, as confirmed by Administration officials, this means that all military sales and related assistance furnished pursuant to the Treaty, other than that for the joint use aircraft control and warning system provided directly from the Defense Department budget, will be made available to Spain only in accordance with the provisions of the Foreign Assistance Act of 1961, as amended; the Foreign Military Sales Act; and related legislation applicable to other recipients of such sales and assistance. Thus, the Treaty does not supersede the terms and conditions specified in these statutes, including conditions of eligibility. The Committee has included appropriate language emphasizing this provision of the Treaty in the consent resolution it has framed for Senate approval.

6. ESTIMATED COSTS

Total United States assistance over the initial five-year period of the Treaty may be tabulated as follows:¹

	<i>Million</i>
(a) Repayment guarantees under the FMS program for loans.....	\$600
(b) Defense articles on a grant basis.....	75
(c) Military training on a grant basis.....	10
(d) U.S. contribution to aircraft control and warning network, up to.....	50
(e) Scientific and technical program.....	23
(f) Expanded educational and cultural cooperation.....	12
(g) Expected Ex-Im Bank credits and guarantees.....	450
	<hr/>
	1,220

¹ The United States will also offer for sale to Spain at favorable prices four ocean-going minesweepers and one minesweeper tender. Spain will sell back to the United States 34 F-4C aircraft and related equipment and lease 42 F-4E aircraft from this country; the respective amounts are expected to be roughly equivalent, with a probable \$2 million margin in Spain's favor.

The figures in (b), (c), (e) and (f) are expected to be divided into five equal annual sums of \$24 million each. The \$50 million for the ACW system is a ceiling figure which would come from the Defense Department budget depending on unpredictable site factors. Export-Import Bank credits also represent a ceiling and the Committee does not have information on the draw-down rate over five years. Guarantees under the Foreign Military Sales program probably will be divided unevenly over the five-year period in terms of budget authority and outlays.

7. CONCLUSION

The Committee on Foreign Relations has not disguised from itself or the public the various difficulties inherent in this particular Treaty. However, such problems have more to do with the internal workings of our Government than with the situation abroad. At the same time, the Committee is encouraged by the character of changes in Spanish conditions over recent months. Even though there is a risk—as in many areas of the world—that the United States might become affiliated in the eyes of people abroad with an unpopular government, the odds seem to favor positive action. This is especially the case because the Committee has engaged in a long struggle to persuade successive administrations to employ the treaty route for obviously important issues, rather than continuing to rely on executive agreements.

In the circumstances, the Committee urges the Senate to give its advice and consent to ratification of the Treaty with Spain.

TEXT OF RESOLUTION OF RATIFICATION

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Treaty of Friendship and Cooperation Between United States of America and Spain, signed at Madrid on January 24, 1976, together with its seven Supplementary Agreements and its eight related exchanges of notes (Executive E. Ninety-fourth Congress, second session) subject to the declaration that:

(1) the United States, recognizing the aspiration of Spain to achieve full participation in the political and economic institutions of Western Europe, and recognizing further that the development of free institutions in Spain is a necessary aspect of Spain's full integration into European life, hopes and intends that this Treaty will serve to support and foster Spain's progress toward free institutions and toward Spain's participation in the institutions of Western European political and economic cooperation;

(2) the United States, while recognizing that this Treaty does not expand the existing United States defense commitment in the North Atlantic Treaty area or create a mutual defense commitment between the United States and Spain, looks forward to the development of such an expanded relationship between Western Europe and a democratic Spain as would be conducive to Spain's full cooperation with the North Atlantic Treaty Organization, its activities and mutual defense obligations;

(3) the United States, recognizing that this Treaty provides a framework for continued nuclear cooperation for peaceful purposes with Spain, looks forward to a continued relationship in this field commensurate with steps taken by Spain toward becoming a party to the Treaty on the Non-Proliferation of Nuclear Weapons or placing all of its nuclear facilities under safeguards administered by the International Atomic Energy Agency;

(4) Senate advice and consent to ratification shall be understood to apply only to the initial five-year period of the Treaty, so that any United States agreement to an extension of the Treaty shall require the further advice and consent of the Senate; and

(5) the sums referred to in the Supplemental Agreement on Cooperation Regarding Materiel for the Armed Forces and Notes of January 24, 1976, appended to the Treaty, shall be made available for obligation through the normal procedures of the Congress, including the process of prior authorization and annual appropriations, and shall be provided to Spain in accordance with the provisions of foreign assistance and related legislation.

