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94TH CONGRESS }
2d Session }

SENATE }

REPORT
No. 94-704

FOREIGN ASSISTANCE AND RELATED PROGRAMS APPROPRIATION BILL, 1976

March 18, 1976—Ordered to be printed

Mr. INOUE, from the Committee on Appropriations,
submitted the following

REPORT

[To accompany H.R. 12203]

The Committee on Appropriations, to which was referred the bill (H.R. 12203) making appropriations for foreign assistance and related programs for the fiscal year ending June 30, 1976, and for the Transition Quarter, reports the same to the Senate with amendments and submits the following explanation of its recommendations.

Amounts in new budget authority

Fiscal year 1975 appropriations.....	\$3, 675, 056, 982	-----
	<i>Fiscal year 1976</i>	<i>Transition Quarter</i>
Fiscal year 1976 amended budget estimate....	5, 789, 640, 909	\$534, 229, 000
Amount of bill as passed House.....	5, 001, 497, 454	388, 425, 000
Amount of bill as reported to Senate.....	5, 317, 640, 909	978, 179, 000
Bill as recommended to Senate compared to:		
1975 appropriations.....	1, 642, 583, 927	978, 179, 000
Amended budget estimate.....	—472, 000, 000	443, 950, 000
House.....	316, 143, 455	589, 754, 000

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MAKING APPROPRIATIONS FOR FOREIGN ASSISTANCE AND RELATED
PROGRAMS FOR FISCAL YEAR ENDING JUNE 30, 1976, AND PERIOD
ENDING SEPTEMBER 30, 1976, AND FOR OTHER PURPOSES

APRIL 2, 1976.—Ordered to be printed

Mr. PASSMAN, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany H.R. 12203]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12203) making appropriations for Foreign Assistance and related programs for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 12, 13, 19, 20, 22, 23, 28, 29, 30, 33, 35, 64, and 65.

That the House recede from its disagreement to the amendments of the Senate numbered 5, 6, 7, 8, 9, 10, 11, 16, 21, 34, 42, 43, 46, 54, 58, 59, 60, 61, 66, 67, 68, 69, and 70, and agree to the same.

Amendment numbered 15:

That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$16,300,000; and the Senate agree to the same.

Amendment numbered 17:

That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$19,800,000; and the Senate agree to the same.

Amendment numbered 18:

That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$2,400,000; and the Senate agree to the same.

Amendment numbered 41:

That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$275,000,000; and the Senate agree to the same.

Amendment numbered 44:

That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$7,500,000; and the Senate agree to the same.

Amendment numbered 45:

That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$1,875,000; and the Senate agree to the same.

Amendment numbered 49:

That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment as follows:

In lieu of the section number named in said amendment insert the following: 113; and the Senate agree to the same.

Amendment numbered 50:

That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment as follows:

In lieu of the section number named in said amendment insert the following: 114; and the Senate agree to the same.

Amendment numbered 51:

That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment as follows:

In lieu of the section number named in said amendment insert the following: 115; and the Senate agree to the same.

Amendment numbered 56:

That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$24,000,000; and the Senate agree to the same.

Amendment numbered 62:

That the House recede from its disagreement to the amendment of the Senate numbered 62, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$145,634,909; and the Senate agree to the same.

H.R. 1006

Amendment numbered 63:

That the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$225,000,000; and the Senate agree to the same.

Amendment numbered 71:

That the House recede from its disagreement to the amendment of the Senate numbered 71, and agree to the same with an amendment as follows:

In lieu of the matter proposed by said amendment insert the following:

Sec. 505. Not to exceed \$1,550,000 of the funds appropriated or made available pursuant to this Act for fiscal year 1976 shall be made available to the Office of the Inspector General of Foreign Assistance: Provided, That not to exceed \$375,000 of the funds appropriated or made available pursuant to this Act for the period July 1, 1976 through September 30, 1976 shall be made available to the Office of the Inspector General of Foreign Assistance.

And the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 2, 3, 4, 14, 24, 25, 26, 27, 31, 32, 36, 37, 38, 39, 40, 47, 48, 52, 53, 55, 57, 72, and 73.

OTTO E. PASSMAN,
CLARENCE D. LONG (except as
to amendments Nos. 36, 37,
52, and 53),
DAVID R. OBEY,
BILL CHAPPELL, Jr.,
EDWARD I. KOCH (except as to
amendments Nos. 36, 37, 52,
and 53),
CHARLES WILSON (except as
to amendments Nos. 36, 37,
52, and 53),
GARNER E. SHRIVER (except as
to amendments Nos. 36, 37,
52, and 53),
SILVIO O. CONTE (except as to
amendments Nos. 36, 37, 52,
and 53),
LAWRENCE COUGHLIN (except
as to amendments Nos. 36,
37, 52, and 53),
ELFORD A. CEDERBERG,
Managers on the Part of the House.
DANIEL K. INOUE,
GALE W. MCGEE,
LAWTON CHILES,
J. BENNETT JOHNSTON, Jr.,
EDWARD W. BROOKE,
MARK O. HATFIELD,
CHARLES MCC. MATHIAS,
MILTON R. YOUNG,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE
COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12203), making appropriations for Foreign Assistance and related programs for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLE I—FOREIGN ASSISTANCE ACT ACTIVITIES

FUNDS APPROPRIATED TO THE PRESIDENT

ECONOMIC ASSISTANCE

Amendment No. 1: Food and nutrition, Development Assistance: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert "\$426,600,000".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 2: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert "\$112,500,000".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 3: Population planning and health, Development Assistance: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert "\$146,400,000".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 4: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert the following:

"That not less than \$103,000,000 of such amount shall be available only for population planning: Provided further,"

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 5: Deletes language proposed by the House which would have provided not more than \$135,000,000 for population planning during fiscal year 1976.

Amendment No. 6: Appropriates \$33,450,000 as proposed by the Senate instead of \$45,000,000 as proposed by the House.

Amendment No. 7: Deletes language proposed by the House which would have provided not more than \$33,750,000 for population planning during the transition period.

Amendment No. 8: Education and human resources Development Assistance; Appropriates \$60,800,000 as proposed by the Senate instead of \$82,000,000 as proposed by the House.

Amendment No. 9: Appropriates \$8,800,000 as proposed by the Senate instead of \$20,500,000 as proposed by the House for the transition period.

Amendment No. 10: Technical assistance, energy, research, reconstruction, and selected development problems, Development Assistance: Appropriates \$57,400,000 as proposed by the Senate instead of \$72,000,000 as proposed by the House.

Amendment No. 11: Appropriates \$11,100,000 as proposed by the Senate instead of \$18,000,000 as proposed by the House for the transition period.

Amendment No. 12: Loan allocation, Development Assistance: Places a floor of \$300,000,000 on the amount of funds to be used for loans for development assistance as proposed by the House instead of \$275,000,000 as proposed by the Senate.

Amendment No. 13: Places a floor of \$75,000,000 on the amount of funds to be used for loans for development assistance as proposed by the House instead of \$74,000,000 as proposed by the Senate for the transition period.

Amendment No. 14: International organizations and programs: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following: *"\$175,250,000: Provided, that more than \$20,000,000 shall be available for the United Nations Children's Fund: Provided further, That not less than \$1,000,000 shall be available until expended only for the International Atomic Energy Agency to be used for the purpose of strengthening safeguards and inspections relating to nuclear fissile facilities and materials: Provided further,"*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 15: Appropriates \$16,300,000 instead of \$19,200,000 as proposed by the House and \$13,400,000 as proposed by the Senate for the transition period.

Amendment No. 16: United Nations Environment Fund: Appropriates \$7,500,000 as proposed by the Senate instead of \$5,000,000 as proposed by the House.

Amendment No. 17: American schools and hospitals abroad: Appropriates \$19,800,000 instead of \$20,000,000 as proposed by the House and \$9,800,000 as proposed by the Senate.

Amendment No. 18: Appropriates \$2,400,000 instead of \$2,500,000 as proposed by the House and \$1,150,000 as proposed by the Senate for the transition period.

Amendment No. 19: Indus Basin Development Fund, grants: Appropriates \$9,000,000 as proposed by the House instead of \$22,500,000 as proposed by the Senate.

Amendment No. 20: Appropriates \$2,250,000 as proposed by the House instead of \$4,500,000 as proposed by the Senate for the transition period.

Amendment No. 21: Indus Basin Development Fund, loans: Appropriates \$10,000,000 as proposed by the Senate instead of \$5,000,000 as proposed by the House.

Amendment No. 22: Contingency fund: Restores language proposed by the House and deleted by the Senate and appropriates \$5,000,000 as proposed by the House.

Amendment No. 23: Restores language proposed by the House and deleted by the Senate and appropriates \$1,250,000 as proposed by the House for the transition period.

Amendment No. 24: International disaster assistance: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert the following: *"and 495A"*.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 25: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which appropriates \$45,000,000 for disaster assistance instead of \$20,000,000 as proposed by the House.

Amendment No. 26: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which is as follows: *"Provided, That of this amount \$25,000,000 shall be available only for Guatemala disaster relief assistance"*.

Amendment No. 27: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which is as follows: *"Provided further, That the President shall submit quarterly reports to the Committee on Appropriations of the United States Senate and to the Committee on Appropriations of the House of Representatives on the programming and obligation of funds appropriated for International Disaster Assistance"*.

Amendment No. 28: International narcotics control: Appropriates \$37,500,000 as proposed by the House instead of \$32,500,000 as proposed by the Senate.

Amendment No. 29: Appropriates \$9,375,000 as proposed by the House instead of \$8,125,000 as proposed by the Senate for the transition period.

Amendment No. 30: Deletes language as proposed by the Senate and retains language as proposed by the House which will terminate the availability of the unobligated balances of the contingency fund for use through September 30, 1976.

Amendment No. 31: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which includes "Operating Expenses of the Agency for International Development" under the paragraph dealing with the reobligation of funds previously appropriated.

Amendment No. 32: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert the following:

"None of the funds made available under this Act for 'Food and nutrition, Development Assistance,' 'Population planning and health, Development Assistance,' 'Education and human resources development, Development Assistance,' 'Technical assistance, energy, research, reconstruction, and selected development problems, Development Assistance,' 'International organizations and programs,' 'United Nations Environment Fund,' 'American schools and hospitals abroad,' 'Indus Basin Development Fund,' 'International narcotics control,' 'African development program,' 'Security supporting assistance,' 'Operating Expenses of the Agency for International Development,' 'Middle East Special requirements fund,' 'Military assistance,' 'International military education and training,' 'Inter-American Foundation,' 'Peace Corps,' 'Migration and refugee assistance,' or 'Assistance to refugees from the Soviet Union or other Communist countries in Eastern Europe,' shall be available for obligation for activities, programs, projects, type of materiel assistance, countries, or other operations not justified or in excess of the amount justified to the Appropriations Committees for obligation under any of these specific headings for the current fiscal year without the approval of the Appropriations Committees of both Houses of the Congress."

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The managers agree that any activity, program, project, type of materiel assistance, or other operation specifically set forth by recipient or country and by amount to be obligated in fiscal year 1976, or the Transition Quarter, in the fiscal year 1976 Congressional Presentation Document shall be deemed to have been justified and the Committees informed. Similarly, amounts not in excess of the amounts proposed therein for obligation in fiscal year 1976, or the Transition Quarter, shall be deemed to have been justified and the Committees informed.

Any activity, program, project, type of materiel assistance, or other operation not specifically set forth by recipient or country and by amount to be obligated in fiscal year 1976, or the Transition Quarter, in the fiscal year 1976 Congressional Presentation Document shall be deemed not to have been justified and the Committees not informed. Similarly, amounts in excess of the amounts proposed therein for obligation in fiscal year 1976, or the Transition Quarter, shall be deemed to not have been justified and the Committees not informed.

Constructive consent will be implied if no objection is raised within fifteen days after notification of the proposed reprogramming.

MIDDLE EAST SPECIAL REQUIREMENTS FUND

Amendment No. 33: Restores language proposed by the House and deleted by the Senate which will not allow any of the funds appropriated under this heading to be used to provide a United States contribution to the United Nations Relief and Works Agency.

* * * * *

SECURITY SUPPORTING ASSISTANCE

Amendment No. 34: Appropriates \$1,689,900,000 as proposed by the Senate instead of \$1,712,500,000 as proposed by the House.

Amendment No. 35: Deletes the word "and" proposed by the Senate.

The managers are aware that the earmarking provisions contained under this heading may be at variance with those contained within certain authorizing legislation. It is the intent of the conferees that when such variances occur, funds shall be obligated on the basis of earmarkings contained herein. So long as these earmarkings are satisfied, the remainder of the funds could be made available for other activities and projects that have been justified to the Congress within each program activity.

Amendment No. 36: Reported in disagreement. The managers on the part of the House will offer a motion to insist on the House position which appropriates \$25,200,000 for the transition period instead of \$411,575,000 as proposed by the Senate.

Amendment No. 37: Reported in disagreement. The managers on the part of the House will offer a motion to insist on the House position which does not provide language earmarking funds for the four Middle East countries as proposed by the Senate.

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT

Amendments Nos. 38, 39 and 40: Reported in technical disagreement. The managers on the part of the House will offer motions to recede and concur in the amendments of the Senate which appropriate \$194,600,000 during fiscal year 1976 and \$55,500,000 for the transition period.

The managers agree that funds provided under this heading have been authorized within the following accounts: Food and nutrition, Development assistance (fiscal year 1976—\$103,400,000, transition quarter—\$20,000,000), Population planning and health, Development assistance (fiscal year 1976—\$38,600,000, transition quarter—\$12,800,000), Education and human resources development, Development assistance (fiscal year 1976—\$15,200,000, transition quarter—\$10,200,000), Technical assistance, energy, research, reconstruction, and selected development problems, Development assistance (fiscal year 1976—\$14,600,000, transition quarter—\$6,900,000), American schools and hospitals abroad (fiscal year 1976—\$200,000, transition quarter—\$100,000) and security supporting assistance (fiscal year 1976—\$22,-

600,000, transition quarter—\$5,500,000). Therefore, the managers agree that nothing would prohibit obligations or expenditures from this account because of lack of authorization.

MILITARY ASSISTANCE

Amendment No. 41: Provides \$275,000,000 for liquidation of contract authority, instead of \$323,913,000 as proposed by the House and \$200,000,000 as proposed by the Senate.

INTERNATIONAL MILITARY EDUCATION AND TRAINING

Amendment No. 42: Appropriates \$23,000,000 as proposed by the Senate instead of \$25,000,000 as proposed by the House.

Amendment No. 43: Appropriates \$5,750,000 as proposed by the Senate instead of \$6,250,000 as proposed by the House.

INTER-AMERICAN FOUNDATION

Amendment No. 44: Places a limitation on obligations of \$7,500,000 instead of \$5,000,000 as proposed by the House and \$10,000,000 as proposed by the Senate.

Amendment No. 45: Places a limitation on obligations of \$1,875,000 instead of \$1,250,000 as proposed by the House and \$2,500,000 as proposed by the Senate for the transition period.

GENERAL PROVISIONS

Amendment No. 46: Section 108. Deletes the House language and retains the language proposed by the Senate which provides that none of the funds appropriated or made available pursuant to this Act shall be used to provide assistance to North Vietnam, South Vietnam, Cambodia, or Laos.

Amendments Nos. 47 and 48: Section 111. Reported in technical disagreement. The managers on the part of the House will offer motions to recede and concur in the amendments of the Senate which waive and forgive all amounts due and owing on loans made to certain institutions in Israel from funds available under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480).

Amendment No. 49: Section 113. Changes the section number but retains language proposed by the Senate which places a limitation of \$103,000 on Official Residence Expenses of the Agency for International Development for fiscal year 1976 and \$28,500 for the transition period.

Amendment No. 50: Section 114. Changes the section number but retains language proposed by the Senate which places a limitation of \$19,000 on Entertainment Expenses of the Agency for International Development for fiscal year 1976 and \$4,750 for the transition period.

Amendment No. 51: Section 115. Changes the section number but retains language proposed by the Senate which places a limitation of \$91,000 on Representation Allowances of the Agency for International Development for fiscal year 1976 and \$23,000 for the transition period.

TITLE II—FOREIGN MILITARY CREDIT SALES

FOREIGN MILITARY CREDIT SALES

Amendment No. 52: Reported in disagreement. The managers on the part of the House will offer a motion to insist on the House position which appropriates \$30,000,000 for the transition period instead of \$212,200,000 as proposed by the Senate.

Amendment No. 53: Reported in disagreement. The managers on the part of the House will offer a motion to insist on the House position which does not provide language earmarking funds for Israel for the transition period as proposed by the Senate.

TITLE III—FOREIGN ASSISTANCE (OTHER)

INDEPENDENT AGENCY

Action—International Programs

PEACE CORPS

Amendment No. 54: Appropriates \$80,826,000 as proposed by the Senate instead of \$80,000,000 as proposed by the House.

Amendment No. 55: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: "*Provided, That of this amount \$7,599,000 shall be for Peace Corps volunteer readjustment allowances, as authorized by Public Law 94-130*".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 56: Appropriates \$24,000,000 instead of \$20,000,000 as proposed by the House and \$25,729,000 as proposed by the Senate for the transition period.

Amendment No. 57: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: "*Provided, That of this amount not less than \$2,684,000 shall be used to fund Peace Corps volunteer readjustment allowances, as authorized by Public Law 94-130*".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

DEPARTMENT OF STATE MIGRATION AND REFUGEE ASSISTANCE

Amendment No. 58: Retains language proposed by the Senate which places a limitation of \$3,054,390 on the funds available for the United States Refugee Program.

Amendment No. 59: Appropriates \$700,000 as proposed by the Senate instead of \$800,000 as proposed by the House for the transition period.

600,000, transition quarter—\$5,500,000). Therefore, the managers agree that nothing would prohibit obligations or expenditures from this account because of lack of authorization.

MILITARY ASSISTANCE

Amendment No. 41: Provides \$275,000,000 for liquidation of contract authority, instead of \$323,913,000 as proposed by the House and \$200,000,000 as proposed by the Senate.

INTERNATIONAL MILITARY EDUCATION AND TRAINING

Amendment No. 42: Appropriates \$23,000,000 as proposed by the Senate instead of \$25,000,000 as proposed by the House.

Amendment No. 43: Appropriates \$5,750,000 as proposed by the Senate instead of \$6,250,000 as proposed by the House.

INTER-AMERICAN FOUNDATION

Amendment No. 44: Places a limitation on obligations of \$7,500,000 instead of \$5,000,000 as proposed by the House and \$10,000,000 as proposed by the Senate.

Amendment No. 45: Places a limitation on obligations of \$1,875,000 instead of \$1,250,000 as proposed by the House and \$2,500,000 as proposed by the Senate for the transition period.

GENERAL PROVISIONS

Amendment No. 46: Section 108. Deletes the House language and retains the language proposed by the Senate which provides that none of the funds appropriated or made available pursuant to this Act shall be used to provide assistance to North Vietnam, South Vietnam, Cambodia, or Laos.

Amendments Nos. 47 and 48: Section 111. Reported in technical disagreement. The managers on the part of the House will offer motions to recede and concur in the amendments of the Senate which waive and forgive all amounts due and owing on loans made to certain institutions in Israel from funds available under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480).

Amendment No. 49: Section 113. Changes the section number but retains language proposed by the Senate which places a limitation of \$103,000 on Official Residence Expenses of the Agency for International Development for fiscal year 1976 and \$28,500 for the transition period.

Amendment No. 50: Section 114. Changes the section number but retains language proposed by the Senate which places a limitation of \$19,000 on Entertainment Expenses of the Agency for International Development for fiscal year 1976 and \$4,750 for the transition period.

Amendment No. 51: Section 115. Changes the section number but retains language proposed by the Senate which places a limitation of \$91,000 on Representation Allowances of the Agency for International Development for fiscal year 1976 and \$23,000 for the transition period.

TITLE II—FOREIGN MILITARY CREDIT SALES

FOREIGN MILITARY CREDIT SALES

Amendment No. 52: Reported in disagreement. The managers on the part of the House will offer a motion to insist on the House position which appropriates \$30,000,000 for the transition period instead of \$212,200,000 as proposed by the Senate.

Amendment No. 53: Reported in disagreement. The managers on the part of the House will offer a motion to insist on the House position which does not provide language earmarking funds for Israel for the transition period as proposed by the Senate.

TITLE III—FOREIGN ASSISTANCE (OTHER)

INDEPENDENT AGENCY

Action—International Programs

PEACE CORPS

Amendment No. 54: Appropriates \$80,826,000 as proposed by the Senate instead of \$80,000,000 as proposed by the House.

Amendment No. 55: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: "*Provided, That of this amount \$7,599,000 shall be for Peace Corps volunteer readjustment allowances, as authorized by Public Law 94-130*".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 56: Appropriates \$24,000,000 instead of \$20,000,000 as proposed by the House and \$25,729,000 as proposed by the Senate for the transition period.

Amendment No. 57: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: "*Provided, That of this amount not less than \$2,684,000 shall be used to fund Peace Corps volunteer readjustment allowances, as authorized by Public Law 94-130*".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

DEPARTMENT OF STATE MIGRATION AND REFUGEE ASSISTANCE

Amendment No. 58: Retains language proposed by the Senate which places a limitation of \$3,054,390 on the funds available for the United States Refugee Program.

Amendment No. 59: Appropriates \$700,000 as proposed by the Senate instead of \$800,000 as proposed by the House for the transition period.

EMERGENCY MIGRATION AND REFUGEE ASSISTANCE FUND

Amendment No. 60: Retains language and appropriates \$5,000,000 as proposed by the Senate.

ASSISTANCE TO REFUGEES FROM THE SOVIET UNION AND OTHER COMMUNIST COUNTRIES IN EASTERN EUROPE

Amendment No. 61: Retains language as proposed by the Senate which adds "and Other Communist Countries in Eastern Europe" to the appropriation heading.

FUNDS APPROPRIATED TO THE PRESIDENT INTERNATIONAL FINANCIAL INSTITUTIONS INVESTMENT IN ASIAN DEVELOPMENT BANK

Amendment No. 62: Appropriates \$145,634,909 instead of \$85,317,454 as proposed by the House and \$170,634,909 as proposed by the Senate.

The managers agree that these funds should be allocated as follows: Paid-in capital—\$24,126,982, Callable capital—\$96,507,927 and Special funds—\$25,000,000.

INVESTMENT IN INTER-AMERICAN DEVELOPMENT BANK

Amendment No. 63: Appropriates \$225,000,000 instead of \$200,000,000 as proposed by the House and \$250,000,000 as proposed by the Senate.

Amendment No. 64: Restores language proposed by the House and deleted by the Senate which deletes the earmarking provisions placed under this heading in the fiscal year 1975 appropriation bill.

INVESTMENT IN INTERNATIONAL DEVELOPMENT ASSOCIATION

Amendment No. 65: Appropriates \$320,000,000 as proposed by the House instead of \$375,000,000 as proposed by the Senate.

TITLE IV—EXPORT-IMPORT BANK OF THE UNITED STATES

LIMITATION ON ADMINISTRATIVE EXPENSES

Amendment No. 66: Places a limitation on the use of corporate funds for administrative expenses of \$11,412,000 as proposed by the Senate instead of \$11,416,000 as proposed by the House.

Amendment No. 67: Places a limitation of \$20,000 on entertainment allowances as proposed by the Senate instead of \$24,000 as proposed by the House.

Amendment No. 68: Places a limitation on the use of corporate funds for the transition period of \$2,948,000 as proposed by the Senate instead of \$2,949,000 as proposed by the House.

Amendment No. 69: Places a limitation of \$5,000 on entertainment allowances for the transition period as proposed by the Senate instead of \$6,000 as proposed by the House.

TITLE V—GENERAL PROVISIONS

Amendment No. 70: Section 505: Deletes language proposed by the House which would have provided that no part of any appropriation contained in the Act would have been available for obligation or expenditure for any country which, on the date of enactment of the Act, had been in default, for one year or more, on any payment of principal or interest on any debt owed by that country to the United States, if such debt had not been disputed by that country prior to the enactment of the Act.

Amendment No. 71: Section 505: Places a limitation of \$1,550,000 on funds to be made available in fiscal year 1976 to the Office of the Inspector General of Foreign Assistance and includes necessary language proposed by the Senate. The Senate proposed a limitation of \$1,400,000. In addition, a limitation of \$375,000 is placed on the funds available for the transition period instead of \$350,000 as proposed by the Senate.

The Managers agree that the Office of the Inspector General of Foreign Assistance has a legacy of poor management evidenced by salary levels which are excessive and a work product which falls short of acceptable standards.

The managers, therefore, direct that reductions necessitated by the funding level established in this bill are to be taken from salary and related benefits to the maximum extent possible.

Amendment No. 72: Section 506: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which is as follows:

Sec. 506. Beginning three months from the date of enactment of this Act, no part of any appropriation contained in this Act shall be used to furnish assistance to any country which is in default during a period in excess of one calendar year in payment to the United States of principal or interest on any loan made to such country by the United States pursuant to a program for which funds are appropriated under this Act unless (1) such debt has been disputed by such country prior to the enactment of this Act or (2) such country has either arranged to make payment of the amount in arrears or otherwise taken appropriate steps, which may include renegotiation, to cure the existing default.