APPENDIX III

LETTER FROM HON. THOMAS E. MORGAN, CHAIRMAN, COMMITTEE ON INTERNATIONAL RELATIONS, TO HON. JOHN SPARKMAN, CHAIRMAN, SENATE FOREIGN RELATIONS COMMITTEE, EXPRESSING CONCERN ABOUT INCLUSION OF AUTHORIZATION LANGUAGE IN THE TREATY WITH SPAIN

COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, D.C., March 24, 1976.

Hon. JOHN SPARKMAN,
Chairman, Senate Foreign Relations Committee, Dirksen Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: As Chairman of the Committee on International Relations, I would like to express my concern regarding what to my knowledge is the unprecedented inclusion of authorization provisions in a security treaty—the one with Spain now before the Senate for advice and consent.

Department of State spokesman have confirmed that the authorization provisions were drafted to be construed as an authorization by which money could be appropriated without a separate legislative authorization.

There are precedents wherein treaties have been construed to serve as sufficient authorization to allow money to be appropriated on that basis alone, such as the Panama Canal Treaty. However, the Committee is aware of no precedents involving the vitally important and expensive area of security treaties.

This Treaty, as negotiated by the Executive Branch, appears to us as a serious challenge to the "Power of the Purse," which the House has historically enjoyed. As the Committee on International Relations bears the primary responsibility in the House of authorizing appropriations affecting relations of the United States with foreign countries, I consider it my duty as Chairman to call these concerns to your attention.

Specifically, I would respectfully ask you and your Committee to consider the inclusion of a reservation to any eventual Senate consent to this Treaty, which would retain for the House of Representatives its Constitutional and historic prerogative of legislative authorization of appropriations to fulfill security treaty commitments.

With best wishes, I am

Sincerely yours,

THOMAS E. MORGAN, Chairman.

Calendar No. 893

94TH CONGRESS
2d Session

SENATE

REPORT
No. 94-941

AUTHORIZATION OF FUNDS FOR TREATY OF FRIENDSHIP AND COOPERATION WITH SPAIN, FISCAL YEAR 1977

JUNE 11 (legislative day, JUNE 3), 1976.—Ordered to be printed

Mr. HUMPHREY, from the Committee on Foreign Relations,
submitted the following

REPORT

[To accompany S. 3557]

The Committee on Foreign Relations, having had under consideration an original bill to authorize the appropriation of funds necessary during the fiscal year 1977 to implement the provisions of the Treaty of Friendship and Cooperation between the United States and Spain, signed at Madrid on January 24, 1976, and for other purposes, recommends that the bill do pass without amendment.

1. MAIN PURPOSES

The main purpose of this bill to authorize the appropriation of funds to carry out the provisions of the Treaty of Friendship and Cooperation between the United States of America and Spain (Ex. E., 94-2) during the Fiscal Year 1977. Specific amounts totalling \$36 million are authorized for grant military assistance, security supporting assistance, international military education and training, and military sales guarantees. In addition, the bill specifies that the financing of an aircraft control and warning network shall be from available appropriations of the Department of Defense and provides for the transfer and financing of certain naval vessels and aircraft for Spain.

2. BACKGROUND AND COMMITTEE ACTION

The U.S.-Spanish Treaty was signed at Madrid on January 24, 1976. On February 18, the President transmitted the Treaty with its seven Supplementary Agreements and its eight related exchanges of notes to the Senate for advice and consent to ratification. The pur-

pose of the Treaty is to promote U.S. interests and objectives relating to Spain and western security. In particular, it assures the continued availability to the United States of three air bases and one naval base in Spain. To that end, the United States agreed in the Treaty to provide Spain with various forms of military assistance, sales and other benefits, including educational and cultural programs over a five-year period.