Amendment No. 73: Section 507: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which is as follows:

Sec. 507. The amounts appropriated in this Act shall be available only upon the enactment of authorizing legislation.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1976 and the transition period recommended by the Committee of Conference with comparisons to the fiscal year 1975 amount, the fiscal year 1976 and transition period budget estimates, and the House and Senate bills for fiscal year 1976 and the transition period follow:

New budget (obligational) authority, fiscal year 1975.....	\$3, 675, 056, 982
Budget estimates of new (obligational) authority, fiscal year 1976 ¹	5, 789, 640, 909
Transition period ¹	534, 229, 000
House bill, fiscal year 1976.....	5, 001, 497, 454
Transition period.....	388, 425, 000
Senate bill, fiscal year 1976.....	5, 328, 640, 909
Transition period.....	978, 179, 000
Conference agreement.....	5, 179, 890, 909
Transition period ²	404, 775, 000
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1975.....	+1, 504, 833, 927
Budget estimates of new (obligational) authority, fiscal year 1976.....	-609, 750, 000
Transition period.....	-129, 454, 000
House bill, fiscal year 1976.....	+178, 393, 455
Transition period.....	+16, 350, 000
Senate bill, fiscal year 1976.....	-148, 750, 000
Transition period.....	-573, 404, 000

¹ Includes \$25,000,000 for fiscal year 1976 and \$39,000,000 for the transition period not considered by the House—these requests were included in S. Doc. 94-160 and S. Doc. 94-161.

² Reflects conference agreement except for two items that are in disagreement where the House amounts have been used.

OTTO E. PASSMAN,
 CLARENCE D. LONG (except as
 to amendments Nos. 36, 37,
 52, and 53),
 DAVID R. OBEY,
 BILL CHAPPELL, Jr.,
 EDWARD I. KOCH (except as to
 amendments Nos. 36, 37, 52,
 and 53),
 CHARLES WILSON (except as
 to amendments Nos. 36, 37,
 52, and 53),
 GARNER E. SHRIVER (except as
 to amendments Nos. 36, 37,
 52, and 53),
 SILVIO O. CONTE (except as to
 amendments Nos. 36, 37, 52,
 and 53),
 LAWRENCE COUGHLIN (except
 as to amendments Nos. 36,
 37, 52, and 53),
 ELFORD A. CEDERBERG,
Managers on the Part of the House.
 DANIEL K. INOUE,
 GALE W. MCGEE,
 LAWTON CHILES,
 J. BENNETT JOHNSTON, Jr.,
 EDWARD W. BROOKE,
 MARK O. HATFIELD,
 CHARLES McC. MATHIAS,
 MILTON R. YOUNG,
Managers on the Part of the Senate.

FOREIGN ASSISTANCE AND RELATED PROGRAMS
 APPROPRIATION BILL, 1976

MARCH 1, 1976.—Committed to the Committee of the Whole House on the
 State of the Union and ordered to be printed

Mr. PASSMAN, from the Committee on Appropriations,
 submitted the following

REPORT

together with

SEPARATE, ADDITIONAL, MINORITY, AND
 DISSENTING VIEWS

[To accompany H.R. 12203]

The Committee on Appropriations submits the following report in
 explanation of the accompanying bill making appropriations for
 Foreign Assistance and related programs for the fiscal year ending
 June 30, 1976, and the period ending September 30, 1976, and for
 other purposes.

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SUMMARY OF THE BILL

Item	New budget (obligational) authority, fiscal year 1975	Budget estimates, fiscal year 1976/transition period	Bill compared with—		
			Recommended in the bill	New budget (obligational) authority, fiscal year 1975	Budget estimates, fiscal year 1976
Title I—Foreign Assistance Act activities-----	\$2,529,800,000	\$3,703,080,000 419,700,000	\$3,129,680,000 315,500,000	+599,880,000	-573,400,000 -104,200,000
Title II—Foreign military credit sales-----	300,000,000	1,065,000,000 30,000,000	1,065,000,000 30,000,000	+765,000,000	-----
Title III—Foreign assistance (other)-----	845,256,982	996,560,909 45,529,000	794,317,454 39,800,000	-50,939,528	-202,243,455 -5,729,000
Title IV—Export-Import Bank (limitation)-----	(6,413,628,000)	(5,631,361,000) (1,439,762,000)	(5,631,361,000) (1,439,762,000)	(-782,267,000)	-----
Total, new budget (obligational) authority-----	3,675,056,982	5,764,640,909 495,229,000	4,988,997,454 385,300,000	+1,313,940,472	-775,643,455 -109,929,000

THE BUDGET ESTIMATES

The estimates for new budget (obligational) authority for activities provided for in Title I and Title II of the bill total \$4,768,080,000 for fiscal year 1976 or some \$1,938,280,000 above what was appropriated by Congress for the last fiscal year. By far, the majority of this increase can be attributed to the Middle East peace package. In total the estimates for new budget (obligational) authority for all activities carried in the accompanying bill amount to \$5,764,640,909 or some \$2,089,583,927 above what was appropriated in fiscal year 1975.

THE BILL

The Committee recommends the appropriation of new budget (obligational) authority of \$4,988,997,454 for the programs contained in Titles I, II, and III of the bill, which is \$775,643,455 below the budget estimates but \$1,313,940,472 above the fiscal year 1975 appropriations. The vast majority of the increase over fiscal year 1975 can be attributed to the Middle East programs supporting the Sinai Agreement. The Committee recommends the approval of the total limitations of \$5,631,361,000 proposed for the activities of the Export-Import Bank contained in Title IV of the bill.

TRANSITION PERIOD

In accordance with the Budget and Impoundment Control Act of 1974 (Public Law 93-344), the beginning of the Federal Government's fiscal year has been changed from July 1 to October 1, effective in 1976 and relating to the start of fiscal year 1977. For this reason, appropriations have been provided throughout the bill for the three month transition period (July 1, 1976, through September 30, 1976) between the end of fiscal year 1976 and the beginning of the new fiscal year 1977.

The Committee has recommended appropriations of \$385,300,000 for the transition period, which is \$109,929,000 below the budget requests.

EFFECT OF COMMITTEE ACTION ON PROJECTED BUDGET EXPENDITURES (OUTLAYS) IN FISCAL YEAR 1976

It is estimated that the action recommended by the Committee and set forth in the accompanying bill will reduce expenditures (outlays) in the amended fiscal year 1976 requests by approximately \$252,000,000.

PERMANENT OBLIGATIONAL AUTHORITY—TRUST FUNDS

In addition to the new budget (obligational) authority recommended in the accompanying bill, permanent legislation authorizes the continuation of certain Government activities without requiring action by the Congress during the annual appropriation process. These activities are estimated to total \$9,778,450,000 in fiscal year 1976, which is an increase of \$1,076,566,000 above fiscal year 1975. Details of these activities are reflected in the appropriate table appearing at the end of this report. Almost the entire amount (\$9,772,205,000) is allocated to the Foreign Military Sales trust funds which is strictly a cash account and used to enable foreign governments to make cash purchases of defense articles from the United States.

PAYMENTS TO THE GENERAL SERVICES ADMINISTRATION

The Public Buildings Amendments of 1972 (Public Law 92-313) gave the General Services Administration authority to impose a system of charges on the various departments and agencies for space and building services, the receipts from which are to be deposited in a fund operated by GSA. Appropriation requests for this purpose reflect charges significantly in excess of the total estimated costs for expenses associated with providing space and services to the Federal agencies.

Accordingly, the Committee has again included a provision in the bill which limits the payment for GSA space and services to 90 percent of the GSA billing. This 10% reduction should not result in the curtailment of services for fiscal year 1976 and the transition period.

STATUS OF CERTAIN AUTHORIZING LEGISLATION

This year, the authorizing committees of both Houses have approached the foreign assistance legislation in a different manner than has been the case in past years. The House and Senate authorizing

committees have provided for the separation of the basic economic assistance programs from the security assistance programs into two legislative bills. On December 20, 1975, the International Development and Food Assistance Act of 1975 (Public Law 94-161) was signed by the President which basically authorizes funding for the economic assistance programs. On February 18, 1976, the Senate passed the International Security Assistance and Arms Export Control Act of 1976 (S. 2662) which provides for the authorization of funding for basically the security assistance programs. The House International Relations Committee recently reported out the International Security Assistance Act of 1976 (H.R. 11963) which provides for a similar authorization of funds. The programs presently not authorized and involved in these two bills are: the contingency fund, the international narcotics control program, the Middle East special requirements fund, security supporting assistance, military assistance, international military education and training, and foreign military credit sales. All other necessary authorizations have been enacted into law.

INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(1)(4), Rule XI of the House of Representatives, the Committee estimates that enactment of this bill would have minimal overall inflationary impact on prices and costs in the operation of the national economy.

The total amount recommended in the accompanying bill is \$775,643,455 below the budget requests. It is a matter of conjecture whether or not any appropriation of money or any other legislative actions may or may not be inflationary. It could be said that this bill continues the foreign aid program through September 30, 1976 instead of terminating the program when the current continuing resolution expires and therefore is inflationary. However, the foreign aid programs have been operating for the past eight months of fiscal year 1976 under authority of the continuing resolution so the inflationary impact of this particular bill would be minimal even if this assumption is applied.

GENERAL STATEMENT

In making the funding recommendations contained in the accompanying bill, the Committee was acutely aware of the United States economic situation, including inflation and deficit financing, and the current budgetary restraints on certain domestic projects and programs. On the other hand, the Committee also had to consider the importance of certain United States interests abroad, the role of the United States in the maintenance of freedom and world peace and the need to maintain a system of open mutual exchange in a world of growing interdependence.

The Committee is deeply concerned over the persistence of balance of payments deficits, balance of trade deficits, and Federal budget deficits. Inflation is still a major problem in the United States and our public debt continues to climb upward. In light of these facts, the Committee feels Federal expenditures must be reduced wherever reasonably possible to help dampen the effect of these activities and

it has recommended a reduction in new budget (obligational) authority for activities contained in the accompanying bill of \$775,643,455.

Some of the funds recommended in the accompanying bill will be used to further U.S. interests abroad. These interests take many forms but some examples are as follows: maintain access to military bases, staging facilities and transit rights provided to U.S. forces abroad. We should also mention the need for the United States to maintain access to certain materials which are in short supply or not produced in the U.S. This subject will be covered later in the report. Hopefully with the use of the funds recommended in the bill, we can continue to further these interests while preventing the necessity of increasing direct U.S. involvement.

A large amount of the funds recommended in the accompanying bill will be used to provide assistance in the Middle East which accounts for the major part of the increase over fiscal year 1975. There is no question that the United States has a vital stake in a peaceful resolution of the Arab-Israeli conflict in the Middle East. The U.S. has a concern for the security of Israel, for the necessity of improved relations with the Arab nations, for the maintenance of worldwide peace and the effects on this peace should the Middle East conflict lead to a great power confrontation and for the need of a cooperative effort to solve the energy problems of oil supply and price increases. Specific earmarking of funds in the bill for the Middle East are recommended in the following amounts with comparisons to the budget requests:

	Budget requests	Recommended in the bill
Israel:		
Security supporting assistance.....	\$755,000,000	\$700,000,000
Military credit sales.....	(¹) 1,500,000,000	1,500,000,000
Egypt: Security supporting assistance.....	750,000,000	695,000,000
Syria: Security supporting assistance.....	90,000,000	80,000,000
Jordan:		
Security supporting assistance.....	77,500,000	(²)72,500,000

¹ Israel will be exempt from repaying one-half.

² Jordan will also receive assistance under the Military Assistance and the Military Credit Sales programs.

The United States is dependent on many countries for the purchase of certain materials that are in short supply or just cannot be produced in this country. Materials such as cobalt, manganese, bauxite, tin, silver, zinc and petroleum are just a few that are in short supply. We all remember the crisis created by the oil embargo when it was imposed against the U.S. several years ago.

Again the Committee would like to express its concern over providing grant or concessional loan assistance to countries that could well afford to pay cash for such assistance or at least receive the aid on a hard loan basis. Some of the countries involved have received increased incomes from the export of certain commodities, such as oil. During the hearings, it was also discovered that some aid recipient countries had a large positive balance in their foreign exchange account which indicated concessional terms of aid were not needed or could be greatly reduced. The Committee expects the agencies to consider these factors in determining future aid levels to these countries.

In last year's report, the Committee indicated that the method of selecting freight brokers moving cargo to U.S. aid recipient nations should be more closely scrutinized by the Agency for International Development (AID). The Committee felt that freight brokers should be American firms owned and operated by Americans so that records could be properly checked and U.S. income taxes could be collected instead of using brokers that are owned or controlled by foreign nationals. The Committee understands there has been some progress in this matter but the situation still persists. The Committee again expresses its concern on this matter and suggests the freight broker contracts continue to be closely scrutinized.

The question has been asked many times over the past several years concerning the projected termination date of United States assistance to a particular country and in just about all cases the witnesses were unable to provide an answer. The Committee is of the opinion that the agencies involved in administering the various foreign aid programs should have developed, or certainly should be developing the ability to project a phase out schedule for each country receiving U.S. assistance. The agencies should have some basic plan for each country involved in the U.S. assistance program whereby a termination target date is estimated. The Committee feels the agencies should pursue this matter and develop the ability to project phase out schedules.

Along this same line, the Committee hopes every effort is being made by the agencies to phase out aid to recipient nations as quickly as it is determined no further U.S. aid is required. The Committee has noted that very few countries have actually been terminated entirely from the United States aid rolls during the recent past. Of course, countries may have terminated their economic assistance programs but they still receive military assistance or assistance under other programs, such as the Peace Corps.

We wish to express our displeasure that American foreign aid, both military and economic, is being requested and allocated for nations who consistently vote in international organizations such as the United Nations against the positions and interests of the United States. During the past year, the United Nations considered at least six resolutions on which the United States government held strong views and on which we believe the good will of these nations might at least partly be judged. The resolutions included one entitled "Question of American Samoa, Guam, and the U.S. Virgin Islands" (A/RES/3429 (XXX)) which deprecated the existence of the United States military base on Guam and called on the United States to provide independence to these territories. A draft resolution was introduced in a U.N. Committee calling for Puerto Rican independence and recognizing the "national liberation movement of Puerto Rico as representing the legitimate aspirations of the Puerto Rican people." Other resolutions, which were contrary to the American position in the U.N. and whose adoption the United States strenuously opposed, included the infamous General Assembly Resolution of November 10, 1975, classifying Zionism as "a form of racism" (A/RES/3379 (XXX)), the resolution inviting the Palestine Liberation Organization to participate as a party to the U.N. delibera-

tions on the Middle East (A/RES/3375 (XXX)), and two other resolutions on the Middle East, (A/RES/3376 (XXX)), "Question of Palestine" and (A/RES/3413 (XXX)), "The Situation in the Middle East".

Although these may be the most egregious, public examples of the insensitivity to the positions of the United States exhibited by many nations who also seek our foreign assistance, other instances of similar conduct have occurred and may occur in the future. We feel that the Secretary of State, the Administrator of the Agency for International Development, and the Secretary of Defense should carefully reassess the bilateral requests for loan and grant funds with a view toward reminding nations that they cannot expect unlimited American generosity in the face of irresponsible actions on their part. For example, we are skeptical of aid being provided to the nation of Guyana which, in addition to a consistent pattern of opposition in the United Nations, has a government whose stated political philosophy is Marxist-Leninist and which has permitted Cuba to use its facilities in the reinforcement of Soviet-backed Angolan "liberation" forces.

We are encouraged by Secretary Kissinger's statement that the Department of State has expanded its analysis of United Nations votes, and by the State Department's recent decision not to fund a projected \$76 million program for India, showing that the Department is capable, in its decisions on assistance, of distinguishing countries hostile to the United States from friendly or neutral countries. Because we realize that the national interest of the United States may outweigh some types of conduct or pronouncements by other nations, we do not favor across-the-board cuts in the level of bilateral foreign assistance, but instead favor selective reductions to demonstrate that foreign nations cannot with impunity and without consequences attack the United States in international forums.

Across-the-board reductions could easily endanger other larger American interests, such as those in the Middle East, where a few nations whose policies in the U.N. may at times be at odds with ours, but are receiving aid because of other paramount U.S. concerns. We expect that program administrators will exercise their judgment and vigorously uphold the interests of the United States. We agree with the assessment of Secretary of State Kissinger who said in reply to a question asked during Committee hearings:

In deciding whether or not to render economic and/or military aid to any particular country, many factors must be addressed and balanced against each other. The paramount concern, of course, in this balancing process is the full range of our national interests—bilateral, regional and world-wide. Accordingly, in our increasingly complex world we cannot react against one adverse vote or even several in the United Nations. However, should any country engage in a continuous pattern of hostility to the U.S. at the United Nations, or in any other international forum, such a prolonged pattern would definitely be a heavy factor in considering our bilateral relations with that country, particularly in determining the appropriate levels of assistance.

The listings of countries and the budget proposals for economic assistance, security supporting assistance, military assistance, international military education and training and military credit sales contained in the report should not be interpreted as representing the views of the Committee as to recipients and amounts. These lists merely reflect the tentative allocations proposed by the Executive Branch in the fiscal year 1976 budget presentation as can be readily recognized by comparing the totals of the various lists to the amounts recommended in the bill. Since the budget was submitted, international conditions have changed and the actual assistance to any country would be dependent upon decisions as to the best interest of the United States, upon the final availability of funds, and upon the actions recommended in the accompanying bill regarding certain country earmarkings, etc.

EXTENT OF U.S. FOREIGN AID AND ASSISTANCE

Through June 30, 1975, it is estimated that the United States will have provided economic and military assistance, of one form or the other, amounting to a net total of \$170,303,600,000, of which \$33,423,800,000 was in the form of loans and the balance of \$136,879,800,000 was in the form of grant aid. Since we have had a surplus in the administrative budget only six times since the end of World War II, it has been estimated that an additional cost of \$115,575,500,000 in interest has been incurred to borrow the money we have given to other countries. A detailed list follows showing the amount of foreign assistance provided to each country and territory:

Total net foreign assistance to 134 nations and 8 territories of the world, fiscal year 1946 through fiscal year 1975 estimated

Afghanistan -----	\$455,700,000	Costa Rica -----	\$191,800,000
Albania -----	20,400,000	Cuba -----	45,500,000
Algeria -----	449,600,000	Cyprus -----	55,200,000
Argentina -----	378,000,000	Czechoslovakia -----	189,500,000
Australia -----	214,000,000	Dahomey -----	16,900,000
Austria -----	1,219,500,000	Denmark -----	928,700,000
Bahamas -----	28,200,000	Dominican Republic -----	547,500,000
Bahrain -----	700,000	East Germany -----	800,000
Bangladesh -----	837,800,000	Ecuador -----	298,400,000
Barbados -----	1,600,000	Egypt -----	1,129,800,000
Belguim-Luxembourg -	1,759,400,000	El Salvador -----	156,600,000
*Belize (Br. Honduras) -	7,500,000	Ethiopia -----	567,700,000
*Bermuda -----	22,500,000	Finland -----	-30,500,000
Bolivia -----	671,100,000	France -----	7,215,200,000
Botswana -----	87,000,000	Gabon -----	18,900,000
Brazil -----	3,362,200,000	Gambia -----	8,800,000
*Brunei -----	17,700,000	Ghana -----	233,900,000
Burundi -----	11,100,000	Germany and Berlin -	3,767,800,000
Burma -----	158,500,000	Greece -----	4,096,200,000
Cambodia -----	352,800,000	Guatemala -----	343,500,000
Cameroon -----	49,800,000	Guinea -----	120,900,000
Canada -----	295,900,000	Guyana -----	88,500,000
Central African Republic -----	9,900,000	Haiti -----	142,500,000
Chad -----	24,300,000	Honduras -----	204,900,000
Chile -----	1,244,200,000	*Hong Kong and Macao -----	95,000,000
China, Republic of -----	6,185,800,000	Hungary -----	12,500,000
Colombia -----	1,340,200,000	Iceland -----	43,400,000
Congo (Brazzaville) -	6,400,000	India -----	7,803,400,000

See footnotes at end of table, p. 9.

Total net foreign assistance to 134 nations and 8 territories of the world, fiscal year 1946 through fiscal year 1975 estimated—Continued

Indochina (undistributed) ---	\$1,542,500,000	Singapore -----	\$93,200,000
Indonesia -----	2,061,200,000	Somali Republic -----	79,500,000
Iran -----	2,329,200,000	South Africa, Rep. of ---	-34,100,000
Iraq -----	84,400,000	*Southern Rhodesia -----	900,000
Ireland -----	58,200,000	Southern Yemen -----	4,500,000
Israel -----	5,187,300,000	Spain -----	2,437,700,000
Italy -----	5,461,500,000	Sri Lanka (Ceylon) ---	243,700,000
Ivory Coast -----	128,100,000	Sudan -----	151,800,000
Jamaica -----	155,100,000	Surinam -----	8,700,000
Japan -----	3,305,100,000	Swaziland -----	9,200,000
Jordan -----	1,257,900,000	Sweden -----	231,100,000
Kenya -----	137,300,000	Switzerland -----	98,400,000
Korea -----	11,821,700,000	Syrian Arab Republic -----	107,800,000
Kuwait -----	-2,400,000	Tanzania -----	131,700,000
Laos -----	2,580,400,000	Thailand -----	1,929,100,000
Lebanon -----	150,300,000	Togo -----	26,200,000
Lesotho -----	21,900,000	Trinidad and Tobago -----	55,700,000
Liberia -----	234,600,000	*Trust Territory of the Pacific -----	527,600,000
Libya -----	220,200,000	Tunisia -----	740,900,000
Malagasy Republic ---	26,100,000	Turkey -----	6,379,800,000
Malawi -----	31,000,000	Uganda -----	42,600,000
Malaysia -----	129,200,000	United Kingdom -----	6,222,200,000
Mali -----	78,800,000	U.S.S.R. -----	1,216,100,000
Malta -----	52,800,000	Upper Volta -----	45,100,000
Mauritania -----	25,400,000	Uruguay -----	206,300,000
Mauritius -----	15,400,000	Venezuela -----	291,400,000
Mexico -----	563,100,000	Vietnam -----	22,862,000,000
Morocco -----	805,100,000	West Indies, Other -----	37,800,000
Nepal -----	201,900,000	Western Samoa -----	4,700,000
Netherlands -----	2,158,800,000	Yemen Arab Republic -----	67,300,000
New Zealand -----	87,700,000	Yugoslavia -----	2,815,400,000
Nicaragua -----	260,500,000	Zaire -----	664,300,000
Niger -----	61,800,000	Zambia -----	30,400,000
Nigeria -----	436,400,000	CENTO -----	51,400,000
Norway -----	1,461,600,000	Worldwide regional -----	21,820,000,000
Oceania, Other -----	13,200,000		
Oman -----	300,000		
Pakistan -----	4,798,400,000		
Panama -----	358,100,000		
Papua and New Guinea -----	25,900,000		
Paraguay -----	152,400,000		
Peru -----	614,200,000		
Philippines -----	2,374,100,000		
Poland -----	555,600,000		
Portugal -----	517,100,000		
Portuguese-Speaking Africa -----	10,000,000		
Romania -----	62,000,000		
*Ryukyu Islands -----	403,200,000		
Rwanda -----	11,300,000		
Saudi Arabia -----	108,800,000		
Senegal -----	64,800,000		
*Seychelles -----	700,000		
Sierra Leone -----	55,900,000		

Total net disbursements to foreign nations, 1946-1975 ----- ¹170,303,600,000

Total net interest paid on what we have borrowed to give away, 1946-1975 ----- 115,575,500,000

Grand total—Cost of foreign assistance 1946-1975 ----- \$285,879,100,000

*Indicates territories.

¹In addition to the above amounts, \$161,418,000,000 represents Department of Defense expenditures in Korea, South Vietnam and other areas of S.E. Asia and the Far East.

NOTE.—Total may not add due to rounding.

Many programs seeking Congressional action in fiscal year 1976 which also fall under the category of foreign assistance are not included in the accompanying bill because the activities are funded by other departments and agencies and new programs have been created. In order to provide a list indicating the total foreign aid programs, the Committee has compiled a table showing the President's requests for foreign assistance authorizations and/or appropriations for fiscal year 1976, which follows:

New requests for authorization and/or appropriation for selected programs of foreign assistance

1. Foreign Assistance Act (includes military assistance).....	¹ \$3,703,080,000
2. Foreign military credit sales.....	² 1,065,000,000
3. Inter-American Development Bank (budget amendment).....	275,000,000
4. Inter-American Development Bank (proposed).....	240,000,000
5. International Development Association.....	375,000,000
6. Asian Development Bank.....	170,634,909
7. African Development Bank (proposed).....	15,000,000
8. Receipts and Recoveries from Previous Programs.....	120,300,000
9. Military Assistance (in Defense budget).....	80,000,000
10. International Military Headquarters.....	109,400,000
11. MAAG's, Missions and Milgroups.....	64,000,000
12. Permanent Military construction—Foreign Nations.....	479,200,000
13. Export-Import Bank, long-term credits.....	3,050,000,000
14. Export-Import Bank, Regular Operations.....	1,169,945,000
15. Export-Import Bank, Discount Authorizations.....	1,400,000,000
16. Peace Corps.....	80,826,000
17. Migrants and Refugees.....	10,100,000
18. Public Law 480 (Agricultural Commodities).....	1,386,017,000
19. Contributions to International Organizations.....	245,707,000
20. Education (Foreign and Other Students).....	74,000,000
21. Trust Territories of the Pacific.....	81,000,000
22. Latin American Highway (Darién Gap).....	9,900,000
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	14,154,109,909

¹ Includes the following amounts related to the Sinai Agreement :
Security supporting assistance.....

Israel.....	(755,000,000)
Egypt.....	(750,000,000)
Syria.....	(90,000,000)

Middle East Special Requirements fund..... 50,000,000

² Includes \$525,000,000 for Israel.

NOTE.—Total amount related to the Sinai Agreement as stated above is \$2,470,000,000.

It is not the purpose of the Committee to condemn all foreign aid and assistance as such but it was felt that an all inclusive list should be provided indicating areas where funds are spent.

In addition to the requests for authorization and/or appropriation, there is \$16,663,825,000 of unexpended balances (the pipeline) estimated as of June 30, 1975, available from prior year appropriations. Of course, this amount represents funds that have been previously obligated. The list follows:

Estimated unexpended balances in pipeline from prior years, for selected foreign assistance programs, as of June 30, 1975

1. Foreign Assistance Act (including Military Assistance).....	\$3,519,000,000
2. Export-Import Bank, long-term credits.....	2,638,100,000
3. Export-Import Bank, regular operations.....	1,893,300,000
4. Export-Import Bank, export expansion program.....	133,800,000
5. Inter-American Development Bank.....	3,865,484,000
6. International Bank for Reconstruction and Development.....	1,432,140,000
7. International Development Association.....	939,836,000
8. Asian Development Bank.....	349,480,000
9. Foreign military credit sales program.....	928,697,000
10. MAAG's missions and milgroups.....	3,750,000
11. Military assistance (in defense budget).....	489,000,000
12. International Military Headquarters.....	7,905,000
13. Inter-American Foundation.....	5,495,000
14. Permanent military construction overseas.....	1,070,000
15. Overseas Private Investment Corporation (OPIC).....	317,000,000
16. Peace Corps.....	11,575,000
17. Contributions to international organizations.....	4,561,000
18. Educational exchange.....	27,569,000
19. Ryukyu Islands.....	35,000
20. Migrants and refugees.....	25,867,000
21. Inter-American Highway.....	35,661,000
22. Trust Territories of the Pacific Islands.....	34,500,000
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Total.....	16,663,825,000

REDUCTION OF MILITARY AND ECONOMIC ASSISTANCE BUDGET REQUESTS

The Congress has made substantial reductions in the foreign assistance budget requests in past years. For the past 20 year period, reductions in only Title I activities have averaged around \$800,000,000 per year which is about 22 percent reduction each year. The following table provides a comparison between past years budget requests and appropriations:

FOREIGN ASSISTANCE ACT PROGRAMS (TITLE I ONLY)—REGULAR ANNUAL APPROPRIATION BILLS COMPARED TO THE BUDGET REQUESTS

Fiscal year	Budget estimate	Appropriation	Reduction below estimate	Percentage below budget estimate
1956.....	\$3,266,641,750	\$2,703,341,750	—\$563,300,000	17.24
1957.....	4,859,975,000	3,768,570,000	—1,093,405,000	22.50
1958.....	3,386,860,000	2,768,760,000	—618,100,000	18.25
1959.....	3,950,092,500	3,298,092,500	—652,000,000	16.51
1960.....	4,429,995,000	3,225,813,000	—1,204,182,000	27.18
1961.....	4,275,000,000	3,716,350,000	—558,650,000	13.07
1962.....	4,775,500,000	3,914,600,000	—860,900,000	18.03
1963.....	4,961,300,000	3,928,900,000	—1,032,400,000	20.81
1964.....	4,525,325,000	3,000,000,000	—1,525,325,000	33.71
1965.....	3,516,700,000	3,250,000,000	—266,700,000	7.58
1966.....	3,459,470,000	3,218,000,000	—241,470,000	6.98
1967.....	3,385,962,000	2,936,490,500	—449,471,500	13.27
1968.....	3,250,520,000	2,295,635,000	—954,885,000	29.38
1969.....	2,920,000,000	1,755,600,000	—1,164,400,000	39.88
1970.....	2,710,020,000	1,812,380,000	—897,640,000	33.12
1971.....	2,200,500,000	1,940,185,000	—260,315,000	11.83
1972.....	3,085,218,000	2,230,721,000	—854,497,000	27.70
1973.....	3,121,593,000	2,229,821,000	—891,772,000	28.57
1974.....	2,501,682,000	1,916,050,000	—585,632,000	23.41
1975.....	4,191,100,000	2,529,800,000	—1,661,300,000	39.64
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Total.....	72,773,454,250	56,437,109,750	—16,336,344,500	22.45

Note:—The above totals do not include amounts for Titles II and III.

UNITED STATES INTERNATIONAL BALANCE OF PAYMENTS

Soon after the foreign assistance program was started, the United States' international balance of payments began to experience large deficits. There have been only two surplus positions in the last 25 years and the 1971 deficit is probably the largest balance of payments deficit recorded. The following table shows the U.S. balance of payments position for the last 25 years:

<i>U.S. International balance of payments</i>	
Net deficit:	
1950	-\$1,912,000,000
1951	-578,000,000
1952	-1,100,000,000
1953	-2,100,000,000
1954	-1,500,000,000
1955	-1,100,000,000
1956	-1,000,000,000
1957 ¹	+500,000,000
1958	-3,400,000,000
1959	-3,700,000,000
1960	-3,800,000,000
1961	-2,400,000,000
1962	-2,200,000,000
1963	-2,880,000,000
1964	-3,006,000,000
1965	-1,306,000,000
1966	-2,077,000,000
1967	-3,650,000,000
1968 ¹	+93,000,000
1969	-7,208,000,000
1970	-4,715,000,000
1971	-22,002,000,000
1972	-13,909,000,000
1973	-7,900,000,000
1974	-18,100,000,000
Net U.S. balance-of-payments deficit (25 yrs.) 1950 through 1974	
	-110,730,000,000

¹ Net surplus.

NUMBER OF COUNTRIES RECEIVING U.S. AID

In fiscal year 1976, it is anticipated that 94 countries and territories would receive disbursements from various foreign aid programs.

The fiscal year 1976 proposed budget program indicates the following:

- 45 countries would receive military assistance and/or training.
- 10 countries would receive security supporting assistance.
- 68 countries would receive economic assistance.
- 72 countries would receive Public Law 480 assistance.
- 69 countries would receive Peace Corps assistance.

Some of these countries receive only one type of assistance—either economic or military aid; others may receive both economic and military aid and many may receive assistance from the various aid programs contained in Titles II, III, and IV of the accompanying bill.

TITLE I—FOREIGN ASSISTANCE ACT ACTIVITIES

Fiscal year 1975 appropriation	¹ \$2,529,800,000
Fiscal year 1976 estimate	² 3,703,080,000
Recommended in the bill	3,129,680,000
Transition period:	
Budget estimate	419,700,000
Recommended in the bill	315,500,000

¹ Prior year unobligated balances reappropriated.

² Prior year unobligated balances requested to be reappropriated.

The Committee recommends the appropriation of \$3,129,680,000 for activities mostly authorized by the Foreign Assistance Act and funded under Title I of the accompanying bill, a reduction of \$573,400,000 below the budget estimates but an increase of \$599,880,000 above the fiscal year 1975 appropriation.

In addition to the new budget (obligational) authority recommended in the bill for the Foreign Assistance Act activities (Title I) and the continued availability of unobligated balances, other funds become available during the fiscal year which can also be obligated. In fiscal year 1976, these funds are estimated to total \$116,800,000 which consists of \$9,800,000 in reimbursements and \$107,000,000 in recoveries.

Not all the funds available to finance foreign assistance programs are contained in the accompanying bill because some of these programs are administered by other departments and agencies and are funded in other appropriation bills. One example of such a program is the Public Law 480 program (agricultural commodities for foreign nations) which is included in the Department of Agriculture budget.

The Committee has received a great deal of correspondence concerning the separation of the Foreign Assistance Appropriations Bill into two bills; one providing funds for essentially the economic assistance programs and the other providing funds for the security assistance programs. The Committee has not recommended this approach for several reasons. The authorizing legislation providing funds for the economic assistance programs was signed into law on December 20, 1975. The Congress adjourned from December 19, 1975 until January 19, 1976. In the meantime, the House International Relations Committee began marking up legislation dealing with the authorization of funds for the security assistance programs and they just recently reported out a bill. On February 18, 1976, the Senate passed similar legislation. Therefore, the House Appropriations Committee could not have reported out a measure much earlier even if the bill had been separated.

Secondly, it would be almost physically impossible for the Committee and Congress to consider two separate Foreign Assistance Appropriations Bills for fiscal year 1976 and still be able to meet the deadline imposed on the Congress by the Budget and Impoundment Control Act of 1974 regarding the reporting and completion of a fiscal year 1977 bill. The House Appropriations Committee is striving to have all bills marked up by the subcommittees by the first week in May.

This means that the Foreign Assistance Appropriations Bill for fiscal 1976 has to be completed by Congress, hearings have to be held on the fiscal 1977 bill, any supplemental or special bills have to be acted on and mark up of the fiscal year 1977 bill has to take place and all this has to occur in the next two and one-half months. The almost impossible situation facing the Committee seems clear which would be exacerbated by having two fiscal year 1976 Foreign Assistance Appropriations Bills to process.

Thirdly, the Committee does not see any advantages or disadvantages to one program over another by having one bill. It would seem that if one program was felt to be overfunded, an amendment could be introduced to reduce that particular program and the same could occur regarding underfunding. The end result of the appropriation measure is to provide funding levels, with certain guidance on the obligation and expenditure of these funds, which the Congress feels is adequate and proper in light of the current situation. The Committee does not see that this process would be disrupted by including all the foreign assistance programs in one bill.

ECONOMIC ASSISTANCE

Fiscal year 1975 appropriation	\$854, 800, 000
Fiscal year 1976 estimate	1, 345, 680, 000
Recommended in the bill	1, 117, 180, 000
Transition period:	
Budget estimate	340, 500, 000
Recommended in the bill	246, 850, 000

The Committee recommends an appropriation of \$1,117,180,000, a reduction of \$228,500,000 below the budget estimate but an increase of \$262,380,000 above the fiscal year 1975 appropriation.

The Committee expects AID to allocate operating expenses in an equitable manner so that no one program or activity is required to bear most of these expenses during the fiscal year.

Authorizing legislation repealed, in effect, section 203 of the Foreign Assistance Act of 1961, as amended, which authorized the availability of loan repayments to be used to finance development assistance in addition to funds appropriated for the fiscal year. Because of this action, the Agency for International Development has lost the use of approximately \$200,000,000 per year to finance development programs.

The Committee expects AID to move rapidly to implement Section 107 of the Foreign Assistance Act, which authorizes \$20 million over the next three years for activities in the field of "intermediate" or "light capital" technology.

Foreign aid in the past has emphasized sophisticated equipment and infrastructures, requiring such large doses of capital that, given the billions of poor in developing nations, no amount of foreign aid, however generous or however distributed, could pretend to do the job.

The only hope of ever ameliorating world poverty is to adopt a totally fresh approach. That approach is to harness the vast reserves of idle labor time in all developing nations, enabling the latter to generate their own capital and easing the burden on the increasingly restive taxpayers of the Western world whose incomes, even if devoted entirely to foreign aid, would not be enough to raise up the world's poor.

"Intermediate" or "light capital" technology consists of simple, inexpensive tools and techniques—like animal-drawn plows and seeders, roto-tillers, simple grain storage bins, and small-scale irrigation works. These tools and techniques must be neither primitive nor capital-intensive, but instead "appropriate" to the scarcity of capital and abundance of labor in developing countries. Likewise, credit in small amounts must be supplied so that small farmers and others can purchase or invest in these tools and techniques. Through developing and using these "light capital" technologies, the developing countries will be able to "do-it-yourself" with only initial ideas and materials being supplied from the outside.

The Committee further feels that the \$20 million authorized under Section 107 for "intermediate technology" should be allocated from AID's functional accounts regardless of the levels of appropriations for these accounts. Moreover, this \$20 million should be used as seed money to get "light capital" technologies started, with the idea that once begun, they should grow and spread on their own. In the expenditure of these funds, the Committee expects full consideration of the following principles:

—That a substantial part of the \$20 million for "intermediate technology" under Section 107 be provided to small, innovative organizations.

—That this \$20 million not be "soaked up" in overhead of contracting organizations or of the central administration of the Section 107 program; and that, under no circumstances, should any of the \$20 million be allocated for the general administrative expenses of AID.

It is the intent of the Committee that the Assistant Administrator for Africa of AID explore the feasibility of assistance by the U.S. in construction of an airport at Thota-Ea-Moli in the country of Lesotho.

DEVELOPMENT ASSISTANCE

Fiscal year 1975 appropriation	\$574, 000, 000
Fiscal year 1976 estimate	1, 007, 000, 000
Recommended in the bill	821, 500, 000
Transition period:	
Budget estimate	286, 300, 000
Recommended in the bill	205, 400, 000

The Committee recommends an appropriation of \$821,500,000, a reduction of \$185,500,000 below the budget estimate but an increase of \$247,500,000 above the fiscal year 1975 appropriation.

The budget proposed a total fiscal year 1976 program of \$1,104,300,000 for the development assistance categories consisting of \$1,007,000,000 in new appropriations and \$97,300,000 in transfers, reimbursements, recoveries and continued availability of unobligated balances. Of this total proposed budget program, loans would make up \$527,100,000 of the amount, grants \$402,600,000 and operating expenses would account for \$174,600,000.

Development loans are repaid to the United States in dollars with interest. The loans generally are made at the lowest concessional rate permitted by law: 2 percent during a 10-year principal grace period and 3 percent during the following 30-year principal repayment period. In the early 1960s, the interest rate was three-fourths of one percent for the life of the loan; this was gradually increased to the current rate.

The Committee has included a paragraph in the accompanying bill which would allow that not less than \$300,000,000 shall be available for loans out of the total of \$821,500,000 recommended in new obligational authority for appropriation for development assistance by the Committee. It should be pointed out that the balance of \$521,500,000 will not all be used for grant programs because approximately \$171,800,000 of this amount will be used to finance operating expenses.

The Committee recommendations by each individual development assistance sector follow:

FOOD AND NUTRITION, DEVELOPMENT ASSISTANCE

Fiscal year 1975 appropriation	\$300,000,000
Fiscal year 1976 estimate	623,000,000
Recommended in the bill	487,500,000
Transition period:	
Budget estimate	167,150,000
Recommended in the bill	121,900,000

The Committee recommends an appropriation of \$487,500,000, a reduction of \$135,500,000 below the budget estimate but an increase of \$187,500,000 above the fiscal year 1975 appropriation.

The proposed fiscal year 1976 budget program of \$671,507,000 consists of \$623,000,000 in new obligational authority and \$48,507,000 in reimbursements, recoveries and continued availability of unobligated balances. The details of the proposed fiscal year 1976 budget program and transition period follow:

PROPOSED FISCAL YEAR 1976 PROGRAM AND TRANSITION PERIOD

	Fiscal year 1976			Transition period		
	Total	Grants	Loans	Total	Grants	Loans
Grand total	671,507,000			167,150,000		
Operating expenses	106,200,000			20,000,000		
Total program	565,307,000	127,607,000	437,700,000	147,150,000	34,750,000	112,400,000
Africa total	119,407,000	49,907,000	69,500,000	30,900,000	11,400,000	19,500,000
Cameroon	500,000	500,000		1,035,000	1,035,000	
Central African Republic	263,000	263,000				
Ethiopia	11,705,000	6,705,000	5,000,000	10,981,000	81,000	10,000,000
Ghana	11,292,000	1,292,000	10,000,000	100,000	100,000	
Guinea	605,000	605,000				
Kenya	18,103,000	3,103,000	15,000,000	463,000	463,000	
Liberia	430,000	430,000		115,000	115,000	
Mali	1,100,000	1,100,000		1,150,000	1,150,000	
Mauritania				700,000	700,000	
Niger	300,000	300,000				
Rwanda	293,000	293,000		242,000	242,000	
Somalia	4,000,000	4,000,000				
Tanzania	15,344,000	3,344,000	12,000,000	2,035,000	2,035,000	
Upper Volta	613,000	613,000				
Zaire				8,750,000	750,000	8,000,000
Former Portuguese Territory	4,515,000	4,515,000		3,500,000	2,000,000	1,500,000
Central and Western regional	35,350,000	7,850,000	27,500,000	1,057,000	1,057,000	
East regional	680,000	680,000		100,000	100,000	
Southern regional	3,763,000	3,763,000		400,000	400,000	
Africa regional	10,551,000	10,551,000		1,172,000	1,172,000	

PROPOSED FISCAL YEAR 1976 PROGRAM AND TRANSITION PERIOD—Continued

	Fiscal year 1976			Transition period		
	Total	Grants	Loans	Total	Grants	Loans
Asia, total	240,906,000	13,706,000	227,200,000	50,010,000	2,710,000	47,300,000
Bangladesh	59,869,000	1,869,000	58,000,000	20,466,000	466,000	20,000,000
India	66,500,000	1,500,000	65,000,000	100,000	100,000	
Indonesia	27,800,000	1,100,000	26,700,000	300,000	300,000	
Korea	292,000	292,000				
Nepal	1,100,000	1,100,000		400,000	400,000	
Pakistan	49,300,000	1,800,000	47,500,000	26,344,000	344,000	26,000,000
Philippines	20,700,000	3,700,000	17,000,000	500,000	500,000	
Sri Lanka	8,000,000		8,000,000			
Thailand	7,100,000	2,100,000	5,000,000	1,600,000	300,000	1,300,000
Asia regional	245,000	245,000		300,000	300,000	
Latin America, total	147,200,000	15,200,000	132,000,000	38,700,000	9,700,000	29,000,000
Bolivia	15,090,000	590,000	14,500,000	1,391,000	1,391,000	
Chile	15,445,000	445,000	15,000,000	315,000	315,000	
Colombia	12,540,000	140,000	12,400,000	6,060,000	60,000	6,000,000
Costa Rica	6,190,000	190,000	6,000,000	30,000	30,000	
Dominican Republic	12,285,000	285,000	12,000,000	68,000	68,000	
El Salvador	683,000	683,000		339,000	339,000	
Guatemala	14,054,000	1,054,000	13,000,000	245,000	245,000	
Guyana	3,650,000	150,000	3,500,000	150,000	150,000	
Haiti	7,455,000	2,455,000	5,000,000	9,547,000	1,547,000	8,000,000
Honduras	5,532,000	532,000	5,000,000	860,000	860,000	
Jamaica	75,000	75,000		19,000	19,000	
Nicaragua	246,000	246,000		352,000	352,000	
Panama	4,109,000	109,000	4,000,000	300,000	300,000	
Paraguay	3,622,000	1,122,000	2,500,000	794,000	794,000	
Peru	20,073,000	973,000	19,100,000	965,000	965,000	
Uruguay	225,000	225,000		13,000	13,000	
Latin America regional	8,257,000	4,257,000	4,000,000	1,301,000	1,301,000	
Caribbean regional	16,264,000	264,000	16,000,000	80,000	80,000	
ROCAP	1,405,000	1,405,000		15,871,000	871,000	15,000,000
Near East, total	15,194,000	6,194,000	9,000,000	20,240,000	3,640,000	16,600,000
Afghanistan	1,650,000	1,650,000		8,248,000	648,000	7,600,000
Morocco	10,110,000	1,110,000	9,000,000	4,750,000	750,000	4,000,000
Tunisia	1,150,000	1,150,000		5,635,000	635,000	5,000,000
Yemen	2,029,000	2,029,000		1,307,000	1,307,000	
Near East regional	255,000	255,000		300,000	300,000	
Program and management	400,000	400,000				
Worldwide technical assistance and research programs	41,900,000	41,900,000		7,200,000	7,200,000	
Inspector General of foreign assistance	300,000	300,000		100,000	100,000	

According to the justifications, the Agency for International Development's (A.I.D.) efforts in the food and nutrition field would be directed in four broad areas of research, food production, nutrition and rural development.

Research programs are aimed at finding increasingly effective technologies to promote expanded production capacity and higher food quality.

Most food and nutrition funds are directed toward achieving faster impact on food supplies; not to buy food, but to apply existing knowledge to increase output and improve nutrition progressively year by year, and emphasizing benefits for the rural poor.

An effective nutrition strategy requires coordinated efforts in agriculture, food technology, health, education, family planning, and Food for Peace, and seeks to develop new and high protein cereals, provide fortified food products, provide nutrition education, provide institutional feeding programs, etc.

Rural development strategy seeks to improve rural conditions by promoting profitable production—both on and off the farm—coupled with equitable distribution of benefits.

POPULATION PLANNING AND HEALTH, DEVELOPMENT ASSISTANCE

Fiscal year 1975 appropriation	\$125,000,000
Fiscal year 1976 estimate	218,500,000
Recommended in the bill	\$180,000,000
Transition period:	
Budget estimate	66,500,000
Recommended in the bill	45,000,000

¹ Placed a limitation of \$110,000,000 on the funds which could be used for population programs.
² Placed a limitation of \$135,000,000 on the funds which could be used for population programs.

The Committee recommends an appropriation of \$180,000,000, a reduction of \$38,500,000 below the budget estimate but an increase of \$55,000,000 above the fiscal year 1975 appropriation.

The proposed fiscal year 1976 budget program of \$241,100,000 consists of \$218,500,000 in new obligational authority and \$22,600,000 in recoveries. The details of the proposed fiscal year 1976 budget program and transition period follow:

PROPOSED FISCAL YEAR 1976 PROGRAM AND TRANSITION PERIOD

	Fiscal year 1976				Transition period			
	Total	Grants	Population grants	Loans	Total	Grants	Population grants	Loans
Grand total	241,100,000				66,500,000			
Operating expenses	38,617,000	38,617,000	(25,900,000)		12,728,000	12,728,000	(8,100,000)	
Total program	202,483,000	156,363,000	(133,400,000)	46,100,000	53,772,000	46,272,000	(36,500,000)	7,500,000
Africa, total	13,707,000	13,707,000	(5,707,000)		5,479,000	5,479,000	(767,000)	
Ghana	1,599,000	1,599,000	(909,000)		394,000	394,000	(232,000)	
Kenya	1,009,000	1,009,000	(1,009,000)		195,000	195,000	(195,000)	
Liberia	1,692,000	1,692,000	(99,000)		327,000	327,000	(25,000)	
Tanzania	1,958,000	1,958,000	(958,000)		240,000	240,000	(240,000)	
Zaire	593,000	593,000	(593,000)		300,000	300,000		
South Africa regional	400,000	400,000	(200,000)		500,000	500,000		
Sahel/CWR regional	3,090,000	3,090,000	(265,000)		500,000	500,000		
Mali					3,023,000	3,023,000	(75,000)	
Senegal	4,366,000	4,366,000	(1,674,000)					
Africa regional								
Asia, total	51,240,000	32,940,000	(30,255,000)	18,300,000	15,000,000	7,500,000	(6,800,000)	7,500,000
Bangladesh	4,600,000	4,600,000	(4,600,000)		765,000	765,000	(765,000)	
Indonesia	16,401,000	8,101,000	(7,801,000)	8,300,000	1,950,000	1,950,000	(1,950,000)	
Nepal	1,350,000	1,350,000	(1,050,000)		320,000	320,000	(220,000)	
Pakistan	8,858,000	8,858,000	(8,858,000)		9,540,000	2,040,000	(2,040,000)	7,500,000
Philippines	14,759,000	4,759,000	(4,759,000)	10,000,000	1,263,000	1,263,000	(1,263,000)	
Thailand	3,487,000	3,487,000	(3,187,000)		500,000	662,000	(562,000)	
Asia regional	1,785,000	1,785,000			500,000	500,000		
Near East, total	7,522,000	5,722,000	(2,797,000)	1,800,000	1,935,000	1,935,000	(375,000)	
Afghanistan	1,436,000	1,436,000	(317,000)		590,000	590,000	(80,000)	
Morocco	1,533,000	533,000	(533,000)		90,000	90,000	(90,000)	
Tunisia	1,868,000	1,868,000	(1,697,000)		205,000	205,000	(205,000)	
Yemen	3,375,000	1,575,000		1,800,000	1,000,000	1,000,000		
Near East regional	316,000	310,000	(250,000)		50,000	50,000		

PROPOSED FISCAL YEAR 1976 PROGRAM AND TRANSITION PERIOD—Continued

	Fiscal year 1976			Transition period				
	Total	Grants	Population grants	Loans	Total	Grants	Population grants	Loans
Latin America, total.....	37,210,000	11,210,000	(7,700,000)	25,000,000	3,234,000	3,234,000	(2,034,000)	
Bolivia.....	9,500,000	500,000	(250,000)	9,000,000	60,000	60,000	(60,000)	
Colombia.....	240,000	240,000	(240,000)		69,000	69,000	(69,000)	
Costa Rica.....	275,000	275,000	(275,000)		52,000	52,000	(52,000)	
Dominican Republic.....	290,000	290,000			111,000	111,000	(111,000)	
El Salvador.....	820,000	820,000	(820,000)		25,000	25,000		
Guatemala.....	670,000	670,000	(670,000)		361,000	361,000	(61,000)	
Haiti.....	1,335,000	1,335,000	(300,000)		65,000	65,000	(89,000)	
Honduras.....	335,000	335,000	(260,000)		139,000	139,000	(131,000)	
Jamaica.....	791,000	791,000	(591,000)		483,000	483,000	(128,000)	
Nicaragua.....	12,120,000	1,120,000	(850,000)	11,000,000	128,000	128,000	(92,000)	
Panama.....	6,510,000	510,000	(510,000)	6,000,000	52,000	52,000	(88,000)	
Paraguay.....	353,000	353,000	(353,000)		88,000	88,000		
Peru.....	350,000	350,000	(350,000)		1,561,000	1,561,000	(1,150,000)	
Latin America regional.....	3,295,000	3,295,000	(2,371,000)		1,700,000	1,700,000	(200,000)	
Technical Assistance Bureau, total.....	6,300,000	6,300,000	(737,000)		100,000	100,000	(100,000)	
Program and management services, total.....	500,000	500,000	(500,000)		21,624,000	21,624,000	(21,624,000)	
Interregional.....	64,704,000	64,704,000	(64,704,000)		4,500,000	4,500,000	(4,500,000)	
Goal 1.....	7,191,000	7,191,000	(7,191,000)		1,065,000	1,065,000	(1,065,000)	
Goal 2.....	4,265,000	4,265,000	(4,265,000)		2,095,000	2,095,000	(2,095,000)	
Goal 3.....	6,938,000	6,938,000	(6,938,000)		8,979,000	8,979,000	(6,979,000)	
Goal 4.....	36,638,000	36,638,000	(36,638,000)		4,370,000	4,370,000	(4,370,000)	
Goal 5.....	1,965,000	1,965,000	(1,965,000)		4,600,000	4,600,000	(4,600,000)	
Goal 6.....	7,649,000	7,649,000	(7,649,000)		100,000	100,000		
U.N. fund for population activities.....	21,000,000	21,000,000	(21,000,000)					
Inspector General, Foreign Assistance.....	300,000	300,000						

According to A.I.D., the population program concentrates its efforts in the following major areas:

Education and information: Educational and motivational efforts are needed to promote widespread voluntary acceptance of family planning services. Such efforts are complicated by the low level of literacy and limited access to low-cost communication media. Working with groups such as the International Confederation of Midwives, the American Home Economics Association and the East-West Center's Communications Institute, AID will continue to develop culturally attuned information programs in selected countries.