The Treaty was referred to the Committee on Foreign Relations, which then held three public hearings on the Treaty in March 1976, and held additional meetings to discuss it on April 13 and May 18. From the outset of its deliberations, the Committee devoted particular attention to the question of the procedure to be followed in authorizing the appropriation of funds to carry out the various provisions of the Treaty. The Committee's conclusion with regard to the funding procedures which it believes should be followed in this instance was reflected in paragraph five of the declaration which forms a part of the resolution of advice and consent to ratification:

(5) the sums referred to in the Supplementary Agreement on Cooperating Regarding Material for the Armed Forces and Notes of January 24, 1976, appended to the Treaty, shall be made available for obligation through the normal procedures of the Congress, including the process of prior authorization and annual appropriations, and shall be provided to Spain in accordance with the provisions of foreign assistance and related legislation. (Emphasis added.)

Elaborating on the foregoing declaratory language, the Committee included the following statement in its report to the Senate on the Treaty (Executive Report No. 94-25, May 20, 1976):

In view of the established procedures for appropriating security assistance funds only pursuant to statutory authorization, the Committee decided that this Treaty could not be a substitute for authorizing legislation. Rather, the Committee intends to deal with funding of the Treaty commitments for foreign assistance and military sales in the regular foreign assistance authorization and appropriation legislation. To emphasize this intent, the Committee added to the consent resolution appropriate language to make it clear that funds will be made available to carry out the Treaty from year to year through the normal appropriations process, including prior authorization procedures.

The Committee ordered the Treaty reported on May 18, 1976. The present bill is intended to be the first of the series of annual authorization actions anticipated by the Committee in its report on the Treaty. It was considered and ordered reported by the Committee (by voice vote) at its public session on June 8, 1976. At the same time the Committee ordered reported a waiver resolution pursuant to Sec. 402(c) of the Budget Act of 1974.

Anticipating a possible eventual requirement for fiscal year 1977 funds to implement the provisions of the Treaty, the Committee included amounts sufficient for that purpose in its March 15, 1976 submission to the Budget Committee. That submission, however, noted

that "the Committee reserves the right to revise its recommendations following its review of the Treaty." Pursuant to the Committee's recommendation, the First Concurrent Budget Resolution adopted on May 13, 1976, included a sufficient allocation of funds for fiscal year 1977 Treaty implementation purposes.

3. MAJOR PROVISIONS

The bill [section 1, paragraphs (1)-(4)] authorizes the appropriation of the following amounts for Spain during fiscal year 1977 for the following purposes:

1. Grant military assistance under Chapter 2 of Part II of the Foreign Assistance Act of 1961, as amended—\$15 million.
2. Security supporting assistance under Chapter 4 of Part II of the Foreign Assistance Act of 1961 to support scientific and technical programs and expanded educational and cultural cooperation—\$7 million.
3. International military education and training under Chapter 5 of Part II of the Foreign Assistance Act of 1961—\$2 million.
4. Guarantees of loans to finance Spanish purchases under Section 24 of the Foreign Military Sales Act—\$12 million.

The authorization relating to foreign assistance and foreign military sales contained in Section 1 are the only authorizations required to implement the Treaty. Export-Import Bank credits and guarantees referred to in the Treaty will be financed from the resources of the Bank and neither authorization nor appropriation is required.

In addition to the foregoing provisions, the bill [section 2(b)] makes clear that the contribution of not to exceed \$50 million for the maintenance and modernization of an aircraft control and warning network in Spain in implementation of the Treaty will not be from the funds authorized by this bill but from available appropriations of the Department of Defense. Section 2(c) of the bill is designed to allow the sale to Spain under the foreign military sales act of four ocean-going mine sweepers and one mine sweeper tender as provided for in the Treaty without an additional report to Congress. Finally, the bill authorizes the President to apply proceeds from the lease of 42 F-4E aircraft to Spain to the purchase of F-4C aircraft under a Treaty provision designed to modernize the Spanish air defense capability.

In accordance with the Treaty provision that assistance and related activities provided for under the Treaty be tied to existing authorities and policy guidelines, the bill specifies (sections 2 and 4) that these be carried out in accordance with the Foreign Assistance Act of 1961 as amended, the Foreign Military Sales Act, the Congressional Budget Act of 1974, and other applicable legislation.