Manpower and institutional development: Successful population and health programs depend on trained manpower and indigenous institutions to lead and conduct the effort. Emphasis will gradually shift to training of paramedical and nonmedical personnel capable of working at the village level with only limited facilities.

Demographic and social data collection and analysis: Demographic and social data are needed to help officials understand population growth and its economic and social implications. Furthermore, many population programs are now at a stage where measuring impact is both feasible and essential.

Population policy and fertility behavior: With the cooperation of other donors, additional research will be carried out on the social, cultural, legal, religious, and other factors which influence fertility.

Fertility control techniques and operational research: AID's successful biomedical research program has helped devise reasonably inexpensive and simplified fertility control techniques. However, additional methods and improvements in current methods are needed to make them more effective and suitable for use in developing countries.

Family planning delivery systems: Most developing country citizens do not yet have access to even the most basic population and health services. Major emphasis will be given, therefore, to continuing expansion of service coverage to the great mass of rural and urban poor who tend to have the highest fertility, worst diets, and poorest health. Delivery systems for provision of services is the largest single element in our proposed population budget.

Support is also planned for the UN Fund for Population Activities and various private and voluntary organizations.

Health assistance is to be concentrated in three areas:

Low-cost integrated health delivery systems to provide the widest possible coverage for the poor majority in family planning, nutrition, and basic health services, at a cost which the developing countries can afford.

Improvement of health and population planning to enable developing countries to achieve a better distribution and use of their own limited resources.

Prevention of major rural environmental health hazards.

The Committee is keenly aware of the present situation regarding the plight of millions of people due to the lack of adequate food supplies and it is also aware of the danger of unrestrained population growth on these scarce food supplies and the effect on the world economy. However, it was recently estimated by A.I.D. that undisbursed funds for the population program would amount to \$173,900,000 as of June 30, 1975, and this total would increase to \$222,600,000 by

June 30, 1976. It was also estimated that \$6,400,000 would become available during fiscal year 1976 from deobligations from other projects.

In light of these sources of funds on hand, the Committee feels the amount recommended in the accompanying bill is sufficient to meet the needs of the population program in fiscal year 1976. For this reason, provisions have been included in the bill which would limit the funds to be allocated to the population program in fiscal 1976 and the transition period to the amount recommended in the provisions only.

The authorizing legislation included a provision that would require the agency to program not less than 67 percent of the funds made available for population planning and health, development assistance for only population planning. The provisions placed in the accompanying bill would, therefore, take precedence over the authorization language and establish a ceiling on funds to be used for population planning.

The Committee believes A.I.D. should not be forced to obligate a specific amount for population activities each year but that funds should be obligated only against projects that have been properly justified and where a specific need has been identified.

EDUCATION AND HUMAN RESOURCES DEVELOPMENT, DEVELOPMENT ASSISTANCE

Fiscal year 1975 appropriation.....	\$82,000,000
Fiscal year 1976 estimate.....	84,500,000
Recommended in the bill.....	82,000,000
Transition period:	
Budget estimate.....	23,679,000
Recommended in the bill.....	20,500,000

The Committee recommends an appropriation of \$82,000,000, a reduction of \$2,500,000 below the budget estimate but the same amount that was appropriated in fiscal year 1975.

The proposed fiscal year 1976 budget program of \$93,566,000 consists of \$84,500,000 in new obligational authority and \$9,066,000 in recoveries. The details of the proposed fiscal year 1976 budget program and transition period follow:

PROPOSED FISCAL YEAR 1976 PROGRAM AND TRANSITION PERIOD

	Fiscal year 1976		Transition period	
	Total	Grants	Loans	Total
Grand total.....	\$93,566,000			\$23,679,000
Operating expenses.....	15,200,000			10,200,000
Total program.....	78,366,000	\$55,366,000	\$23,000,000	13,479,000
Africa, total	15,435,000	15,435,000		849,000
Ethiopia.....	527,000	527,000		
Ghana.....	525,000	525,000		
Liberia.....	750,000	750,000		149,000
Sierra Leone.....	50,000	50,000		
Zambia.....	1,045,000	1,045,000		185,000
Central and West regional.....	1,375,000	1,375,000		45,000
East regional.....	1,475,000	1,475,000		123,000
Southern regional.....	10,593,000	10,593,000		321,000
Africa regional.....	15,125,000	10,125,000	5,000,000	2,925,000
Asia, total	500,000	500,000		100,000
India.....	6,900,000	1,900,000	5,000,000	100,000
Indonesia.....	1,300,000	300,000	200,000	200,000
Korea.....	1,000,000	1,000,000		200,000
Nepal.....	450,000	450,000		
Pakistan.....	100,000	100,000		
Philippines.....	400,000	400,000		100,000
Thailand.....	5,775,000	5,775,000		2,325,000
Asia regional.....				

PROPOSED FISCAL YEAR 1976 PROGRAM AND TRANSITION PERIOD—Continued

	Fiscal year 1976			Transition period		
	Total	Grants	Loans	Total	Grants	Loans
Latin America, total.....	34,200,000	16,200,000	18,000,000	7,700,000	7,700,000	
Bolivia.....	5,900,000	300,000		450,000	450,000	
Brazil.....	900,000	900,000	5,000,000	29,000	29,000	
Chile.....	50,000	50,000				
Colombia.....	457,000	457,000		213,000	213,000	
Dominican Republic.....	125,000	125,000		30,000	30,000	
El Salvador.....	185,000	185,000		205,000	205,000	
Guatemala.....	542,000	542,000		800,000	800,000	
Haiti.....	2,155,000	155,000	2,000,000	894,000	894,000	
Honduras.....	100,000	100,000		25,000	25,000	
Jamaica.....	200,000	200,000		500,000	500,000	
Nicaragua.....	11,325,000	325,000	11,000,000	109,000	109,000	
Panama.....	795,000	795,000		85,000	85,000	
Paraguay.....	711,000	711,000		118,000	118,000	
Peru.....	266,000	266,000		45,000	45,000	
Uruguay.....	10,795,000	10,795,000		4,267,000	4,267,000	
Latin American regional.....	275,000	275,000		80,000	80,000	
Caribbean regional.....	556,000	556,000		375,000	375,000	
ROCAP.....						
Near East, total.....	6,806,000	6,806,000		1,105,000	1,105,000	
Afghanistan.....	2,773,000	2,773,000		155,000	155,000	
Tunisia.....	219,000	219,000				
Yemen.....	529,000	529,000				
Near East regional.....	3,285,000	3,285,000		950,000	950,000	
Population and humanitarian.....	600,000	600,000		200,000	200,000	
Worldwide technical assistance and research programs.....	3,900,000	3,900,000		200,000	200,000	
Women in development.....	300,000	300,000		300,000	300,000	
Program and management.....	1,200,000	1,200,000		300,000	300,000	
Office of Labor Affairs.....	600,000	600,000		100,000	100,000	
Inspector General.....	200,000	200,000				

A.I.D. indicates these funds are helping to develop more useful and precise methods to:

Identify the learners—both children and adults—and what they need to learn to cope with their life problems, and insure that assistance projects focus on the learning needs of these populations.

Education assistance is now focused increasingly on the poor majority, addressing a broad spectrum of needs and problems, through effective use of existing formal and nonformal education resources.

The foreign assistance programs in human resource development will concentrate on the provision of learning opportunities to help the poor majority cope with their most pressing human problems—hunger, ill health, and lack of productive employment.

TECHNICAL ASSISTANCE, ENERGY, RESEARCH, RECONSTRUCTION AND
SELECTED DEVELOPMENT PROBLEMS, DEVELOPMENT ASSISTANCE

Fiscal year 1975 appropriation.....	¹ (\$67,000,000)
Fiscal year 1976 estimate.....	² (81,000,000)
Recommended in the bill.....	72,000,000
Transition period:	
Budget estimate.....	³ (28,971,000)
Recommended in the bill.....	18,000,000

¹ These funds were appropriated in FY 1975 under the headings "Selected development problems"—\$37,000,000 and "Selected countries and organizations"—\$30,000,000. The authorizing legislation consolidated these two titles and renamed the function.

² These funds were requested under the titles of "Selected development problems"—\$44,000,000 and transition period—\$12,571,000 and "Selected countries and organizations"—\$37,000,000 and transition period—\$18,400,000.

The Committee recommends an appropriation of \$72,000,000 a reduction of \$9,000,000 below the combined budget estimates but an increase of \$5,000,000 above the combined fiscal year 1975 appropriations.

The proposed fiscal year 1976 budget program of \$98,232,000 consists of \$81,000,000 in new obligational authority and \$17,232,000 in recoveries and continued availability of unobligated balances. The details of the proposed fiscal year 1976 budget program and transition period follows:

PROPOSED FISCAL YEAR 1976 PROGRAM AND TRANSITION PERIOD

	Fiscal year 1976			Transition period		
	Total	Grants	Loans	Total	Grants	Loans
Grand total.....	98,232,000			28,971,000		
Operating expenses.....	14,600,000			6,921,000		
Total program.....	83,632,000	63,332,000	20,300,000	22,050,000	19,550,000	2,500,000
Africa, total.....	8,946,000	8,946,000		500,000	500,000	
Cameron.....	319,000	319,000				
Central West Africa regional.....	4,350,000	4,350,000				
Africa regional.....	4,277,000	4,277,000		500,000	500,000	
Asia, total.....	14,280,000	4,780,000	9,500,000	3,050,000	550,000	2,500,000
Bangladesh.....	2,500,000	500,000	2,000,000	2,500,000		2,500,000
Korea.....	5,000,000		5,000,000			
Pakistan.....	2,500,000		2,500,000			
Regional.....	4,280,000	4,280,000		550,000	550,000	

PROPOSED FISCAL YEAR 1976 PROGRAM AND TRANSITION PERIOD—Continued

	Fiscal year 1976			Transition period		
	Total	Grants	Loans	Total	Grants	Loans
Latin America, total.....	14,500,000	3,700,000	10,800,000	1,600,000	1,600,000	-----
Bolivia.....	50,000	50,000	-----	15,000	15,000	-----
Chile.....	50,000	50,000	-----	10,000	10,000	-----
Colombia.....	50,000	50,000	-----	13,000	13,000	-----
Dominican Republic.....	50,000	50,000	-----	13,000	13,000	-----
El Salvador.....	260,000	260,000	-----	37,000	37,000	-----
Guatemala.....	50,000	50,000	-----	15,000	15,000	-----
Guyana.....	1,825,000	25,000	1,800,000	6,000	6,000	-----
Haiti.....	75,000	75,000	-----	79,000	79,000	-----
Honduras.....	5,075,000	75,000	5,000,000	625,000	625,000	-----
Jamaica.....	50,000	50,000	-----	13,000	13,000	-----
Nicaragua.....	4,500,000	500,000	4,000,000	337,000	337,000	-----
Panama.....	50,000	50,000	-----	7,000	7,000	-----
Paraguay.....	50,000	50,000	-----	13,000	13,000	-----
Peru.....	40,000	40,000	-----	10,000	10,000	-----
Uruguay.....	25,000	25,000	-----	5,000	5,000	-----
Caribbean regional.....	225,000	225,000	-----	63,000	63,000	-----
ROCAP.....	158,000	158,000	-----	-----	-----	-----
Latin America regional.....	1,917,000	1,917,000	-----	339,000	339,000	-----
Near East, total.....	1,330,000	1,330,000	-----	700,000	700,000	-----
Tunisia.....	-----	-----	-----	100,000	100,000	-----
Yemen.....	650,000	650,000	-----	50,000	50,000	-----
Regional.....	680,000	680,000	-----	550,000	550,000	-----
Worldwide technical assistance and research programs.....	11,200,000	11,200,000	-----	4,415,000	4,415,000	-----
Population and humanitarian assistance bureau.....	31,400,000	31,400,000	-----	11,300,000	11,300,000	-----
Program and management services.....	1,700,000	1,700,000	-----	385,000	385,000	-----
Inspector General of foreign assistance.....	276,000	276,000	-----	100,000	100,000	-----

The authorizing legislation merged the two categories—selected development problems and selected countries and organizations—into this one functional category. According to the report of the House International Relations Committee explaining this new category, the following program emphases should be covered under this new function:

(1) Provide technical assistance, particularly through U.S. private and voluntary organizations and regional and international development organizations.

(2) Carry on programs to help developing countries increase their production or conservation of energy. These programs are mainly intended to provide specific authority for A.I.D. to help poor countries hard hit by high energy costs to respond to their overall energy problem by seeking new sources of production and exploring possibilities of conservation, so that over time their use of and dependence on expensive imports of oil can be reduced.

(3) Provide research activities, to the extent that they are not carried out under other sections.

(4) Provide disaster reconstruction. Often reconstruction following natural or manmade disasters requires funds for urban housing or other activities which fall outside the scope of the major functional development assistance areas.

(5) Provide funds for special development problems faced by the very poorest and least developed countries, especially in Africa, and programs which may be necessary to make possible the proper use of projects previously funded by assistance from the United States.

(6) Urban development, not in the sense of elaborate planning and construction in large metropolitan centers, but the financing of activities which can directly help the urban poor who are crowded into the slum areas of big cities.

The authorizing legislation has earmarked \$30,000,000 out of the funds available under this function for fiscal year 1976, the transition period and fiscal year 1977 to reimburse private voluntary agencies of the United States for costs incurred with respect to the shipment of food and nonfood commodities provided through private donations. While the Committee certainly desires that adequate funds be available for this purpose, it understands that because of the earmarking provision funds may have to be reduced which were intended for general program support or development program grants for the private voluntary organizations. The Committee is hopeful a suitable program can be worked out by the Agency.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

Fiscal year 1975 appropriation.....	\$125,000,000
Fiscal year 1976 estimate.....	189,500,000
Recommended in the bill.....	160,000,000
Transition period:	
Budget estimate.....	19,200,000
Recommended in the bill.....	19,200,000

¹ Placed a ceiling of \$17,000,000 on funds for UNICEF.

² Placed a ceiling of \$20,000,000 on funds for UNICEF.

The Committee recommends an appropriation of \$160,000,000, a reduction of \$29,500,000 below the budget estimate but an increase of \$35,000,000 above the fiscal year 1975 appropriation.

Included in the fiscal year 1976 request and transition period are the following programs and proposed amounts:

Item:	Proposed fiscal year 1976 program	Proposed transition period program
U.N. development program.....	\$120,000,000	-----
U.N. Children's Fund.....	15,000,000	-----
International Atomic Energy Agency—operational fund.....	3,500,000	-----
World Meteorological Organization—voluntary assistance program.....	1,500,000	-----
U.N. Food and Agriculture Organization—world food program.....	1,500,000	-----
U.N. Institute for Training and Research.....	400,000	-----
U.N. Relief and Works Agency.....	26,700,000	13,400,000
World Heritage Trust Fund.....	50,000	-----
U.N. Funds for Southern Africans.....	50,000	-----
Organization of American States.....	20,800,000	5,800,000
Total, proposed program.....	189,500,000	19,200,000

The Committee is still not satisfied with the operation of the U.N. Development Program (UNDP). During the hearings, it was brought out that the UNDP not only had 1,051 personnel in its headquarters and field operations but that the UNDP hired 9,801 experts in 1974. The Committee feels that this certainly would make for a top heavy organization. In addition, it was discovered that the UNDP administered 9,337 individual country and intercountry projects. According to testimony, the UNDP plans a program level of \$556.3 million in 1976 (this total could be revised downward) which compares to \$480.2 million in 1975 and \$417.1 million in 1974. It appears that the UNDP not only has an enormous operation underway but they plan to continue to increase the operation and the Committee questions whether this type of operation can be or has been properly administered.

It might be pointed out that the UNDP has provided funding to nine communist countries (Albania, Bulgaria, Cuba, Czechoslovakia, Hungary, Mongolia, Romania and Yugoslavia).

According to a newspaper article, AFL-CIO President George Meany said the organizations supported by the UNDP have been "completely perverted to the service of the most destructive and vicious political ends."

He said UNDP programs have become "instruments of political warfare against our country and . . . hostile to the interests and ideals of the people of the United States."

Again the Committee directs that none of the funds provided in the accompanying bill be used to provide additional funds to the UN Development Program during calendar year 1975 and that the U.S. contribution remain at its present level for the same period. A provision is also included in the bill to carry out this direction.

The Committee recommends not more than \$20,000,000 for UNICEF in the accompanying bill which is the amount authorized. The Committee directs that the entire \$20,000,000 be allocated to the United Nations Children's Fund from the funds provided under this title in fiscal year 1976.

The Committee is gravely concerned over the threat to the United States of nuclear weapons proliferation. A number of countries—among them Brazil, Argentina, Pakistan, South Africa—are engaged in purchasing or developing facilities that can produce nuclear weapons. Also, neighboring countries will be forced by internal political pressures to develop nuclear weapons.

If this trend continues, dozens of countries could soon have nuclear weapons. The United States could someday be hit by a nuclear attack and not know the identity of the attackers. We might even strike back at the wrong country. A nuclear bomb might even be exploded in a large American city by a terrorist group, instigated and supplied anonymously by one of the many nations deeply hostile to the United States.

The International Atomic Energy Agency is the principal institution responsible for developing and enforcing international nuclear safeguards. However, a recent General Accounting Office investigation found that "the real effectiveness of IAEA safeguards is not known."

[GAO Report to the Committee on International Relations, ID-75-65, July 3, 1975] Based on findings of the investigation, the Committee is concerned about the following:

Only 40 professional inspectors were responsible for 415 nuclear facilities in 1974, thus inspections can take place only at lengthy intervals;

Inspections consist mainly of accounting and data-keeping measures;

Some countries limit the number of inspectors which can come in their countries to inspect their facilities;

Inspectors cannot inspect all nuclear facilities in one country simultaneously, thereby presenting opportunities for diversion of nuclear materials;

Some inspection instruments in current use do not measure with the accuracy needed to detect diversion;

The International Atomic Energy Agency has no authority to require physical protection methods such as armed guards or locks;

Some countries exclude or limit use of necessary surveillance and containment devices such as cameras and seals;

The International Atomic Energy Agency has no authority to seek out possible undeclared or clandestine facilities or stockpiles of nuclear material.

The Committee will expect the Administration to be able to respond to these findings during hearings on the fiscal year 1977 foreign aid budget request for the International Atomic Energy Agency. It is understood that the success of the International Atomic Energy Agency safeguards system depends upon the cooperation of member countries. However, the United States can exert leadership through its leverage as a major contributor to the Agency's budget. The Administration's response should include proposals which the United States can make through its representative to the International Atomic Energy Agency to resolve these problems and the additional budgetary cost to the United States if such proposals were adopted by the International Atomic Energy Agency.

UNITED NATIONS ENVIRONMENT FUND

Fiscal year 1975 appropriation	\$5,000,000
Fiscal year 1976 estimate	7,500,000
Recommended in the bill	5,000,000
Transition period:	
Budget estimate	
Recommended in the bill	

The Committee recommends an appropriation of \$5,000,000, a reduction of \$2,500,000 below the budget estimate.

The UN Environment Fund was proposed by the President in his 1972 Environmental Message to Congress, in which he urged that such a fund be established with a goal of \$100 million for the first 5-year period. The President proposed that the United States contribute up to \$40 million on a 60/40 matching basis. In December 1973, legislation

was enacted authorizing U.S. contributions to the Fund of up to \$40 million, with the proviso that not more than \$10 million be appropriated in FY 1974.

The following is a list of program priorities as formulated by the Fund:

Development of environmentally sound technology related to human settlements, low-cost building techniques, water and waste treatment;

Technological and social solutions to human settlement problems, especially in transitional settlements, pilot projects;

Rural development with special attention to rural-to-urban migration;

Register of potentially toxic chemicals;

Integrated pest control—pilot projects;

Management of arid and semi-arid lands and tropical forest eco-systems—problems of desertification;

Protection of the marine environment—regional activities;

Protection of endangered species—expansion of national parks systems;

Conservation of genetic resources;

and the following functional tasks:

Global Environmental Monitoring System;

International Referral System;

Development of environmental management and assessment capabilities;

Education, information, technical assistance and training.

AMERICAN SCHOOLS AND HOSPITALS ABROAD

Fiscal year 1975 appropriation	\$17,500,000
Fiscal year 1976 estimate	¹ 20,000,000
Recommended in the bill	20,000,000
Transition period:	
Budget estimate	2,500,000
Recommended in the bill	2,500,000

¹ Includes an increase of \$10,000,000 contained in H. Doc. 94-382.

SPECIAL FOREIGN CURRENCY PROGRAM

Fiscal year 1975 appropriation	(\$6,500,000)
Fiscal year 1976 estimate	(7,000,000)
Recommended in the bill	(7,000,000)
Transition period:	
Budget estimate	(1,750,000)
Recommended in the bill	(1,750,000)

The Committee recommends an appropriation of \$20,000,000. In addition, the Committee recommends the appropriation of the equivalent of \$7,000,000 in excess foreign currencies.

The authorizing legislation authorized \$25,000,000 in new obligational authority for this program and \$7,000,000 in excess foreign currencies.

Assistance to American schools and hospitals abroad is provided to help demonstrate American ideas, practices and advances in educa-

tion and medicine through supporting grants to American institutions in foreign countries.

U.S. foreign assistance grants under Section 214 of the Foreign Assistance Act supplement the preponderantly private income which, in most cases, these institutions earn or receive from U.S. and foreign sources.

The Committee feels this is one of the better areas of foreign aid. The United States image is probably projected more favorably and in a better manner through this program than any other program of foreign assistance. The Committee also wishes once again to commend the Office of American Schools and Hospitals Abroad for its sensible recommendations and efficient management of the program with a minimal staff.

The Committee certainly endorses the policy of the Office of American Schools and Hospitals Abroad to disperse the program funds geographically. The Committee has noted the concentration of funding in a few countries and it hopes this situation can be corrected in the future.

It is estimated that pending requests for funds for fiscal year 1976 approximate in excess of \$65,900,000, not including additional requests of \$7,200,000 in excess foreign currencies. A partial listing of these requests along with the fiscal year 1975 allocations appear on pages 841, 842, and 843 of the fiscal year 1976 hearings, part 3. The Committee has not recommended specific allocations of funds to institutions in the bill because of this large list of applicants and because it was felt that as many projects as possible should be processed through established channels. Of course, Congress has every right to include any meritorious project for funding it feels is justified. The Committee does feel the projects selected for funding in fiscal 1976 should be selected on a priority basis with special consideration given to projects where programs are under way to insure that these programs are brought to a logical conclusion and to projects where United States interests would be greatly affected.

JOHN M'CORMACK CENTER, ST. JOHN'S MEDICAL COLLEGE (SPECIAL FOREIGN CURRENCY PROGRAM)

Fiscal year 1975 appropriation	-----
Fiscal year 1976 request	-----
Recommended in the bill	(\$13,650,000)
Transition period:	
Budget estimate	-----
Recommended in the bill	-----

The Committee recommends the appropriation of the equivalent of \$13,650,000 in excess foreign currencies for this facility which is located in Bangalore, India.

According to information presented to the Committee, \$9,000,000 equivalent in excess rupees would be used for an endowment for charity patients with the remainder to be used for construction of additional units.

INDUS BASIN DEVELOPMENT FUND, GRANTS

Fiscal year 1975 appropriation	\$9,000,000
Fiscal year 1976 estimate	22,500,000
Recommended in the bill	9,000,000
Transition period:	
Budget estimate	4,500,000
Recommended in the bill	2,250,000

The Committee recommends an appropriation of \$9,000,000, a reduction of \$13,500,000 below the budget estimate.

The Indus Basin Settlement Agreements of 1960 and 1964 provided for the establishment of an Indus Basin Development Fund to finance a construction program which would ensure an equitable division of the waters of the Indus Basin between India and Pakistan and to provide increased water for both irrigated agriculture and electricity for human and industrial needs.

Under the Indus Basin Agreements, India received the use of the waters of the three eastern rivers and Pakistan received the use of the waters of the three western rivers. The agreements also provided for a substantial amount of development assistance for Pakistan. The United States and eight other donors contribute to the Fund (Australia, Canada, West Germany, the World Bank, India, New Zealand, Pakistan, United Kingdom).

According to testimony, the contribution of the \$22,500,000 and the \$4,500,000 for the transition period would complete the U.S. commitment to the present agreement and there are no plans at this time for any further U.S. commitment to the Fund.

INDUS BASIN DEVELOPMENT FUND, LOANS

Fiscal year 1975 appropriation	\$200,000
Fiscal year 1976 estimate	10,000,000
Recommended in the bill	5,000,000
Transition period:	
Budget estimate	
Recommended in the bill	

This appropriation is part of the previous item.

The Committee recommends the appropriation of \$5,000,000. These funds would be used to provide a special U.S. contribution for the emergency repair of the Tarbela Dam.

In past years, the Committee has discovered that additional funds have been transferred into these accounts after the appropriation was made, which supplemented the funds provided under the original appropriation bill. Because the Committee feels this practice circumvents Congressional action and it also feels the amounts recommended for these two Indus Basin Development Fund accounts are adequate, provisos have again been included in the bill which would limit funds to be allocated to these two accounts in fiscal year 1976 and the transition period to the amounts provided in the grant and loan paragraphs only.

CONTINGENCY FUND

Fiscal year 1975 appropriation	\$1,800,000
Fiscal year 1976 estimate	¹ \$0,000,000
Recommended in the bill	5,000,000
Transition period:	
Budget estimate	² 15,000,000
Recommended in the bill	1,250,000

¹ Includes \$10,000,000 for the contingency fund and \$20,000,000 for disaster relief.

² Includes \$5,000,000 for the contingency fund and \$10,000,000 for disaster relief.

The Committee recommends an appropriation of \$5,000,000.

Pending authorization bills provide for an authorization of only \$5,000,000 and existing legislation has already authorized \$25,000,000 for a separate disaster relief appropriation item which follows.

INTERNATIONAL DISASTER ASSISTANCE

Fiscal year 1975 appropriation	¹ \$35,000,000
Fiscal year 1976 estimate	² (20,000,000)
Recommended in the bill	20,000,000
Transition period:	
Budget estimate	² (10,000,000)
Recommended in the bill	5,000,000

¹ Earmarked \$25,000,000 for Cyprus.

² Budget estimates are included in the contingency fund item.

The Committee recommends an appropriation of \$20,000,000, a reduction of \$15,000,000 below the fiscal year 1975 appropriation.

The authorizing legislation authorized \$25,000,000 for this program. A list showing the amount of funds that have been programmed and obligated through the end of December follows:

INTERNATIONAL DISASTER ASSISTANCE PROGRAM AS OF DEC 31, 1975

	Programed amount as of the end of 1st quarter	Net change in programed amount during 2d quarter	Programed amount as of the end of 2d quarter	Actual obligations as of the end of 2d quarter
Angola Portugal (airlift)	\$8,000,000	+\$8,000	\$8,008,000	\$8,008,000
Angola civil strife	225,000	+200,000	425,000	425,000
Ambassador's declaration	(25,000)		(25,000)	(25,000)
ICRC	(200,000)	(+200,000)	(400,000)	(400,000)
Lebanon civil strife		+710,000	710,000	560,000
India mine disaster		+121,000	121,000	121,000
Brazil floods	169,000		169,000	169,000
Romania floods	660,000	-14,000	646,000	646,000
Sudan floods	127,000		127,000	127,000
Turkey earthquake	225,000		225,000	225,000
Floods	45,000	+25,000	70,000	70,000
Other	93,000	+95,000	188,000	177,000
Uncommitted	456,000	+4,855,000	5,311,000	
Total	10,000,000	+6,000,000	16,000,000	10,528,000

AFRICAN DEVELOPMENT PROGRAM

Fiscal year 1975 appropriation	-----	
Fiscal year 1976 estimate	-----	
Recommended in the bill	-----	\$5,000,000
Transition period:		
Budget estimate	-----	
Recommended in the bill	-----	

The Committee recommends an appropriation of \$5,000,000, which is the amount authorized.

This program was authorized by section 494B of the Foreign Assistance Act of 1961, as amended, and the funds are to be used to develop a long-term comprehensive development program for the Sahel and other drought-stricken nations in Africa.

CYPRUS RELIEF AND REHABILITATION

Fiscal year 1975 appropriation	-----	¹ (\$25,000,000)
Fiscal year 1976 estimate	-----	² (25,000,000)
Recommended in the bill	-----	25,000,000
Transition period:		
Budget estimate	-----	² (5,000,000)
Recommended in the bill	-----	5,000,000

¹ These funds were earmarked under disaster relief assistance.

² These funds were requested under security supporting assistance.

The Committee recommends an appropriation of \$25,000,000.

The authorizing legislation provided for a separate appropriation title and authorized \$30,000,000 for this program. Last year this item was funded under disaster relief assistance at a level of \$25,000,000. At the present time, the Administration has not submitted a separate request for this item but they included a request for Cyprus of \$25,000,000 under the security supporting assistance program.

INTERNATIONAL NARCOTICS CONTROL

Fiscal year 1975 appropriation	-----	¹ \$17,500,000
Fiscal year 1976 estimate	-----	42,500,000
Recommended in the bill	-----	25,000,000
Transition period:		
Budget estimate	-----	13,000,000
Recommended in the bill	-----	6,250,000

¹ In addition they could use \$15,000,000 in unobligated balances making a total of \$32,500,000 available.

The authorizing legislation for fiscal year 1976 for this program is still pending before Congress.

The Committee recommends an appropriation of \$25,000,000, a reduction of \$17,500,000 below the budget estimate but an increase of \$7,500,000 above the fiscal year 1975 appropriation.

The details of the proposed fiscal year 1976 budget program and the transition period follow:

	Proposed fiscal year 1976 program	Proposed transition period program
Country programs:		
Andean regional	\$3,502,000	\$4,310,000
Argentina	19,000	-----
Bolivia	427,000	127,000
Brazil	229,000	6,000
Chile	45,000	9,000
Colombia	1,272,000	209,000
Costa Rica	62,000	-----
Ecuador	486,000	125,000
Jamaica	25,000	-----
Mexico	7,362,000	3,000,000
Paraguay	15,000	3,000
Peru	405,000	84,000
Subtotal Latin America	13,849,000	7,873,000
Burma	13,950,000	785,000
Indonesia	67,000	-----
Philippines	110,000	20,000
Thailand	1,803,000	222,000
Subtotal East Asia	15,930,000	1,027,000
Pakistan	57,000	2,000,000
Subtotal Near East	57,000	2,000,000
International organizations:		
Colombo plan	100,000	-----
U.N. Fund for Drug Abuse Control	5,000,000	-----
Subtotal international organizations	5,100,000	-----
Interregional programs:		
Treatment and rehabilitation	450,000	100,000
Training	6,299,000	1,750,000
Subtotal interregional programs	6,749,000	1,850,000
Program support and development	815,000	250,000
Program total	42,500,000	13,000,000

According to the Administration, the immediate objective of the international narcotics control program continues to be the interdiction or destruction of present illicit drug traffic, particularly heroin, destined for the United States. A longer-term but clearly supportive objective is, through working cooperatively with the international community in a common effort, to control illicit drug production, processing and trafficking.

One of the major achievements of the intensified international effort has been the marked change in the earlier attitudes of other governments that the problem of drug abuse is largely unique to the United States. Increasing awareness of their own national drug problems has resulted in new or more intense enforcement programs, being undertaken by many other countries, notably those in the European Community, Burma, Mexico, Colombia, Hong Kong, Bolivia, Chile, and the Philippines.

PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

Fiscal year 1975 appropriation (by transfer)-----	(\$16,080,000)
Fiscal year 1976 estimate-----	16,680,000
Recommended in the bill-----	16,680,000
Transition period:	
Budget estimate-----	
Recommended in the bill-----	

The Foreign Assistance Act of 1973 provided authority for AID personnel to participate in the Foreign Service Retirement and Disability System which created a requirement to make payments to the Foreign Service Retirement and Disability Fund to cover unfunded liability for the people transferred into the system. The total annual amount required to be paid to the Fund for the cost of AID's unfunded liability is estimated to be \$16,680,000. Each future pay raise will require an increase in the payment for the unfunded liability.

OVERSEAS TRAINING
(SPECIAL FOREIGN CURRENCY PROGRAM)

Fiscal year 1975 appropriation-----	(\$200,000)
Fiscal year 1976 estimate-----	(200,000)
Recommended in the bill-----	
Transition period:	
Budget estimate-----	
Recommended in the bill-----	

This would allow the use of U.S. owned excess Indian rupees to finance the training at Indian institutions of foreign nationals sponsored by AID.

MIDDLE EAST SPECIAL REQUIREMENTS FUND

Fiscal year 1975 appropriation-----	\$100,000,000
Fiscal year 1976 estimate-----	50,000,000
Recommended in the bill-----	50,000,000
Transition period:	
Budget estimate-----	10,000,000
Recommended in the bill-----	10,000,000

The Committee recommends an appropriation of \$50,000,000, a reduction of \$50,000,000 below the fiscal year 1975 appropriation.

The authorizing legislation for this program is presently pending before Congress.

The funds are requested for the Special Requirements Fund to enable the U.S. to continue to play a constructive role in encouraging and supporting Middle East peace efforts. The proposed allocation of funds follows:

\$25 million of this amount will be used to establish, equip, and support U.S. civilian surveillance stations.

An additional \$13 million will be used to assist the Egyptian Government to establish and equip its own independent surveillance station, which it does not now have.

\$2 million is programmed for the West Bank and Gaza to support selected activities of U.S. private voluntary agencies active in the area.

\$10 million is programmed for a special one-time voluntary contribution to the U.N. Emergency Force. These funds will help to cover costs of enlarging and redeploying the UNEF to carry out

the expanded responsibilities required by the new disengagement agreement between Egypt and Israel. The special contribution will finance common use items and related transportation costs, such as prefabricated housing, jeeps, trucks, electronic equipment, and other required items. These funds will not be used to finance military hardware.

Because all the funds proposed for the program have been allocated to specific activities in the Middle East (surveillance stations, contributions to the peace keeping force, etc.), the Committee felt it was unwise to earmark funds from this account for use by the U.N. Relief and Works Agency as proposed in the House authorization bill. Therefore, a proviso has been included in the bill which would prevent this from taking place.

SECURITY SUPPORTING ASSISTANCE

Fiscal year 1975 appropriation-----	¹ \$660,000,000
Fiscal year 1976 estimate-----	1,873,300,000
Recommended in the bill-----	² 1,712,500,000
Transition period:	
Budget estimate-----	30,200,000
Recommended in the bill-----	25,200,000

¹ Earmarked \$324,500,000 for Israel, \$250,000,000 for Egypt and \$77,500,000 for Jordan.

² Earmarked \$700,000,000 for Israel, \$695,000,000 for Egypt, \$72,500,000 for Jordan, \$30,000,000 for Syria, and \$65,000,000 for Greece.

The Committee recommends an appropriation of \$1,712,500,000, a reduction of \$160,800,000 below the budget estimate but an increase of \$1,052,500,000 above the fiscal year 1975 appropriation.

The proposed fiscal year 1976 budget program of \$1,882,600,000 consists of \$1,873,300,000 in new obligational authority and \$9,300,000 in recoveries and continued availability of unobligated balances.

The details of the proposed fiscal year 1976 budget program and transition period follow:

	Proposed fiscal year 1976 program	Proposed transition period program
Egypt-----	\$750,000,000	(1)
Israel-----	755,000,000	(1)
Jordan-----	77,500,000	(1)
Syria-----	90,000,000	(1)
Subtotal, Middle East-----	1,672,500,000	
Bahrain-----	600,000	\$100,000
Malta-----	9,500,000	4,800,000
Spain-----	(2)	(2)
Cyprus-----	25,000,000	5,000,000
Greece-----	65,000,000	
Portugal-----	55,000,000	10,000,000
United Nations Forces in Cyprus-----	9,600,000	4,800,000
Zaire-----	22,800,000	
Operating expenses-----	22,600,000	5,500,000
Subtotal, other-----	210,100,000	30,200,000
Total-----	1,882,600,000	30,200,000

¹ Proposed transition period not yet submitted.

² Proposed fiscal year 1976 and transition period program not yet submitted.

As can be seen in the above table, the overwhelming majority of the security supporting assistance program will be directed toward the Middle East countries of Egypt, Israel, Jordan, and Syria. Programs are also included to help meet the emergency economic and humanitarian needs of Portugal; to assist in the revival of Greece's economy; and to meet other assistance requirements.

The recent disengagement agreement between Egypt and Israel and corollary efforts that have been undertaken offer more promise for an ultimately peaceful solution of the Arab-Israeli dispute than has been the case at any time of the past quarter century. The hope is that we are entering a period that will permit the countries in the region to turn their energies away from war and toward economic development.

The fiscal year 1976 programs for the Middle East are designed to further progress toward a durable peace in the area. As such, the programs are focused on addressing critical problems that will have an immediate payoff in terms of creating or improving the atmosphere for stability and economic health in the area.

The authorizing legislation for this program is presently pending before Congress. The Committee has noted that both authorizing committees have included earmarking provisions in their respective legislative bills dealing with country allocations. While the Committee recognizes and respects the rights of other committees, it appears these earmarking provisions unduly infringe on the flexibility of the Appropriations Committee. With this in mind, the Committee has included a provision in the accompanying bill which earmarks \$700,000,000 for Israel, \$695,000,000 for Egypt, \$80,000,000 for Syria, \$72,500,000 for Jordan and \$65,000,000 for Greece from funds appropriated for security supporting assistance. The Committee believes that the earmarking provision contained in the accompanying appropriations bill would take precedence over any authorization earmarking provisions.

The Committee feels that the budget request for Portugal should not be subject to drastic reductions when the remainder of the supporting assistance funds are allocated for fiscal year 1976.

MILITARY ASSISTANCE

Fiscal year 1975 appropriation.....	\$475,000,000
Fiscal year 1976 estimate.....	394,500,000
Recommended in the bill.....	225,000,000
Transition period:	
Budget estimate.....	27,200,000
Recommended in the bill.....	27,200,000

LIQUIDATION OF CONTRACT AUTHORITY

Fiscal year 1975 liquidation of contract authority.....	
Fiscal year 1976 estimate of liquidation of contract authority.....	(\$23,913,000)
Recommended in the bill.....	(\$23,913,000)

The Committee recommends an appropriation of \$225,000,000, a reduction of \$169,500,000 below the budget estimate and a reduction of \$250,000,000 below the fiscal year 1975 appropriation.

The total proposed fiscal year 1976 program of \$422,800,000 consists of \$394,500,000 in new obligational authority, \$2,300,000 in reappropriations, \$7,000,000 in reimbursements and \$19,000,000 in recruitments.

The proposed fiscal year 1976 budget program and the transition period are outlined in the following table:

Country	Proposed fiscal year 1976 program	Proposed transition period program	Country	Proposed fiscal year 1976 program	Proposed transition period program
East Asia and Pacific:			Africa:		
China (Taiwan).....	900,000	100,000	Ethiopia.....	11,700,000	335,000
Indonesia.....	19,400,000	400,000	Regional total.....	11,700,000	335,000
Korea.....	74,000,000	1,400,000	Latin America:		
Philippines.....	19,600,000	600,000	Bolivia.....	2,200,000	80,000
Thailand.....	28,300,000	1,000,000	Dominican Republic.....	200,000	15,000
Regional total.....	142,200,000	3,500,000	El Salvador.....	300,000	13,000
Near East and South Asia:			Guatemala.....	200,000	9,000
Jordan.....	100,000,000		Honduras.....	300,000	10,000
Tunisia.....	200,000	\$5,000	Nicaragua.....	200,000	15,000
Yemen.....	1,500,000		Panama.....	200,000	8,000
Regional total.....	101,700,000	15,000	Paraguay.....	400,000	20,000
Europe:			Uruguay.....	600,000	30,000
Greece.....	50,000,000	2,500,000	Regional total.....	4,600,000	200,000
Portugal.....	300,000	15,000	DOD (general costs).....	37,100,000	23,400,000
Spain.....	200,000	135,000	Total fiscal year 1976 and transition period proposed program....	422,800,000	32,200,000
Turkey.....	75,000,000	2,200,000			
Regional total.....	125,500,000	4,750,000			

¹ The amounts for Spain reflect requirements for continuation of prior years' programs. Separate request to be submitted subsequently to reflect results of negotiations

The Committee also recommends the entire budget request of \$323,913,000 for liquidation of contract authority. This authority is needed to reimburse the military departments for defense stocks directed to Cambodia in 1974 under authority of section 506 of the Foreign Assistance Act of 1961, as amended. This authority reads as follows:

SEC. 506—BUDGET AUTHORITY.—(a) During the fiscal year 1975 the President may, if he determines it to be in the security interests of the United States, order defense articles from the stocks of the Department of Defense and defense services for the purposes of part II, subject to subsequent reimbursement therefor from subsequent appropriations available for military assistance. The value of such orders under this subsection in the fiscal year 1975 shall not exceed \$150,000,000.

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

As mentioned before, this authority will be used to reimburse the military departments for obligations already made and supplies delivered in fiscal years 1974 and 1975 under the authority of the above provision of law.

According to the Administration, the following justification is made for the security assistance program:

Security assistance remains an important instrument of our foreign policy for several reasons. While we are no longer directly engaged in war, we know that peace cannot be taken for granted. We know also that restraint and moderation in international affairs can only be assured if nations have the means and the will to defend themselves. Finally, many nations continue to look to us for the resources, goods, services, and know-how they deem essential for the protection of both their sovereign rights and their territorial integrity. They expect from this country steadfastness of policy and constancy of purpose in terms of their ongoing ties with the United States. The security assistance program is a symbol of this relationship.

The fiscal year 1976 budget program proposes to supply grant materiel assistance to 22 countries.

Again the Committee would like to point out the large investment we have made in South Korea in order to provide that country with the ability and resources to resist communism. In the past 25 years, every President and every Congress have felt that it was in the best interests of the United States to help South Korea maintain its freedom by supplying U.S. assistance in the form of funds, personnel and equipment. Examples of this can be best illustrated by looking at the following listing:

U.S. CONTRIBUTIONS TO SOUTH KOREA	
	Amount (billions)
Estimated Korea war costs DOD (fiscal years 1950-51)-----	\$18.0
Cost of maintaining U.S. military forces in Korea (fiscal year 1954-74)-----	10.8
Military assistance grant aid (fiscal years 1950-75)-----	3.8
Economic assistance programs (fiscal years 1946-75)-----	5.7
Total -----	38.3

U.S. MILITARY CASUALTIES IN THE KOREAN WAR	
	Number
Died from hostile causes-----	33,629
Died from nonhostile causes-----	20,617
Total deaths -----	54,246
Wounded or injured, nonfatal-----	103,284
Wounded or injured, fatal (added to deaths)-----	2,501
Total wounded -----	105,785
Missing in action-----	5,866
Captured or interned-----	7,140

The Committee is fully aware of the opposition toward South Korea because of the alleged repression of its people. The Committee might point out that because of the unique security situation facing South Korea, it may be necessary for the government to exercise tighter control over her people than would be the case if North Korea was not

such a close, active and aggressive adversary. Various attempts have been made on the life of the President of South Korea. North Korea sent an assassination squad into South Korea to kill its President but this attempt was foiled and 31 of the aggressors were killed. Another attempt was made on the Presidents life, and his wife was slain.

Also, various underground tunnels have been discovered along the demarcation zone which appear to be another attempt of North Korea to infiltrate South Korea. While open warfare does not exist in South Korea, a very tenuous peace does, in which a constant threat is present. The Committee would like to see the freedom we enjoy spread worldwide, but it fully realizes that many countries will not and cannot presently enjoy this experience. Those who have evaluated the situation in Korea certainly recognize that if this country is to survive as a free country, strict discipline must be maintained.

The authorizing legislation for this program is presently pending before Congress.

Again the Committee notes that both authorizing committees have included country ceilings in their respective legislative bills which, to some degree, could affect the flexibility of the Appropriations Committee.

INTERNATIONAL MILITARY EDUCATION AND TRAINING

Fiscal year 1975 appropriation-----	¹ (\$28,705,000)
Fiscal year 1976 estimate-----	30,000,000
Recommended in the bill-----	25,000,000
Transition period:	
Budget estimate-----	7,000,000
Recommended in the bill-----	6,250,000

¹ Included under military assistance.

The Committee recommends an appropriation of \$25,000,000, a reduction of \$5,000,000 below the budget estimate.

The Administration recommended the establishment of a separate international military education and training program for fiscal year 1976 and subsequent fiscal years for the following reasons: This change has been made in recognition of the unique and lasting benefits which accrue to the United States from the training of foreign military personnel, and the need to ensure their continuing accrual as an independent and highly productive form of security assistance. The establishment of a separate program will also more clearly identify its cost, objectives, and impact as an instrument of national security and foreign policy. Funds required to support the program will no longer be included in the Military Assistance Program budget estimate but are requested separately under the authority of the proposed new chapter of the Foreign Assistance Act.

The authorizing legislation for this program is presently pending before Congress. Both the Senate and House authorizing committees appear to have adopted the recommendation of providing a separate education and training program authorization.

The details of the proposed fiscal year 1976 program and the transition period follow:

Country	Proposed fiscal year 1976 program	Proposed transition period program
East Asia and Pacific:		
China (Taiwan)	\$500,000	\$100,000
Indonesia	2,000,000	700,000
Korea	2,700,000	500,000
Malaysia	300,000	100,000
Philippines	750,000	200,000
Thailand	1,750,000	500,000
Regional total	8,000,000	2,100,000
Near East and South Asia:		
Afghanistan	200,000	50,000
India	200,000	30,000
Jordan	800,000	
Lebanon	200,000	
Morocco	800,000	200,000
Nepal	35,000	10,000
Pakistan	350,000	80,000
Sri Lanka	15,000	5,000
Tunisia	400,000	125,000
Yemen	500,000	
Regional total	3,500,000	500,000
Europe:		
Austria	25,000	10,000
Finland	25,000	10,000
Greece	800,000	
Portugal	1,025,000	180,000
Spain	725,000	
Turkey	1,800,000	500,000
Regional total	4,400,000	700,000
Africa:		
Ethiopia	900,000	300,000
Ghana	100,000	20,000
Kenya	965,000	135,000
Liberia	100,000	45,000
Senegal	35,000	10,000
Zaire	400,000	190,000
Regional total	2,500,000	700,000
Latin America:		
Argentina	920,000	170,000
Bolivia	720,000	130,000
Brazil	1,120,000	240,000
Colombia	750,000	200,000
Dominican Republic	670,000	130,000
Ecuador	970,000	160,000
El Salvador	840,000	150,000
Guatemala	430,000	100,000
Haiti	200,000	25,000
Honduras	840,000	150,000
Mexico	160,000	30,000
Nicaragua	840,000	170,000
Panama	380,000	190,000
Paraguay	410,000	190,000
Peru	940,000	375,000
Uruguay	520,000	160,000
Venezuela	750,000	390,000
Regional total	11,400,000	2,900,000
DOD (general costs)	200,000	100,000
Total fiscal year 1976 and transition period program	30,000,000	7,000,000

INTER-AMERICAN FOUNDATION

Fiscal year 1975 limitation	¹ (\$10,000,000)
Fiscal year 1976 limitation request	(10,000,000)
Recommended in the bill	(5,000,000)
Transition period:	
Limitation request	(2,500,000)
Recommended in the bill	(1,250,000)

¹ Limitation on obligations.

The Committee recommends a limitation on obligations of \$5,000,000, a reduction of \$5,000,000 below the budget request and \$5,000,000 below the fiscal year 1975 limitation.

In the Foreign Assistance Act of 1973, there was a provision which would allow the Foundation to use certain funds of the Social Progress Trust Fund if agreed to by the Inter-American Development Bank. It has been indicated that the Foundation would use \$13,000,000 from this source in fiscal year 1976 in addition to the \$10,000,000 limitation being requested. Because of this increase in availability of funds for fiscal year 1976, the Committee has reduced the limitation request.

The authorizing legislation provided that not to exceed \$50,000,000 should be available to the Foundation from the economic assistance funds authorized by the Foreign Assistance Act of 1961, as amended, over a two year period. The entire \$50,000,000 has been transferred to the Foundation from the Agency for International Development. The unobligated balance as of June 30, 1975 charged against this total was estimated to have been \$25,159,000.

The Inter-American Foundation is a Government corporation established by the Foreign Assistance Act of 1969 and operating on a people-to-people basis in Latin America and the Caribbean.

The operational approach of the Foundation is to support small scale local efforts of people in Latin America and the Caribbean to solve their own economic and social development problems. This support is primarily in the form of grants to private and semi-autonomous groups in the region.

TITLE II—FOREIGN MILITARY CREDIT SALES

Fiscal year 1975 appropriation	¹ \$300,000,000
Fiscal year 1976 estimate	² 1,065,000,000
Recommended in the bill	³ 1,065,000,000
Transition period:	
Budget estimate	30,000,000
Recommended in the bill	30,000,000

¹ Earmarks \$300,000,000 for Israel out of the aggregate credit sale ceiling of \$872,500,000.

² Request proposes \$1,500,000,000 for Israel out of the aggregate credit sale ceiling of \$2,374,700,000. Forgives Israel for repayment of \$750,000,000 of this amount and provides credit sales on concessionary terms.

³ Earmarks \$1,500,000,000 for Israel out of the aggregate credit sale ceiling.

The Committee recommends an appropriation of \$1,065,000,000 the same as the budget estimate but an increase of \$765,000,000 above the fiscal year 1975 appropriation.

The proposed budget program for fiscal year 1976 is estimated to be \$2,374,700,000, of which \$1,455,200,000 will be privately financed and \$145,500,000 will be set aside as a 10 percent guaranty for this private financing, \$169,500,000 will be Department of Defense financed and \$750,000,000 in repayments will be forgiven for Israel.