The bill provides that the authorities contained in it shall be effective only upon the date of the Treaty's entry in force and that they shall remain in effect only so long as the Treaty remains in force.

4. ESTIMATED COSTS

The amount of new budget authority authorized by this bill for Fiscal Year 1977 is \$36 million. As noted earlier, the Committee antic-

ipated this authorization in its March 15, 1976, submission to the Budget Committee which was subsequently incorporated into the First Concurrent Budget Resolution. Outlays during Fiscal Year 1977 are estimated to be \$10 million.

The Committee anticipates that in the following four fiscal years additional budget authority in a total amount of \$144 million will be required to finance the continuation of the activities provided in the Treaty and initiated with the present authorization. The estimated timing of outlays resulting from the following four years' activities cannot be determined at this time. Funds for each of the future years will be requested on an annual basis in accordance with the normal appropriations process, including prior authorization procedures.

5. COMMITTEE COMMENTS

The Committee believes that the continued availability to the United States of these three air bases and one naval base in Spain is useful to the security of the United States and the NATO area. The assistance authorized in this bill is, in the view of the Committee, a reasonable price to ensure their continued use of these bases and to compensate the Government of Spain for such liabilities to Spain as may arise as a result of this use. Moreover, the Committee regards the provision of assistance envisaged by this authorization as a desirable adjunct to the institutional framework provided for in the U.S.-Spanish Treaty for the purpose of strengthening Spain's ties with the United States and Western Europe.



Ninety-fourth Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the nineteenth day of January,
one thousand nine hundred and seventy-six*

An Act

To authorize the obligation and expenditure of funds to implement for fiscal year 1977 the provisions of the Treaty of Friendship and Cooperation between the United States and Spain, signed at Madrid on January 24, 1976, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) in order to carry out the programs and activities provided for in the Treaty of Friendship and Cooperation between the United States of America and Spain, signed at Madrid on January 24, 1976, including its Supplementary Agreements and the exchange of notes related to those Supplementary Agreements (hereafter in this Act referred to as the "treaty"), of the amounts authorized to be appropriated for fiscal year 1977 under section 507 of the International Security Assistance and Arms Export Control Act of 1976, not to exceed the following amounts shall be available for obligation and expenditure to carry out the treaty:

- (1) For military assistance under chapter 2 of part II of the Foreign Assistance Act of 1961, \$15,000,000.
 - (2) For security supporting assistance under chapter 4 of part II of such Act, \$7,000,000.
 - (3) For international military education and training under chapter 5 of part II of such Act, \$2,000,000.
 - (4) For guaranties under section 24 of the Arms Export Control Act, \$12,000,000.
- (b) Subsection (b) of section 507 of the International Security Assistance and Arms Export Control Act of 1976 shall not apply with respect to the obligation or expenditure of funds appropriated under such section to carry out the treaty.

SEC. 2. (a) Except as provided in subsection (b), foreign assistance and military sales activities carried out pursuant to the treaty shall be conducted in accordance with provisions of law applicable to foreign assistance and military sales programs of the United States.

(b) Section 620(m) of the Foreign Assistance Act of 1961 shall not apply with respect to the programs and activities described in subsection (a).

(c) In carrying out the provisions of article VI of Supplementary Agreement Number 7 (relating to modernizing, semiautomating, and maintaining the aircraft control and warning network in Spain), the United States contribution of not to exceed \$50,000,000 shall be financed from Department of Defense appropriations available for that purpose.

(d) This Act satisfies the requirements of section 7307 of title 10 of the United States Code with respect to the transfer of naval vessels pursuant to Supplementary Agreement Number 7.

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(e) In order to carry out the provisions of article X of Supplementary Agreement Number 7 (relating to lease and purchase of aircraft), the proceeds from the lease of aircraft to Spain under that article shall be available only for appropriation for the purchase of aircraft by the United States for the purposes of that article.

SEC. 3. The authorities contained in this Act shall become effective only upon such date as the treaty enters into force and shall continue in effect only so long as the treaty remains in force.

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*