The details of the proposed fiscal year 1976 program and the transition period follow:

Country	Proposed fiscal year 1976 program	Proposed transition period program
East Asia and Pacific:		
China (Taiwan).....	\$80,000,000	\$8,000,000
Indonesia.....	23,100,000	
Korea.....	126,000,000	1,500,000
Malaysia.....	15,000,000	
Philippines.....	17,400,000	
Thailand.....	36,700,000	
Regional total.....	298,200,000	9,500,000
Near East and South Asia:		
Israel.....	¹ 1,500,000,000	
Jordan.....	75,000,000	
Lebanon.....	5,000,000	
Morocco.....	30,000,000	
Tunisia.....	15,000,000	
Regional total.....	1,625,000,000	
Europe:		
Greece.....	110,000,000	46,000,000
Turkey.....	130,000,000	
Regional total.....	240,000,000	46,000,000
Africa:		
Ethiopia.....	10,000,000	
Kenya.....	2,000,000	
Liberia.....	500,000	
Zaire.....	19,000,000	
Regional total.....	31,500,000	
Latin America:		
Argentina.....	34,000,000	
Bolivia.....	6,000,000	
Brazil.....	60,000,000	
Colombia.....	16,000,000	
Dominican Republic.....	1,000,000	
Ecuador.....	10,000,000	
El Salvador.....	2,500,000	
Guatemala.....	1,500,000	
Honduras.....	2,500,000	
Mexico.....	5,000,000	
Nicaragua.....	2,500,000	
Paraguay.....	500,000	
Peru.....	20,000,000	
Uruguay.....	2,500,000	
Venezuela.....	16,000,000	
Regional total.....	180,000,000	
Total fiscal year 1976 and transition period proposed program.....	2,374,700,000	55,500,000

¹ \$750,000,000 to be nonreimbursable financing.

The Department of Defense (DOD) sells required material and related services to eligible allied and friendly nations on both a cash and a credit basis. All sales are made in accordance with the provisions of the 1968 Foreign Military Sales Act, as amended; and appropriated funds are used to extend direct credit or guarantee privately obtained credit when such credit is needed by purchasing governments to facilitate their acquisition of essential military equipment and training.

The new obligational authority requested by Foreign Military Sales credit needed to facilitate credit sales in fiscal year 1976 will be used both for direct credits and for guarantee of private credits. The amounts used for direct credits will be repaid to the U.S. Treasury with interest by the governments to which it is made available. That

portion used for the guaranty reserve remains with the Treasury until such time as a claim for default must be satisfied. Developing countries are seldom able to expend substantial sums of cash for the purchase of modern weapons systems, and seldom obtain credits from private sources on reasonable terms. Credits provided or guaranteed by the United States through the FMS program are, therefore, essential if these countries are to purchase the military equipment and services they need, and thus diminish their dependence on grant assistance for support and maintenance of an adequate defense posture.

The Committee has included a proviso in the accompanying bill which earmarks \$1,500,000,000 for Israel out of the total credit ceiling allowed in fiscal 1976. The proposed authorizing legislation includes language which has the effect of forgiving Israel from repaying \$750,000,000 of the credit sales extended to her and of allowing the credits extended to Israel to be made with concessionary interest rates and on long terms. The proviso contained in this paragraph earmarking funds for Israel does not in any way effect the operation of this language.

The present terms on the credit arrangements are as follows: (1) maximum credit repayment is 10 years, and (2) the interest rate normally charged is not less than the cost of money to the U.S. Government as of the last day of the month preceding the transaction.

TITLE III—FOREIGN ASSISTANCE (OTHER)

INDEPENDENT AGENCY—ACTION—INTERNATIONAL PROGRAMS

PEACE CORPS

Fiscal year 1975 appropriation.....	¹ \$77,687,000
Fiscal year 1976 estimate.....	80,826,000
Recommended in the bill.....	80,000,000
Transition period:	
Budget estimate.....	25,729,000
Recommended in the bill.....	20,000,000

¹ Earmarked \$44,500,000 for direct support of volunteers.

The Committee recommends an appropriation of \$80,000,000, a reduction of \$826,000 below the budget request but an increase of \$2,313,000 above the fiscal year 1975 appropriation.

The Peace Corps became a part of the Agency known as "Action" on July 1, 1971, in accordance with the President's reorganization plan. Action consists of the Peace Corps, Volunteers in Service to America (VISTA), Foster Grandparents, Retired Senior Volunteer Programs (RSVP), Service Corps of Retired Executives (SCORE), Active Corps of Executives (ACE), and the University Year for Action, developmental and part time efforts. The appropriation recommended in the accompanying bill provides funds for the Peace Corps only, while the remainder of the Action budget is considered in connection with the Labor-HEW Appropriation Bill.

Again the Committee directs the Peace Corps to review its programs worldwide to insure that volunteers are not performing tasks which could be accomplished just as well by the country's own people or are being performed by other agencies (voluntary, private or government).

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

ASSISTANCE TO REFUGEES IN THE UNITED STATES (CUBAN PROGRAM)

Fiscal year 1975 appropriation.....	\$90,000,000
Fiscal year 1976 estimate.....	85,000,000
Recommended in the bill.....	85,000,000
Transition period:	
Budget estimate.....	19,000,000
Recommended in the bill.....	19,000,000

The Committee recommends an appropriation of \$85,000,000, the same as the budget estimate but \$5,000,000 below the fiscal year 1975 appropriation.

The program was established in 1961 to alleviate the impact of Cuban refugees on State and local resources by reimbursing State and local agencies for certain types of expenditures made on behalf of the refugees and to aid the refugees in becoming self-supporting through training, rehabilitative services, and resettlement from the port of entry (Miami) to opportunities in other parts of the country.

The present continuing resolution which has been in force since July 1, 1975, established an annual rate for operations of \$90,000,000 for this program.

DEPARTMENT OF STATE

MIGRATION AND REFUGEE ASSISTANCE

Fiscal year 1975 appropriation.....	\$8,443,000
Fiscal year 1976 estimate.....	10,100,000
Recommended in the bill.....	9,000,000
Transition period:	
Budget estimate.....	800,000
Recommended in the bill.....	800,000

The Committee recommends an appropriation of \$9,000,000, a reduction of \$1,100,000 below the budget estimate but an increase of \$557,000 above the fiscal year 1975 appropriation.

The details of the fiscal year 1976 proposed budget program and the transition period follow:

Program by activities	Proposed fiscal year 1976 program	Proposed transition period program
Intergovernmental Committee for European Migration (ICEM).....	\$3,000,000	-----
United Nations High Commissioner for Refugees (UNHCR).....	1,471,000	-----
International Committee of the Red Cross (ICRC).....	500,000	\$450,000
United States refugee program.....	3,700,000	-----
Operational and administrative expenses.....	1,429,000	350,000
Total proposed program.....	10,100,000	800,000

Since the Intergovernmental Committee for European Migration (ICEM) always seems to bear a disproportionate share of the reductions made by Congress or are held to the levels of previous years and sometimes even below these levels, the Committee specifically directs that \$3,000,000 of this total appropriation be allocated to ICEM. The Committee might point out that \$6,800,000 has already been trans-

ferred into this account in fiscal year 1976 to help with the refugees from Laos.

ASSISTANCE TO REFUGEES FROM THE SOVIET UNION

Fiscal year 1975 appropriation.....	¹ \$40,000,000
Fiscal year 1976 estimate.....	-----
Recommended in the bill.....	15,000,000
Transition period:	
Budget estimate.....	-----
Recommended in the bill.....	-----

¹ \$35,000,000 was to be used to resettle Soviet refugees in Israel.

The Committee recommends an appropriation of \$15,000,000, a decrease of \$25,000,000 below the fiscal year 1975 appropriation. The amount recommended by the Committee should be adequate to finance this program for fiscal year 1976 and the transition period.

The following table indicates how the past appropriations were allocated:

	Actual obligations, 1974	Obligations, 1975
Grant to United Israel Appeal (UIA):		
1. En route care and maintenance costs of refugees.....		334,000
2. Construction or enlargement of transit centers in Vienna.....		-----
3. Construction or acquisition of absorption centers and hostels.....	4,000,000	4,400,000
4. Construction or acquisition of hospital wing/medical clinic.....	4,000,000	-----
5. Construction or acquisition of apartments and/or mobile homes.....	10,000,000	2,190,000
5a. Rental payments for apartments.....	4,000,000	5,700,000
6. University scholarships.....	2,100,000	1,640,000
7. Training and retraining of artisans and technicians.....	325,000	2,800,000
7a. Medical and paramedical services.....	1,000,000	-----
8. Maintenance costs for on-the-job trainees.....	700,000	(¹)
9. Maintenance costs at Ulpanim, absorption centers and hostels.....	3,175,000	11,315,000
10. Absorption of academicians.....		3,191,000
11. Youth Aleijah institutions.....	1,200,000	1,445,000
12. Financial assistance to needy refugees.....		650,000
13. Old-age homes.....		450,000
Total grant to UIA.....	30,500,000	34,115,000
Other assistance:		
ICEM transportation of refugees.....	2,500,000	1,000,000
Assistance to other Soviet refugees en route to the United States and other countries.....	3,400,000	4,800,000
Administration.....	100,000	85,000
Grand total.....	36,500,000	40,000,000

¹ Transferred to program No. 7.

The authorizing legislation provides a \$20,000,000 authorization for this program and states not to exceed 20 percent of the amount appropriated may be used to resettle refugees in any country other than Israel.

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL FINANCIAL INSTITUTIONS

As stated in past years, the Committee is concerned over the trend to direct an increasing amount of U.S. foreign assistance through the multilateral institutions where Congress does not have the same degree of control over these multilateral organizations as it does over the bilateral assistance programs. Since fiscal year 1961, the Congress has appropriated \$6,638,456,982 to the three international financial institutions contained in this bill through fiscal year 1975 (Asian Develop-

ment Bank, Inter-American Development Bank, International Development Association) and this does not take into account the amounts appropriated to these institutions to maintain the value of U.S. contributions because of the devaluation of the dollar, through the same period (\$1,205,000,000). The fiscal year 1976 budget requests for these same institutions amount to \$820,634,909. The following table gives some indication of the amounts provided to these institutions over the years:

[1961-75 inclusive, 15 yr]

	Asian Development Bank	International Development Association	Inter-American Development Bank	Total
Fiscal year:				
1961		\$73,666,000		\$73,666,000
1962		61,656,000	\$110,000,000	171,656,000
1963		61,656,000	60,000,000	121,656,000
1964		61,656,000	50,000,000	111,656,000
1965		61,656,000	455,880,000	517,536,000
1966	\$140,000,000	104,000,000	455,880,000	699,880,000
1967		104,000,000	250,000,000	354,000,000
1968		104,000,000	300,000,000	404,000,000
1969	20,000,000	160,000,000	505,880,000	685,880,000
1970	20,000,000	160,000,000	505,880,000	685,880,000
1971	20,000,000	160,000,000	275,000,000	455,000,000
1972			211,760,000	211,760,000
1973		320,000,000	418,380,000	738,380,000
1974	50,000,000	320,000,000	418,380,000	788,380,000
1975	74,126,982	320,000,000	225,000,000	619,126,982
Total	324,126,982	2,072,290,000	4,242,040,000	6,638,456,982
1972 MOV	18,000,000	122,000,000	370,000,000	510,000,000
1974 MOV	24,000,000	161,000,000	510,000,000	695,000,000
Grand total	366,126,982	2,355,290,000	5,122,040,000	7,843,456,982
1976 new requests	170,634,909	375,000,000	275,000,000	820,634,909

¹ Maintenance of value—payments to the international financial institutions to bring the purchasing power of the dollar up to its level at the time of allocation to these institutions which in effect is to offset the loss of purchasing power brought about by the 2 devaluations of the dollar.

Congress can also expect to be confronted with additional large requests in future years. Under existing legislation, the United States has been authorized to contribute an additional \$1,500,000,000 to the International Development Association (IDA) over a four year period. This year they are requesting \$375,000,000 for the first year's contribution to this increase. Also, legislation has been enacted to authorize the U.S. to contribute an additional \$362,000,000 to the Asian Development Bank's (ADB) ordinary capital and \$50,000,000 for the Bank's special funds. This year they are requesting \$120,634,909 for the second contribution to this ordinary capital increase and \$50,000,000 for the special funds. Legislation is presently pending before Congress or to be proposed for later transmittal that would authorize \$1,650,000,000 in ordinary capital and \$600,000,000 for the Fund for Special Operations of the Inter-American Development Bank, \$15,000,000 for the African Development Fund, up to \$125,000,000 for the International Finance Corporation and an undetermined amount for an increased contribution to Asian Development Bank's development fund.

As the Committee has pointed out before, the same degree of detailed examination which is possible in the bilateral assistance programs is not possible in the multilateral assistance programs which makes it more difficult to exercise the same degree of control over the

funds appropriated to the multilateral institutions. As a matter of fact, the Committee is denied the right to examine the individuals who actually are responsible for administering these institutions.

It should also be pointed out that when the loans made by the international institutions are repaid by the recipient country, the funds return to the particular institution that made the loan whereas in the bilateral loan program the loan repayments are repaid directly to the United States.

It has been stated before the Committee several times that all agreements entered into concerning the U.S. contributions to the international financial institutions are subject to the condition that a subsequent appropriation be made. The Committee is of the opinion that new agreements could be renegotiated without great difficulty should a reduction be made in the budget request of these institutions. Congress should have control over determining the amount of U.S. funds to be allocated to the multilateral institutions each year in light of the then existing financial situation in the U.S. as is the case with budget requests submitted for all other programs.

A recent General Accounting Office report dated January 19, 1976 provided some interesting statistics on adjusted salary levels existing in some of these development banks. Several tables follow setting forth those adjusted salaries:

WORLD BANK/INTERNATIONAL DEVELOPMENT ASSOCIATION
ADJUSTED PROFESSIONAL SALARIES

Salary bracket (note 1)	Number in bracket	Percentage in bracket	Cumulative percentage (note 2)
\$76,001 to \$80,000	2	0.1	0.1
\$72,001 to \$76,000	4	.2	.3
\$68,001 to \$72,000	16	.9	1.3
\$64,001 to \$68,000	6	.3	1.6
\$60,001 to \$64,000	15	.9	2.0
\$56,001 to \$60,000	41	2.0	5.0
\$52,001 to \$56,000	69	4.0	9.0
\$48,001 to \$52,000	94	5.0	14.0
\$44,001 to \$48,000	107	6.0	20.0
\$40,001 to \$44,000	209	12.0	32.0
\$36,001 to \$40,000	193	11.0	43.0
\$32,001 to \$36,000	265	15.0	58.0
\$28,001 to \$32,000	212	12.0	70.0
\$24,001 to \$28,000	179	10.0	81.0
\$20,001 to \$24,000	244	14.0	94.0
\$16,001 to \$20,000	98	6.0	100.0
Total	1,754		

¹ The average adjusted salary is \$35,286.

² Due to percentage rounding, the cumulative totals may not equal the sum of the bracket totals.

The "real" distribution of World Bank/Association pay in U.S. terms is quite different than the unadjusted salaries indicate. The primary feature is their tax-free status. The articles of agreement prohibit member governments from taxing salaries of employees who are not local citizens or other local nationals. The United States does tax its nationals. Most employees, however, are exempt from income taxes and to equalize pay, those who pay taxes are reimbursed. U.S. Federal and State taxes are completely reimbursed, and social security taxes are partially. Another feature is the dependency allowance—\$500 for a spouse, and \$300 for each dependent child. Increased allowances have recently been approved. The salaries of the World Bank/Association

staff have thus been adjusted to compensate for these special features using a hypothetical family of four living in Washington, D.C.

INTER-AMERICAN DEVELOPMENT BANK ADJUSTED PROFESSIONAL PAY

Salary bracket	Number in bracket	Percentage in bracket	Cumulative percentage ¹
\$68,001 to \$72,000	1	0.1	0.1
\$64,001 to \$68,000	0	0	.1
\$60,001 to \$64,000	21	3.0	3.0
\$56,001 to \$60,000	17	2.0	5.0
\$52,001 to \$56,000	22	3.0	8.0
\$48,001 to \$52,000	32	4.0	12.0
\$44,001 to \$48,000	33	4.0	17.0
\$40,001 to \$44,000	52	7.0	24.0
\$36,001 to \$40,000	74	10.0	34.0
\$32,001 to \$36,000	99	13.0	47.0
\$28,001 to \$32,000	129	17.0	64.0
\$24,001 to \$28,000	113	15.0	79.0
\$20,001 to \$24,000	62	8.0	87.0
\$16,001 to \$20,000	78	10.0	98.0
\$12,001 to \$16,000	17	2.0	100.0
Total	750		

¹ Due to percentage rounding, the cumulative totals may not equal the sum of the bracket totals.

As at the World Bank/Association, member nations may not tax salaries of employees who are not local citizens or other local nationals. Most salaries are tax free; U.S. employees who pay tax are reimbursed from tables assuming use of the standard deduction. Accordingly, the Inter-American Development Bank salaries have also been adjusted to compensate for this tax-free status using the same tables used to adjust World Bank/Association pay. Dependency allowances of \$1,475 for a family of four (\$675 for a spouse and \$400 for each dependent child) are also included.

As explored earlier in this report, the Committee feels that "intermediate" or "light capital" technologies should become the new look in development policy. The multilateral development banks, which together provide more foreign aid annually than any other donor, have made little progress in this direction and indeed seem scarcely aware of its implications.

The Committee urges that the United States, through its Executive Directors, take leadership in bringing these multilateral institutions to emphasize "light capital" technologies in their development projects. To accomplish this, the Executive Directors should (1) propose that a steadily increasing proportion of development projects by their respective banks be designed and funded which employ primarily "light capital" technologies and (2) consider the creation of institutions within their respective Banks devoted to the promotion of "intermediate" technology.

ASIAN DEVELOPMENT BANK

Fiscal year 1975 appropriation	\$74, 126, 982
Fiscal year 1976 estimate	170, 634, 909
Recommended in the bill	85, 317, 454
Transition period:	
Budget estimate	
Recommended in the bill	

The budget request of \$170,634,909 consists of the following items: \$50,000,000 for the special funds; \$24,126,982 for paid in ordinary capital and \$96,507,927 for callable ordinary capital.

The Committee recommends an appropriation of \$12,063,491 for paid-in ordinary capital, \$48,253,963 for callable ordinary capital, and \$25,000,000 for the special funds. The special funds of the Bank are used to provide concessional loans to countries in Asia and the United States contribution to this special fund is about 21 percent of the total contributions made through fiscal year 1975. They charge a 1 percent service charge and the terms are usually about 40 years which includes a 10 year grace period.

The ordinary capital resources of the Bank are used to provide "hard" loans to countries in Asia and the United States contribution to this account approximates 12 percent of the total contributions made through fiscal year 1975. The interest rate on these loans runs about 8¾ percent and the terms are usually about 19 years, which includes an average grace period of 4 years.

As of December 31, 1975, over \$1,262,000,000 in undisbursed loans were held by the Bank of which \$387,000,000 applied to loans of the special funds.

INTER-AMERICAN DEVELOPMENT BANK

Fiscal year 1975 appropriation	\$225, 000, 000
Fiscal year 1976 estimate	275, 000, 000
Recommended in the bill	200, 000, 000
Transition period:	
Budget estimate	
Recommended in the bill	

¹ Earmarks \$25,000,000 for cooperatives, \$10,000,000 for local credit unions, and \$15,000,000 for savings and loans associations.

The Committee recommends an appropriation of \$200,000,000, a decrease of \$75,000,000 below the budget request and \$25,000,000 below the fiscal year 1975 appropriation.

The funds recommended are for the Fund for Special Operations (FSO) of the Bank which was funded at a level of \$225,000,000 in fiscal year 1975. The FSO is used to provide concessional loans to the Latin American nations and the United States contribution to the Fund is about 69 percent of the total contributions made through fiscal year 1975. The interest rates on these loans run from 1 to 4 percent and the terms are usually 20-40 years.

As of December 31, 1975, over \$2,911,000,000 in undisbursed loans were held by the Bank of which \$1,327,000,000 applied to loans of the Fund for Special Operations.

INTERNATIONAL DEVELOPMENT ASSOCIATION

Fiscal year 1975 appropriation	\$320, 000, 000
Fiscal year 1976 estimate	375, 000, 000
Recommended in the bill	320, 000, 000
Transition period:	
Budget estimate	
Recommended in the bill	

The Committee recommends an appropriation of \$320,000,000, a reduction of \$55,000,000 below the budget estimate.

The International Development Association (IDA) makes credits available to the poorer nations of the world on concessional terms and the United States contribution to IDA is about 35 percent of the total

contributions made through fiscal year 1975. The credits are provided to the countries at no interest, only a yearly service charge is levied of $\frac{3}{4}$ of one percent, with a 50 year repayment period of which the first 10 years is a grace period.

As of December 31, 1975, over \$3,529,000,000 in undisbursed credits were held by the Association.

TITLE IV—EXPORT-IMPORT BANK OF THE UNITED STATES

Fiscal year 1975 limitation on program activity	(\$6,403,086,000)
Fiscal year 1975 limitation on administrative expenses.....	(10,542,000)
Total, fiscal year 1975 limitation.....	(6,413,628,000)
Fiscal year 1976 proposed limitation on program activity.....	(5,619,945,000)
Fiscal year 1976 proposed limitation on administrative expenses	(11,416,000)
Total, fiscal year 1976 proposed limitation.....	(5,631,361,000)
Transition period:	
Proposed limitation on program activity.....	(1,436,813,000)
Proposed limitation on administrative expenses.....	(2,949,000)
Total, proposed transition period limitation.....	(1,439,762,000)

The Committee recommends the full budget request of \$5,631,361,000 for the total limitation on use of corporate funds which is a decrease of \$782,267,000 below the fiscal year 1975 limitation. The Committee also recommends the full budget request of \$1,439,762,000 for the total limitation on use of corporate funds during the transition period.

The following table shows the Bank's estimated activity proposed for fiscal year 1976 and the transition period:

	Proposed fiscal year 1976 activity	Proposed transition quarter
Loan program:		
Equipment and services authorizations.....	\$3,050,000,000	\$742,500,000
Commodity authorizations.....		
Discount authorizations.....	1,400,000,000	350,000,000
Special foreign trade authorizations.....		12,500,000
Subtotal, gross loan authorizations.....	4,450,000,000	1,105,000,000
Less participation in and cancellations of loans authorized during period.....	-190,000,000	-10,000,000
Net loan authorizations.....	4,260,000,000	1,095,000,000
Guarantee and insurance program:		
Authorization of new and renewed policies.....	8,850,000,000	2,212,500,000
Less repayments and cancellations on guarantees and insurance.....	-5,590,539,000	-1,472,635,000
Subtotal.....	3,259,461,000	739,865,000
Less reduction from use of fractional reserve and adjustments.....	-2,436,841,000	-553,606,000
Charge to new program activity for guarantees and insurance.....	822,620,000	186,259,000
Other charges:		
Interest and non-administrative expenses ¹	537,225,000	155,529,000
Equipment ¹	100,000	25,000
Total other than for administrative expenses: i.e. "New program activity"¹.....	5,619,945,000	1,436,813,000
Administrative expense ¹	11,416,000	2,949,000
Total.....	5,631,361,000	1,439,762,000

¹ On the accrual basis.

The Committee looks upon the activities of the Export-Import Bank as an asset to American financial operations. The financing of American exports by the Bank has provided many full time jobs for the American people over the years. The promotion of U.S. exports abroad by the Bank benefits U.S. private businesses by allowing them to earn greater profits while at the same time increasing income levels of all segments of our society, and helping the U.S. balance of payments position. It should also be pointed out that the inflow of tax revenue to the U.S. Treasury is increased by the fact that corporations are earning larger profits from these increased exports.

Since the inception of the Bank, \$946,000,000 has been paid in dividends to the U.S. Treasury.

Export-Import Bank's rates and terms have been made more flexible. The interest rate on loans has been raised to a range of between $8\frac{1}{4}$ and $9\frac{1}{2}$ percent. A minimum cash payment by the obligor of 10 percent is still required and the Bank is seeking to raise it to 20 percent in certain cases. The Bank has also reduced its participation in the financing to a range from 30 percent to 55 percent with the balance coming from a commercial source of funds at market rates, whereas it formerly was a standard 45 percent. These new terms enable the Bank to further maximize the total amount of the exports supported with a minimum of Bank funds.

In the legislation passed by the Congress amending the Export-Import Bank Act, several interesting legislative restrictions were included.

1. A separate national interest determination must be made by the President for each loan of \$50 million or more to any communist country and reported to the Congress within 30 days of the determination but no later than the date on which the Bank takes final action on the transaction. The current requirement for a national interest determination for a communist country which covers all transactions for that country is also retained.

2. A limitation of \$300 million is placed on new loans and guarantees to the U.S.S.R. Of this amount, none can be used for equipment and services for the production (including processing and distribution) of fossil fuel energy resources. Not more than \$40 million of the \$300 million should be for support of any products or service which involves research or exploration of fossil fuel energy resources. The \$300 million can be increased if the President determines it's in the national interest, reports such determination to Congress with reasons and gives the amount of such increase which would be available for development of fossil fuel energy resources, and if the Congress adopts a concurrent resolution approving such determination.

3. No loan, financial guarantee, or combination thereof of \$60 million or more to any country worldwide and no loan, financial guarantee or combination thereof which equals or exceeds \$25 million for research, exploration or production of fossil fuel energy resources in the U.S.S.R. may be approved by the Bank unless the Bank submits to the Congress 25 days before final approval a description of the purpose of the transaction, the identity of the parties requesting the loan, the nature of the goods to be exported and the reasons for the Bank's financing, including the amount and the approximate rates and terms.

4. Places the receipts and disbursements of the Bank back in the totals of the United States budget as of the close of September 30, 1976.

The Export-Import Bank presently is prohibited from financing any trade with the Soviet Union under the provisions of Title IV (requiring certain findings by the President on freedom of emigration in nonmarket economy countries) of the Trade Act of 1974, which was signed into law on January 3, 1975. In fact, the Bank has not authorized any new credits in support of U.S. exports sales to the USSR since May of 1974. Credits totalling \$469 million were authorized prior to that date. Through December 31, 1975, \$174.3 million of that amount had been disbursed. Repayments on these loans are not yet due from the Soviets.

CHANGES IN THE APPLICATION OF EXISTING LAW

Pursuant to Clause 3, Rule XXI of the House of Representatives, the following statements are submitted describing the effects of provisions in the accompanying bill which directly or indirectly change the application of existing law. Most of the language has been provided in previous appropriation measures for the departments and agencies carried in the accompanying bill.

1. In just about all cases, the Committee has recommended reductions in the amount authorized for the various foreign aid programs. Whether these actions constitute a change in the application of existing laws is subject to individual interpretation but the Committee felt that this fact should be mentioned.

2. The bill contains appropriations for a number of items for which authorizations for fiscal year 1976 have not yet been enacted. These include the contingency fund, the international narcotics control program, the Middle East special requirements fund, security supporting assistance, military assistance, international military education and training and foreign military credit sales. Appropriation of funds for these items in the absence of authorizations therefor could be construed as changing the application of existing law.

3. The bill contains appropriations for most of the on-going programs for the period July 1, 1976 through September 30, 1976 (the transition period from fiscal year 1976 to fiscal year 1977), yet authorizations for many of those items have not been specifically enacted.

4. The bill provides that a few of the appropriations shall remain available for obligation beyond the current fiscal year. While this is not specifically authorized for all of the items, it is deemed desirable to carry such language in order to provide for orderly administration of such programs and effective use of funds.

5. The bill contains a number of general provisions and other language which have been carried in the bill for many years. Some of these could possibly be construed as changing the application of existing law.

6. By including the provisos on pages 2 and 3 of the bill under the Population planning and health item, the Committee has placed a limit on funds which can be used for population purposes in fiscal year 1976

of \$135,000,000 and the transition period of \$33,750,000. The Foreign Assistance Act of 1961, as amended, provides that not less than 67 percent of the funds made available shall be used for these purposes in fiscal year 1976. Therefore, the Committee has reduced or changed the authorization earmarking provision. The same would apply to the transition period.

7. On page 14 of the bill, the Committee has included a provision (section 110) which does not allow funds made available in the bill to be obligated or expended for North Vietnam, South Vietnam, Cambodia, or Laos. This is a new restriction on the use of funds and it might be construed as changing the application of existing law.

8. On page 14 of the bill, the Committee has included a provision (section 111) which does not allow funds made available in the bill to be obligated or expended for military assistance to Angola. This is a new restriction on the use of funds and it might be construed as changing the application of existing law.

9. On page 15 of the bill, the Committee has included a provision (section 113) which allows funds to be obligated or expended for programs not yet authorized. This provision in effect voids the operation of a specific section in an existing law.

10. On pages 15 and 16 of the bill, the Committee has included a provision (section 114) which allows the deferral of repayments on Public Law 480 loans made to a number of institutions in Israel for five years. This provision in effect voids the operation of existing law.

11. On page 16 of the bill, the Committee has included a provision (section 115) which amends existing law to include "Laos" in the Cambodian and Vietnamese refugee special assistance appropriations law. This is obviously a change to existing law.

12. On page 19 of the bill, under the Inter-American Development Bank item, the Committee included a provision which allows funds appropriated in fiscal year 1975 to be available without being subject to certain restrictive provisions. This provision in effect voids the operation of a specific section in an existing law.

COMPLIANCE WITH RULE XIII—CLAUSE 3

The following is submitted in compliance with Clause 3 of rule XIII. Existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman (except of course the enacting clause):

On page 16, in connection with section 115 of the General Provisions the following provision is proposed:

SEC. 115. The Act of May 23, 1975 (making appropriations for special assistance to refugees from Cambodia and Vietnam, Public Law 94-24) is hereby amended by striking out "Cambodia and Vietnam" each place it appears therein and inserting in lieu thereof "Cambodia, Vietnam, and Laos".

Public Law 94-24

94th Congress, H.R. 6894

May 23, 1975

AN ACT

Making appropriations for special assistance to refugees from [Cambodia and Vietnam] Cambodia, Vietnam, and Laos for the fiscal year ending June 30, 1975, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for special assistance to refugees from [Cambodia and Vietnam] Cambodia, Vietnam, and Laos for the fiscal year ending June 30, 1975, and for other purposes; namely:

TITLE I

DEPARTMENT OF STATE

OTHER

SPECIAL ASSISTANCE TO REFUGEES FROM [CAMBODIA AND VIETNAM]
CAMBODIA, VIETNAM, AND LAOS

For necessary expenses, not otherwise provided for, for the relocation and resettlement of refugees from [Cambodia and Vietnam] Cambodia, Vietnam, and Laos, \$305,000,000, to remain available until June 30, 1976.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

SOCIAL AND REHABILITATION SERVICE

SPECIAL ASSISTANCE TO REFUGEES FROM [CAMBODIA AND VIETNAM]
CAMBODIA, VIETNAM, AND LAOS IN THE UNITED STATES

For assistance to refugees from [Cambodia and Vietnam] Cambodia, Vietnam, and Laos in the United States, to remain available for obligation through June 30, 1976, \$100,000,000.

TITLE II

GENERAL PROVISION

SEC. 201. No funds appropriated in this Act shall be used, directly or indirectly, to aid the Democratic Republic of Vietnam (DRV) or the Provisional Revolutionary Government (PRG), nor shall any funds appropriated under this Act be channeled through or administered by the DRV or the PRG, nor shall any funds appropriated under this Act be channeled through or administered by international organizations or voluntary agencies to aid the DRV or the PRG.

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions not heretofore carried in connection with any appropriation bill are recommended:

On page 3, in connection with "Technical assistance, energy, research, reconstruction, and selected development problems, Development Assistance":

Technical assistance, energy, research, reconstruction, and selected development problems, Development Assistance: For necessary expenses to carry out the provisions of section 106, \$72,000,000: Provided, That the amounts provided for loans to carry out the purposes of these paragraphs shall remain available until expended.

For "Technical assistance, energy, research, reconstruction, and selected development problems, Development Assistance" for the period July 1, 1976, through September 30, 1976, \$18,000,000.

On page 5, in connection with "John McCormack Center, St. John's Medical College (special foreign currency program)":

John McCormack Center, St. John's Medical College (special foreign currency program): For necessary expenses to carry out the purposes of Part I, as authorized by section 612(a), \$13,650,000 in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States: Provided, That such amount shall be available solely for the John W. McCormack Center, the Hospital of St. John's Medical College, Bangalore, India, and that of such amount not more than \$9,000,000 shall be available for an endowment to assist needy patients at the Center.

On page 6, in connection with "International disaster assistance":

International disaster assistance: For necessary expenses to carry out the provisions of section 491, \$20,000,000.

For "International disaster assistance" for the period July 1, 1976, through September 30, 1976, \$5,000,000.

On page 6, in connection with "African development program":

African development program: For necessary expenses to carry out the provisions of section 494B, \$5,000,000.

On page 7, in connection with "Cyprus relief and rehabilitation":

Cyprus relief and rehabilitation: For necessary expenses to carry out the provisions of section 495, \$25,000,000.

For "Cyprus relief and rehabilitation" for the period July 1, 1976, through September 30, 1976, \$5,000,000.

On page 7, in connection with "Payment to the Foreign Service Retirement and Disability Fund":

Payment to the Foreign Service Retirement and Disability Fund: For payment to the "Foreign Service retirement and disability fund," as authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 1105-1106), \$16,680,000.

On page 7, in connection with "Overseas training (Special foreign currency program)":

Overseas training (Special foreign currency program): For necessary expenses to carry out the provisions of Section 612, \$200,000 in foreign currencies which the Treasury declares to be excess to the normal requirements of the United States.

On page 8, in connection with "Middle East special requirements fund":

Provided, That none of the funds appropriated under this heading may be used to provide a United States contribution to the United Nations Relief and Works Agency.

On page 9, in connection with "Security supporting assistance":

Provided, That of the funds appropriated under this paragraph, \$700,000,000 shall be allocated to Israel, \$695,000,000 shall be allocated to Egypt, \$72,500,000 shall be allocated to Jordan, \$80,000,000 shall be allocated to Syria and \$65,000,000 shall be allocated to Greece.

On page 9, in connection with "Military assistance":

and, for liquidation of obligations incurred pursuant to the authority of section 506 of the Foreign Assistance Act of 1961, as amended, \$323,913,000:

On page 10, in connection with "International military education and training":

International military education and training: For necessary expenses to carry out the provisions of section 541 of the Foreign Assistance Act of 1961, as amended, \$25,000,000.

For "International military education and training" for the period July 1, 1976, through September 30, 1976, \$6,250,000.

On page 13, in connection with "General Provision—section 106":

Sec. 106. Of the funds appropriated or made available pursuant to this Act, not more than \$15,000,000 may be used during the current fiscal year and the period July 1, 1976, through September 30, 1976, in carrying out research under section 106(a)(3) of the Foreign Assistance Act of 1961, as amended.

On page 14, in connection with "General Provision—section 110":

Sec. 110. None of the funds appropriated or made available pursuant to this Act shall be obligated or expended to finance directly or indirectly any assistance to North Vietnam, South Vietnam, Cambodia, or Laos, nor shall any funds herein appropriated or made available be channeled through or administered by international organizations, United Nations organizations, multilateral organizations, voluntary agencies or any other comparable organizations or agencies in order to finance any assistance to North Vietnam, South Vietnam, Cambodia, or Laos.

On page 14, in connection with "General Provision—section 111":

Sec. 111. None of the funds appropriated or made available pursuant to this Act shall be obligated or expended to finance directly or indirectly any type of military assistance to Angola.

On page 15, in connection with "General Provision—section 113":

Sec. 113. The funds appropriated or made available pursuant to this Act shall be available notwithstanding the provisions of section 10 of Public Law 91-672.

On page 15, in connection with "General Provision—section 114":

Sec. 114. The payments due in 1976, 1977, 1978, 1979, and 1980 on loans made for the benefit of the Weizmann Institute, Hebrew University, Tel Aviv University, Israel Institute of Technology, American-Israeli Cultural Translation, Bar Ilan University, Israel Program for Scientific Translations, Keren Haganev and Misrachi Women's Organization of America from funds available under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480), are hereby deferred from repayment until 1981.

On page 16, in connection with "General Provision—section 115":

Sec. 115. The Act of May 23, 1975 (making appropriations for special assistance to refugees from Cambodia and Vietnam, Public Law 94-24) is hereby amended by striking out "Cambodia and Vietnam" each place it appears therein and inserting in lieu thereof "Cambodia, Vietnam, and Laos".

On page 16, in connection with "Foreign Military Credit Sales":

Provided, That of the amount provided for the total aggregate credit sale ceiling during the current fiscal year, not less than \$1,500,000,000 shall be allocated to Israel.

On page 19, in connection with the "Inter-American Development Bank":

Provided, That the amounts made available under this head in the "Foreign Assistance and Related Programs Appropriations Act, 1975" shall be available without limitation, notwithstanding the three provisions contained therein.

ADDITIONAL VIEWS OF HON. CLARENCE D. LONG

LIGHT CAPITAL TECHNOLOGY—THE ONLY HOPE FOR FOREIGN AID

Despite hundreds of billions of dollars of foreign aid given or loaned by the United States and others since World War II, the problem of world poverty is still with us and getting worse. In the words of economist, Peter T. Bauer:

The position of the poorest groups (in developing countries) is actually often made worse by the operation of aid. It often finances uneconomic industrialisation or prestige projects of all sorts which absorb domestic resources which might otherwise satisfy the needs of the poorest groups especially by producing food. The primary beneficiaries of aid in the recipient countries are overwhelmingly the better off people, politicians, civil servants, businessmen and academics.

[Peter Thomas Bauer, "The Case Against Foreign Aid," *Intereconomics*, No. 5, 1973, p. 156.]

The following truths can be amply documented but are held here to be self-evident:

1. There are hundreds of millions of poor families in the underdeveloped world and there will be twice as many in a generation.
2. The present policies of investing large sums of aid per person or per family mean that only a lucky few of the poor can be helped; the rest are certain to go unaided and unemployed. This would be so even if foreign aid were increased manyfold.
3. But the developed nations who are called on to give more foreign aid are suffering capital shortages, as evidenced by slowing productivity rates, inflation, and rising interest rates. There is also increasing difficulty in getting taxpayers to pay for more foreign aid, as attested by their increasing unwillingness to pay even for the costs of their own domestic governments.
4. If there is to be any hope at all for the world's poor, it must be through a totally new approach to foreign aid.

LIGHT CAPITAL TECHNOLOGY—THE ALTERNATIVE APPROACH

That new approach is to harness the vast reserves of idle labor time which exist in all developing nations, enabling poor nations to generate their own capital. Light capital technology (or intermediate, or appropriate technology, as this approach is variously called) consists of using inexpensive tools and simple techniques which make use of the abundant resource of idle labor time and which save enough labor at busy seasons—such as harvest and planting times—to enable the work to be done but do not save so much labor as to eliminate jobs and create

more idleness and unemployment. Examples of this technology are animal-drawn plows and seeders, five to ten horsepower tillers, small grain threshers and driers, hand-operated irrigation pumps, simple grain storage bins, manually-operated corn and peanut shellers, and "intermediate" road construction equipment (like ox-carts for earth-moving and mini-compaction devices) instead of large bulldozers, graders, and earth movers.

These techniques are neither primitive nor sophisticated, but are instead adapted to the scarcity of capital and the abundance of labor in developing countries. Moreover, this simple, inexpensive equipment should be produced within the poor countries themselves, again through techniques emphasizing labor and the saving of capital. Home-grown technology not only minimizes the need for foreign aid, but, more importantly, it creates jobs in towns and smaller cities and generates the income to buy the greater output of farm and industry. Home-grown technology also creates a body of skills which are needed for maintenance and repair. It means a growing number of entrepreneurs close enough to the production process to constitute a new class of inventors such as the United States generated in our own Eli Whitney (the cotton gin), Isaac Singer (sewing machine), Cyrus McCormick (the reaper), and John Deere (steel plow).

To permit poor peasants to buy the new machines, credit institutions must be created to channel large numbers of loans in small individual amounts. By this we do not mean loans of five to ten thousand dollars (however small they seem to Americans). Even one thousand dollar loans would speedily exhaust any imaginable funds before they reached the billions of poor in the underdeveloped world. In a poor nation whose per capita GNP is \$80, even a \$100 loan is an upper limit on which aid agencies should work. Opportunities for the production and marketing of equipment at this level of simplicity can already be found in Senegal and other West African countries for animal-drawn agricultural implements. In Bangladesh and other countries with large river deltas, the opportunity exists for the utilization of manually-operated irrigation pumps, costing about \$100, that will enable small farmers to produce a second rice crop in the dry season.

Technologies on this small scale will give the poor nations the means to effect their own development, with donor countries supplying only initial ideas and enough materials for indigenous labor to get started. It would be an interesting challenge to name any nation which has ever developed in any other way than endogenously.

Unhappily, there is some evidence that developing countries do not view light capital technology with great favor. Their elites tend to be indifferent to the needs of their poor, preferring to profit from the financing and construction of international airports, pretentious capital cities, dams, power plants, and steel mills, rather than to concentrate on the difficult and (to them) unrewarding task of raising the level of output and consumption of millions of small producers.

NEEDED—A SYSTEMATIC DEVELOPMENT OF LIGHT CAPITAL TECHNOLOGY

Neither AID nor the multilateral development banks have a clear policy to disseminate light capital technologies. This should be corrected.

It is recommended that the foreign aid agencies adopt light capital or intermediate technology as a major focus and create institutions staffed by people with a career interest in promoting this fresh approach. Similar institutions, similarly staffed, should be encouraged in the developing countries.

It is recommended that the aid agencies begin pilot projects to develop, demonstrate, and disseminate light capital approaches, and that these pilot projects be carried out by small, innovative contractors, with a minimum of overhead.

It is hoped that Congress will channel future aid funding into those agencies that show the most interest in light capital technology.

The shift toward light capital technology will be difficult. It will take time. It is not certain that light capital technology will work. But it offers the only real hope of making a dent in the vast problem of world poverty before more apocalyptic forces engulf us all.

CLARENCE D. LONG.

DISSENTING VIEWS OF HON. DAVID R. OBEY

Summary

In several respects I find this bill to be a good one. I am especially pleased, for instance, that the Committee cut Military Assistance Programs (MAP) and that in reducing security supporting assistance it provided that all countries in the Middle East take their fair share of the cuts. On the economic side, however, certain programs such as food and nutrition, population planning and health, and support for overseas efforts of private and voluntary agencies should, in my view, be allocated more funds. And I greatly regret that the Committee has not observed the obvious desire of Congress to separate economic and military aid. I am also offended by report language which seeks to justify the repressive policies of the South Korean government.

But most of all I am distressed by the Committee's decision to fully fund the Administration's military credit sales request. That \$1.065 billion appropriation will fund sales in the amount of \$2.4 billion to 32 countries. I frankly think it is unwise and I am disturbed by the Committee's easy acceptance of the magnitude of the program which is helping the U.S. consolidate its hold on the title of the world's largest arms merchant.

In the specific case of Israel, I think the magnitude of the military aid provided in this bill will be destabilizing both militarily and politically, will decrease the likelihood that another war can be avoided and will guarantee that if war does come it will be far more destructive than would otherwise have been the case—all without enhancing Israel's relative security one iota. Unless those funds are cut on the floor of the House, I will be forced to vote against this bill.

MAP

The 43 percent cut in the Administration's MAP request is fully warranted. I was appalled by the testimony before the Committee of Lt. Gen. H. M. Fish, Director of the Defense Security Assistance Agency. In the saddest performance by a witness it has ever been my misfortune to endure, General Fish was unable or unwilling to explain or defend the program on any but the most superficial and generalized grounds. In light of this, and in light of the fact that a large number of Administration officials themselves believe MAP has been ineffective and wasteful in many areas of the world, a reduction of the program to \$225 million is entirely justified.

Security Supporting Assistance

Security supporting assistance is not as objectionable in my own mind as other portions of the military aid program, since at least theoretically it provides economic aid rather than weapons. I therefore support the appropriation of slightly over \$1.7 billion in this bill.

But I do believe that some reduction was in order and approve the \$160 million cut recommended by the Subcommittee. I also support the Committee's action in spreading that cut across all of the Middle East countries in roughly the same proportion. There is no reason why the recipients of smaller amounts of aid should be asked to bear the heaviest burden of any reductions. I further believe the Committee acted judiciously in limiting aid to Greece to \$65 million, the amount requested by the Administration.

Economic Assistance

The most seriously deficient parts of the bill as approved by the Committee are found in the inadequately funded programs for food and nutrition, population planning and health, and support of private and voluntary agencies' overseas activities. The cuts made by the Committee will not only prevent the Agency for International Development (AID) from putting greater emphasis on food and nutrition as mandated by Congress and in accordance with this country's pledge to the World Food Conference, it actually forces AID to reduce the program below last year's level. I would hope that by the time this bill becomes law we could add another \$42.5 million to food and nutrition programs so that AID can meet the well-known concerns of the Congress that our aid program directly benefit poor people around the world.

Similarly, the population explosion and other health problems in less developed countries are most urgent and carry in them the potential for mass suffering and social upheaval. The \$38.5 million cut from the Administration's request is too deep and another \$20 million should be restored to this account.

In addition, the \$72 million provided in the bill for such items as ocean freight for the private and voluntary agencies and the new efforts these agencies are making overseas is inadequate. The Executive Branch requested \$81 million and the House International Relations Committee authorized \$99.6 million. I should hope we could provide full funding for this program as requested by the Administration.

Let me observe here that the report indicates that, in addition to the sums appropriated in this bill, some \$97.3 million in transfers, reimbursements, recoveries and unobligated balances would be available for all of these programs. In fact, as all Subcommittee Members were informed by AID prior to mark-up, that figure has been revised downward by AID to \$52.3 million. In addition to this \$45 million shortfall in availabilities, the Committee did not take account of the fact that \$40 million in administrative expenses appropriated in a separate account last year had to be spread across the other AID accounts this year because of a new legislative requirement. I do not believe the Members clearly understood these facts when they voted on the AID programs and that the severe cuts reflect that lack of understanding.

In the court of the last several months, I have had an exchange of letters with World Bank President Robert McNamara and with Mr. Charles Cooper, U.S. Director at the Bank. The subject of the exchange has been the relationship between the Bank—and its affiliates—on the one hand and OPEC countries on the other. It has led to discussion of Bank philosophy and the appropriate role for the Bank in attempting to deal with the crushing impact increased oil prices have had on poor countries.

I am pleased that the Committee has funded the Bank-affiliated International Development Association (IDA) in the amount of \$320 million in this bill. But as we move in 1977 to consideration of further contributions to IDA and to funding of the Bank itself, I believe the Committee will want to examine in some depth the issues I have raised. Bank policy towards Chile is also a subject which merits our scrutiny, for charges have been made that approval of Bank loans to that country has been politically determined over the last several years.

Separating Economic and Military Appropriations

I am disappointed that the Committee has not followed the obvious will of the Congress to treat economic and military aid programs separately. Though they both come under the heading "foreign aid", they are quite different in nature and are designed to serve different purposes. They should therefore be voted on individually as their respective authorizing bills now are. I hope that as we move to consideration of the fiscal year 1977 programs the Committee will reconsider its position on this matter.

Defense of Repression in Korea

On page 41 of the Committee Report it says:

The Committee is fully aware of the opposition toward South Korea because of the alleged repression of its people. The Committee might point out that because of the unique security situation facing South Korea, it may be necessary for the government to exercise tighter control over her people than would be the case if North Korea was not such a close, active and aggressive adversary.

I find that language personally offensive and repugnant. If we made similar comments about the U.S.S.R. and the People's Republic of China we would be laughed off the floor, and rightly so.

I understand that there are good political and strategic military reasons for maintaining close relations with the government of South Korea. But let us not attempt to justify the repressive policies of that government as if they were good and deserving of our approval.

It is especially ironic that such language should appear in a Congressional report in 1976, two hundred years after we fought a revolution to establish the principle of freedom. I would like to think we still occasionally stand for something in this world, and that one of those things is democracy.

One reason we rightly support Israel, for instance, is because it has a democratic political system. The fact that it is democratic makes it easy for us to justify our commitment to help defend that small country in a far-off corner of the world. If we support another government's use of enemy pressure as an excuse to emulate that enemy's repressive policies, what in the end distinguishes us or our friends from that enemy?

Foreign Military Sales (FMS)

I am deeply concerned by the trend of American arms sales abroad which have risen from \$2 to \$3 billion a few years ago to an estimated \$12 billion this year. Rather than attempting to stabilize conflicts and working to keep loss of life and destruction of property to a minimum,

as a manner of official policy we now condone and encourage massive transfers of a whole range of weapons from the simplest rifles to the most sophisticated planes and missiles in our arsenal.

I regret that in this bill there is no effective way of coming to grips with the most serious aspect of this problem—direct military sales. But the Committee did have an opportunity to deal with a portion of the problem in the foreign military credit sales area, and it failed to do so. As a result, the \$1.065 billion appropriated in this bill will fund military credit sales of \$2.4 billion to 32 countries. This program is one which has helped the United States to become the biggest arms merchant in the world, with the U.S. providing over half the arms transfers world-wide or more than all other suppliers combined. In the 200th anniversary year of our birth as a nation, I think we must ask ourselves if we really want to be known for world leadership in that field.

Aid to Israel

The major benefactor of the proposals in this year's foreign military credit sales package, of course, is Israel. The \$1.5 billion credit sales program to Israel (half of which is to be grant, half on very soft loan terms) is to be financed by \$825 million out of the \$1.065 billion appropriation.

I believe we have a moral commitment to help preserve Israel within secure and recognized borders, but I oppose providing military aid at this time in the magnitude requested by the Administration for two reasons.

First, it will convey the wrong message to the Israelis. Second, it is not yet needed.

Why will it convey the wrong message?

Last August I went to the Middle East at the same time Secretary Kissinger was negotiating the Sinai Accord. Prime Minister Rabin told me that after that agreement took effect Israel would want "a period of several years in which we might negotiate, not under deadlines, not under reassessments and not under pressure." The Israeli strategy seems to be: deal with Egypt through the Sinai agreement and separate her out as much as possible from the rest of the Arab world. This will put Israel in a secure military position because, without Egypt, the rest of the Arab world presents no serious military threat. This will in turn give Israel time—with the assistance of American aid—to consolidate its position in the West Bank and the Golan and to further strengthen its military posture.

If I thought this strategy would work, I would give it my full support. But I really believe that it is in fact a blueprint for disaster. Recent public statements by PLO leaders at both the "moderate" (if that is the proper term) and "extreme" ends of the spectrum illustrate how militants in the Arab world will seek to undermine any settlement which does not, in their view, address Palestinian goals. The longer it takes to conclude follow-up agreements, the greater the appeal that the more extreme of these positions will have for a growing majority of Palestinian people.

I do not believe that Israel's policy reflects sufficient recognition of the urgency of the situation and the need for rapid progress. This ten-

dency to delay will only be reinforced if Israel is given the impression that Congress is willing to vote military and economic aid in such huge sums, in the words of Defense Minister Peres, "not just for this year but every year for the next four years." I honestly believe that aid in the magnitude being requested by the Administration, especially when viewed as only the downpayment on a package of three or four years, is likely to encourage the continuing belief within Israel that it has more time than in fact is available to achieve resolution of basic questions in the Golan Heights and on the West Bank.

Why is this amount of military aid not needed?

As I have said, aid in this magnitude is also militarily unnecessary at this time and in fact will lead to a new, more costly, and more dangerous round in the arms race in the Middle East, destabilizing the military balance and creating new political tensions.

Israeli Chief of Staff Gur himself told our delegation in August that there is no question Israel could win another war. "It is simply a question of over what period of time and at what cost," he said. And whatever my colleagues may feel constrained to say, I cannot believe that anyone who has received the briefings I have received from all elements of our own government's intelligence community can have any doubt that Israel is in a stronger military position today than it was before the 1973 war and that, taking into account all weapons on hand or already contracted for, it will continue to be capable of defeating the combined Arab forces for the foreseeable future.

I have repeatedly urged that the Foreign Operations Subcommittee obtain briefings from the U.S. Government intelligence community so that all members of the Committee would be acting from the same base of factual knowledge. It has not done so. For this Committee to act upon this bill without having received such briefings seems to me to be a serious neglect of its duty to the House of Representatives, which has given this Committee the responsibility to come up with a sound bill based on the most thorough examination of the facts.

During hearings, I asked a number of questions of Secretary of State Kissinger, Assistant Secretary Atherton and others about the military situation in the Middle East. They agreed that such information was important to a full understanding of the issues. But they said that, because it involved highly sensitive intelligence data and assessments, they believed the questions could best be handled in a classified oral briefing. And the State Department offered to provide such a briefing. As I have said, despite that offer, and despite my repeated urging that the Committee be briefed by State, Defense and the C.I.A., this Committee still has not received any briefings.

To determine what the real military needs of Israel are, we should ask some specific questions. For instance:

1. What are the ratios between Israel and the Arab confrontation states for personnel, for aircraft, for artillery, for armored personnel carriers, for tanks and for other relevant military equipment?
2. What are the pilots-to-planes ratios for each side?
3. What is the capability of each party to defend its own airspace and conduct air operations over enemy territory?
4. How has Israel's ability to fight a one-, two-, or three-front war changed since the 1973 war?

5. How much military equipment could the non-confrontation Arab states effectively transfer to the confrontation states in case of war in time to meaningfully affect the course of that war?

6. What is the capability of each side to maintain a sustained offensive operation?

7. Israel itself says that because of the superior fighting ability of its personnel, superior coordination etc. a 3:1 ratio against Israel in most weapons systems is acceptable. Do they have such a ratio, and are the Israelis in fact in a better or worse position in that regard in comparison to 1973?

8. In fact, in all of the above areas, what is the state of Israel's relative position as compared with the situation immediately before the October 1973 war?

As I have said, I have received briefings on these questions, and I know that when all of these factors are taken into account there can be no doubt that Israel is in a better position today than in 1973 and that its ability to hold military superiority is assured for the foreseeable future.

What about criticism of American intelligence estimates on the Middle East?

When Prime Minister Rabin was in the United States in January, he asserted that American intelligence estimates of the Middle East were erroneous on three counts:

1. He claimed that American intelligence estimates did not take into account Jordanian forces.

2. He claimed our intelligence estimates failed to take into account the fact that Iraq could supply greater numbers of tanks and other equipment today than it did in 1973 because (a) Iraq has far more equipment today than it did in 1973 and (b) is no longer troubled by the Kurdish rebellion to which it devoted a large amount of its military resources in 1973.

3. He claimed that our intelligence estimates did not adequately take into account foreign deliveries of tanks and combat aircraft to the Arab countries which he said were arriving at a rate of 4 or 5 to 1 times the rate of such deliveries to Israel.

Mr. Rabin is simply wrong on all counts. In determining the real threat which faces Israel, the American intelligence community did in fact include Jordan and did take into account Iraq's increased capability to aid the confrontation states. And the resupply ratios of tanks and combat aircraft are not as high as Mr. Rabin suggests. Even if they were higher, however, in order to judge the impact on the relative situation as compared with 1973 one would need to take into account the fact that Arab losses in the 1973 war were far greater than Israel's, and very high resupply ratios indeed would be required simply to pull the Arabs back up to the relative strength they had prior to the last war.

What will this bill do?

This bill will in the end guarantee Israel no greater security than it has today. What it will do is ensure that Syria will increase pressure on the Soviet Union to increase its supply of weapons to the Arabs to offset

the new American commitments to Israel. Israel will in the end, therefore, be no better off than before.

I have absolutely no objection, in addition to providing Israel with the economic aid necessary to help keep her economy viable, to giving sufficient military assistance to help Israel maintain its existing capability and to offset any increase in Arab offensive capability. But the amount of aid in this bill goes far beyond that and proposes vast sums for which there is no justification. The amendment I proposed in Committee, to cut the Israeli foreign military sales package by \$500 million, would not have affected a single item already contracted for. The \$500 million in question is to be used as downpayment on new contracts for additional weapons systems which will cost billions of dollars over the next several years. The more new weapons systems the Israelis buy this year, the more inflated will be their payments—and aid—requirements in future years, with serious economic implications for both them and us.

If, on the other hand, we cut the \$500 million which will go as downpayments for new purchases, we would signal the Israelis and other parties that, while Congress has no intention of allowing Israel to fall behind the Arabs, neither will we fund a needless and dangerous escalation of the arms race. Not only would we save the American taxpayers several hundred million dollars this year and several billion dollars by the time all of the new contracts are fully funded, we would also avoid needlessly accelerating yet other round in the Middle East arms race which, without providing any improvement in Israel's relative security, can only increase the level of violence and destruction in the event of another war—at great cost to the nation we are trying to help.

I therefore intend to offer an amendment reducing the amount of military aid to Israel by a modest amount when the bill reaches the floor. That amendment will not affect a single item already contracted for; it will only reduce the number of new contracts which will be signed.

DAVID R. OBEY.

MINORITY VIEWS OF HON. SILVIO O. CONTE

The Committee cut the Section 106 account by \$9 million below the Administration's request. It is a poor place to make such a cut.

Section 196 contains funds for private and voluntary organizations to run programs to help needy people abroad. Such organizations as Catholic Relief Services, the Cooperative League of the U.S.A., the Volunteer Development Corps, and the Asia Foundation are able to expand and improve their efforts as a result. The beneficial impact on people in need on every continent is unquestioned.

Section 106 also contains funds to help ship overseas the materials millions of Americans contribute in response to their humanitarian concerns. Their contributions of funds or materials such as food, medicine, blankets and clothing, and educational supplies to agencies such as Hadassah, CARE, Church World Service, and Lutheran World Relief are shipped to their destinations with funds reimbursed by the U.S. Government from Section 106. U.S. private contributions in 1974 reached an all-time high of almost one billion dollars. The modest amounts of funds in this account thus have a substantial multiplier effect.

The work of private and voluntary organizations is a credit to this nation. We ought to be expanding what private groups are able to do rather than restricting their efforts. Congress has expressed itself in our basic foreign aid legislation in 1973 and again in 1975 in favor of a broader partnership between the private agencies and the U.S. Government. The \$9 million cut represents an abrupt reversal of one important aspect of that partnership. It would force cutbacks in an important people-to-people dimension of foreign aid.

The President requested \$81 million for Section 106 in his Congressional Presentation nine months ago. The House and then the Senate raised this to \$99,550,000. Both bodies were persuaded that more funds were needed for activities funded under this account. One major reason was the increased funds required for ocean freight reimbursement. An increase of \$6.4 million was added in fiscal year 1976 to the \$7.6 million requested in order to cover higher freight costs and the shipment of vastly increased donations from Americans in response to such calamities as world hunger, earthquakes, wars, and other disasters. While ocean freight funds are now protected by an earmark, the \$9 million cut below the Administration's request will mean major cuts in other voluntary agency programs supported by the Agency for International Development.

The argument has been made that the additional funds needed for Section 106 could be made available by A.I.D. from other sources. This is misleading. Any transfers from other bilateral assistance accounts such as the Food and Nutrition or Population Planning would

reduce the funds in those accounts accordingly, and the Committee has already cut those funds well below last year's program levels. Similarly, while A.I.D. has other monies called "recoveries" which can be applied to Section 106, they do not exist in sufficient amounts to meet the Administration's request. In addition to the \$72 million recommended by the Committee, A.I.D. intends to commit to Section 106 \$17.2 million in such recoveries. This would bring the total to only \$89.2 million, a full \$9 million short of the funds needed to meet last year's levels.

I regret very much that the Committee has not recognized the humanitarian impulses of the American people and reflected their faith in their private agencies by allowing last year's level of U.S. Government support to continue.

It is clear from the above that increased freight and other costs will force a cut in real terms below last year's program levels even if the Congress restores the \$9 million cut from Section 106 by the Committee.

Among the private agencies which are currently receiving funds under Section 106 and which may be vulnerable to cuts during the current Fiscal Year are the following:

AFRICARE

American Organization for Rehabilitation through Training

The Asia Foundation

Catholic Relief Services

Community Development Foundation

Cooperative League of the USA

Coordination in Development

Credit Union National Association

Foundation for Cooperative Housing

International Voluntary Service

National Council of Negro Women

National Rural Electric Cooperative Association

Overseas Education Fund of the League of Women Voters

Project Concern

Volunteers in Technical Assistance

There are many others as well.

SILVIO O. CONTE.

**DISSENTING VIEWS OF HON. LOUIS STOKES AND
HON. YVONNE B. BURKE**

As members of the Appropriations Committee, we must disassociate ourselves from language on pages 6 and 7 of the Committee Report, chastising and threatening reduction of foreign assistance to developing nations deemed guilty of "irresponsible actions" in the United Nations. Those "irresponsible actions", in the view of the Committee, were votes not identical with those of the United States on issues considered vital to our own national interests.

The "good will" of those nations is short sightedly judged by the Committee on the basis of whether they follow our lead in voting on important United Nations resolutions, with the patronizing and insulting reminder "that they cannot expect unlimited American generosity in the face of irresponsible actions on their part". With unrestrained benevolence the Committee instructs agency program officers that "we do not favor across-the-board cuts in the level of bilateral assistance, but instead favor selective reductions to demonstrate that foreign nations cannot with impunity and without consequences attack the United States in international forums."

This surely cannot be our foreign policy for such political use of foreign assistance is both misguided and counter-productive. Indeed, pursuit of such a design is likely to give credence to the often repeated Soviet allegation that America is not really interested in meeting the vital needs and interests of the developing countries.

A sound foreign aid policy would surely recognize that the casual distribution of funds or other direct aid to foreign nations, unaccompanied by other actions indicating respect for their legitimate national interests, is most unlikely to produce desired results. Foreign aid at its best, in the words of the late Secretary of State George Marshall, should not be "directed against any country or doctrine but against hunger, poverty, desperation, and chaos." The language of the Committee Report and the encouragement it would provide to politicize our foreign aid program is somewhat like using an arms control bill to encourage nuclear testing. In this respect, the Report does not reflect our sentiments or those of many of our colleagues not on this Committee or those of many other Americans who are concerned that the United States participate to the fullest in helping to bring about a more just world through cooperating with poorer nations to meet their serious human needs.

It is unrealistic to expect those countries recently emerged from colonial rule and who are among the poorest of the world's nations to always perceive their national interests as being identical to those of the United States.

If we are to follow the Committee's logic, we must ask how developing countries view our voting record in the United Nations.

Since 1969 the United States has repeatedly vetoed, or abstained on anti-colonial resolutions in the United Nations vital to the interests of many developing countries. Within the past two years this Administration has voted against 4 major questions involving minority rule in Southern Africa :

- (1) stronger measures under Chapter 7 of the United Nations to induce South Africa to respect previous resolutions on Namibia, May 1975;
- (2) suspension of South Africa from the deliberations of the United Nations General Assembly, Fall, 1974;
- (3) condemnation of South African apartheid policies and of those states continuing to collaborate with South Africa, December, 1974; and
- (4) strengthening the arms embargo against South Africa, December, 1974.

We must remember that the authorizing legislation, the International Development and Food Assistance Act of 1975, was widely heralded as a breakthrough in "the right kind of foreign aid," geared to meet basic human needs wherever they are most severe. The funding approach recommended by the Committee, to which we here take exception, threatens to repoliticize economic aid in a manner which runs counter to the intent and mandate of the authorizing legislation. The passage of H.R. 9005 last year followed careful scrutiny in the authorizing Committee and extensive airing on the House floor of concerns about the alleged politicization of discussions in the United Nations. Floor amendments were rejected which would have placed restrictions on aid to individual countries or groups of countries and on aid to certain multilateral bodies. The Congress thereby chose between the use of its development assistance to serve the needs of poor people in poor countries and its use as a political weapon. The Appropriations Committee has no authority, by law or custom, to subvert this clear legislative intent and mandate.

Moreover, we wish to register our disapproval of the reduction of funds authorized for the International Development Agency, the soft loan affiliate of the World Bank from \$375 to \$320 million. The spirit of the authorizing legislation clearly stresses the need to give priority in American assistance to the least developed countries. This sentiment, apparently, is shared by the American public, 70 percent of whom, according to a recent poll conducted by the Chicago Council on Foreign Relations, endorse foreign aid providing it reaches the people in the poorest countries.

The United States does exercise considerable influence over the use of funds in the World Bank and the IDA because of the weighted voting system.

As it is, the United States ranks 14th among the 17 major donor nations with respect to that percentage of its gross national product (GNP) provided for development assistance. The authorizing legislation, H.R. 9005, provides for assistance amounting to 0.1 percent of the GNP for 1976 and 1977, a figure far below the target of 0.7 percent recommended during the Second United Nations Development Decade. The Appropriations Committee's reduction of economic aid by 22 percent further erodes United States allocations for development assistance.

The richest nation in the world should not be the most parsimonious. Such reductions of economic aid run counter to the spirit of cooperation between industrialized and developing nations generated by the Secretary of State's message to the Seventh United Nations Special Session last September.

Glaring economic disparities will be the key issues that divide nations and threaten international peace and security in the years ahead. A generous contribution to the economic well being of the poor nations is an investment in future global stability.

It should be clearly understood that ours is not an indictment of Chairman Passman, but rather the offending language in the Committee Report. Indeed, we highly commend his responsiveness to the desperate needs of developing nations as reflected in part in his support of the Sahel redevelopment planning program, at the level of funds authorized. Here, it seems to us, was an example of a clear and positive choice between "the use of development assistance to serve the needs of poor people in poor countries and its use as a political weapon."

LOUIS STOKES.
YVONNE B. BURKE.

SEPARATE VIEWS BY HON. BILL ALEXANDER

This bill proposes to provide funds for foreign assistance to a number of Nations which are significantly delinquent in their repayments on debts owed to the United States as a result of past assistance extended to them.

The American people have repeatedly demonstrated a willingness to provide financial assistance to foreign nations, to help underdeveloped countries in their quest for economic independence and to help rebuild those lands destroyed by the ravages of war or natural disaster.

The American people have illustrated this willingness to a level of \$170,303,600,000 since World War II in net disbursements for foreign aid. This combined with the estimated interest of \$115,575,500,000 due on this aid makes our total investment in foreign aid since World War II \$285,879,100,000—more than a quarter of a trillion dollars.

While the American people are willing to help they do expect to receive repayment on a prompt and orderly basis for aid extended in the form of loans.

The principal and interest due and unpaid 90 days or more on U.S. government loans and credits to other nations and international organizations as of June 30, 1975, totals over \$633 million, as compared with \$609 million for the previous reporting period ending December 31, 1974.

While some nations have made progress in their repayments, a substantial number, 71, of the 124 foreign nations and international organizations that owe the taxpayers of the United States are falling still further behind in their payments.

There has existed in this and previous Administrations a disturbing reluctance to secure prompt collection of these foreign obligations.

After several years of monitoring the status of foreign debt collections, I am convinced that a change in the law is necessary to require the Executive Branch to seek expeditious repayment of such debts.

I would like to share with my colleagues, at this point in the report, a chart comparing the status of the principal and interest due and unpaid 90 days or more on U.S. government foreign loans and credits for the past three reporting periods.

PRINCIPAL AND INTEREST DUE AND UNPAID 90 DAYS OR MORE AS OF JUNE 30, 1974, DEC. 31, 1974, AND JUNE 30, 1975, ON U.S. GOVERNMENT FOREIGN LOANS AND CREDITS

[In dollar or dollar equivalents]

Area/country	Principal and interest due and unpaid 90 days or more as of—		
	June 30, 1974	Dec. 31, 1974	June 30, 1975
Total, all countries and international organizations.....	\$562,706,773	\$609,425,692	\$633,016,602
Western Europe (excludes Greece and Turkey):			
Austria.....	181	209,379	82,804
Belgium.....	121,682	765,976	661,942
Denmark.....	259,292	66,313	58,184
Finland.....			156
France.....	90,965	503,567	57,427
Germany, Federal Republic of.....	254,280	152,192	159,530
Iceland.....	898		13,421
Ireland.....	13,299	73,724	13,406
Italy.....	5,424,420	4,837,245	4,277,065
Luxembourg.....		11,057	14,795
Malta.....			
Monaco.....			
Netherlands.....	215,605	490,903	695,281
Norway.....	296,656	190,630	206,362
Portugal.....	11,017	14,616	118,392
Spain.....	262,420	731,121	599,259
Sweden.....	206	453,819	2,843
Switzerland.....	64,768	137,355	54,829
United Kingdom.....	422,952	856,301	441,988
Vatican City.....			
Yugoslavia.....	38,494	321,192	19,724
European Atomic Energy Community.....		2,838	1,131
European Coal and Steel Community.....			
North Atlantic Treaty Organization.....	17,499	313,434	269,251
Total, Western Europe.....	7,494,634	10,444,296	7,747,790
Eastern Europe:			
Czechoslovakia.....	6,833,203	7,145,980	7,143,657
Germany, Soviet Union.....			
Hungary.....	700,167	700,167	216,234
Poland.....			
Romania.....			
Union of Soviet Socialist Republics.....		2	
Total, Eastern Europe.....	7,533,370	7,846,149	7,360,196
Near East (includes Greece, Turkey, and Egypt):			
Cyprus.....	1,573	1,928	6,026
Egypt, Arab Republic of.....	47,455,318	59,205,813	13,441,692
Greece.....	18,220,771	21,371,519	21,439,755
Iran.....	39,152,815	42,066,979	45,863,117
Iraq.....	538	538	1,538
Israel.....	1,056,451	3,086,765	15,561,377
Jordan.....	13,925	3,187,332	241,195
Kuwait.....			1,000
Lebanon.....	3,432	1,061	853
Muscat and Oman.....			1,126
Oatar.....			
Saudi Arabia.....	23,138	386,799	2,116,522
Syria.....	4,268,114	4,679,264	5,091,836
Turkey.....	87,238,793	88,495,660	91,180,749
United Arab Emirates.....			
Yemen Arab Republic.....			
Total, Near East.....	197,434,868	222,483,658	194,946,778
South Asia:			
Afghanistan.....	2,823	2,800	2,769
Bangladesh.....		310,941	475,990
India.....	15,579,509	17,400,063	13,638,012
Nepal.....	183,242	179,149	192,974
Pakistan.....	18,091,171	35,408,733	60,117,256
Sri Lanka.....	1,507,896	250	248
South Asia—Regional.....			
Total, South Asia.....	35,364,641	53,301,936	74,427,249

PRINCIPAL AND INTEREST DUE AND UNPAID 90 DAYS OR MORE AS OF JUNE 30, 1974, DEC. 31, 1974, AND JUNE 30, 1975, ON U.S. GOVERNMENT FOREIGN LOANS AND CREDITS

[In dollar or dollar equivalents]

Area/country	Principal and interest due and unpaid 90 days or more as of—		
	June 30, 1974	Dec. 31, 1974	June 30, 1975
Africa (excludes Egypt):			
Algeria.....	2,396	6,613	18,793
Angola.....			
Botswana.....	13,678		
Cameroon.....	13,052	504	504
Central African Republic.....			42,700
Chad.....			
Dahomey.....	4,228	4,228	17,646
Ethiopia.....	14,318,976	14,319,208	17,951,925
Gabon.....		56,300	
Gambia.....			
Ghana.....	175,253	175,253	175,486
Guinea.....	1,032,317	1,791,177	2,083,587
Ivory Coast.....	70	27,336	413
Kenya.....	875	208,193	826
Liberia.....	29,878	31,881	26,398
Libya.....	13,919	137,381	154,877
Malagasy Republic.....			
Malawi.....	155		
Mali.....	40,896	50,430	58,716
Mauritania.....			
Morocco.....	2,573,553	78,912	4,100,756
Niger.....		7,893	
Nigeria.....	1,170,211	2,494,668	3,683,456
Rhodesia.....	43,579	43,579	43,579
St. Helena.....			
Senegal.....	22,666	322	22,092
Sierra Leone.....	135,590	159,631	172,884
Somali Republic.....	2,052,000	2,292,235	2,529,373
South Africa.....	12,114	11,195	35,983
Sudan.....		545,585	882,935
Swaziland.....			
Tanzania.....	41,356	20	244
Togo.....			88,200
Tunisia.....	84,648	80,313	77,742
Uganda.....	2,046	2,782	6,284
Upper Volta.....			
Zaire.....	43,849	48,854	348,711
Zambia.....	6	4	
Council of Entente States.....			
East African Common Services Organization.....			6,387
University of East Africa.....	2		
West Africa Development Bank.....			
Africa—Regional.....	1,578,167	2,142,750	1,953,794
Total Africa.....	23,416,575	24,716,947	34,485,741
Eastern Asia and Pacific:			
Australia.....	272,027	912,142	447,910
British Solomon Islands.....			
Brunei.....			
Burma.....	3,687	3,687	
China, Peoples' Republic of.....		237,311	247,491
China, Republic of.....	93,149,972	96,344,051	96,839,994
Fiji Islands.....	2	172	
Gilbert and Ellice Islands.....			
Hong Kong.....	38	106	487
Indonesia.....	137,841	441,819	2,009,342
Japan.....	483,338	821,759	474,457
Khmer Republic.....	2,128,289	2,128,289	2,114,318
Korea, Republic of.....	2,218,030	1,978,118	1,973,418
Laos.....	49,695	54,843	2,156
Macao.....			
Malaysia.....	387,734	212,395	209,579
Nauru.....			
New Caledonia.....			
New Guinea (Papua).....	87	136	825
New Zealand.....	14,721	185,711	51,024
Philippines.....	48,078,728	48,642,518	49,054,067
Pitcairn Island.....			
Singapore.....	413,220	2,065,004	471,457
Thailand.....	20,273,423	19,080,422	20,573,939
Tonga.....			
Trust Territory of Pacific.....	206	206	231
Vietnam, Republic of.....	865,798	890,742	6,322,349
Western Samoa.....			
Total, Eastern Asia and Pacific.....	168,476,846	173,999,431	180,793,344

PRINCIPAL AND INTEREST DUE AND UNPAID 90 DAYS OR MORE AS OF JUNE 30, 1974, DEC. 31, 1974, AND JUNE 30, 1975, ON U.S. GOVERNMENT FOREIGN LOANS AND CREDITS

[In dollar or dollar equivalents]

Area/country	Principal and interest due and unpaid 90 days or more as of—		
	June 30, 1974	Dec. 31, 1974	June 30, 1975
Western Hemisphere:			
Antigua.....	416,400	468,800	.....
Argentina.....	1,044,609	2,113,050	3,063,045
Bahamas.....	57,299	59,058	37,353
Barbados.....	.....	.....	.....
Belize.....	6,125	24,569	27,491
Bermuda.....	.....	.....	.....
Bolivia.....	1,689,827	1,920,155	2,171,301
Brazil.....	84,593	568,374	3,831,414
British Virgin Islands.....			
Canada.....	248,298	319,194	461,292
Cayman Islands.....	.....	197,744	1,241
Chile.....	19,148,088	4,000,651	8,235,087
Colombia.....	13,869,657	13,479,545	14,484,344
Costa Rica.....	584,484	1,427,928	203,202
Cuba.....	58,342,708	64,569,272	67,875,972
Dominica.....	130,810	.....	197,622
Dominican Republic.....	1,053,271	1,078,896	1,855,020
Ecuador.....	587,520	581,634	2,978,688
El Salvador.....	152,532	156,117	157,070
French Guiana.....	.....	127,154	127,154
Grenada.....	.....	.....	.....
Guadeloupe.....	50	.....	.....
Guatemala.....	170,252	256,154	246,775
Guyana.....	4,555	1,041	1,009
Haiti.....	248,973	544,148	503,595
Honduras.....	101,603	100,981	111,114
Jamaica.....	13,176	14,540	18,118
Martinique.....	.....	.....	50
Mexico.....	2,776,755	2,926,902	3,406,925
Montserrat.....	.....	.....	.....
Netherlands Antilles.....	502	502	11,962
Nicaragua.....	159,020	175,426	67,962
Panama.....	6,225,849	6,820,573	6,815,197
Paraguay.....	1,780,453	1,796,437	1,825,419
Peru.....	1,415,661	2,455,849	2,025,574
St. Christopher-Nevis-Anguilla.....	.....	.....	.....
St. Lucia.....	67,812	.....	.....
St. Pierre and Miquelon.....	.....	.....	.....
St. Vincent.....	.....	.....	.....
Surinam.....	16	16	16
Trinidad and Tobago.....	11,935	12,435	12,893
Turks and Caicos Islands.....	167	335	7,906
Uruguay.....	1,399,997	653,922	463,099
Venezuela.....	3,351,285	2,245,644	4,164,088
Caribbean Development Bank.....			
Central American Bank for Economic Integration.....	.....	.....	.....
Western Hemisphere—Regional.....	59	50	.....
Western Hemisphere—Unspec.....	494,399	494,399	494,399
Total, Western Hemisphere.....	115,638,740	109,413,525	125,883,397
International organizations and unspecified countries:			
International Finance Corporation.....	.....	.....	.....
United Nations.....	7,347,099	7,352,740	7,368,167
Unspecified countries.....	.....	.....	.....
International Atomic Energy Agency.....	.....	2,514	5,599
Total, unspecified countries and official international institutions.....	7,347,099	7,355,254	7,373,766

Source: Department of the Treasury, OASIA, Office of International Financial Analysis, Jan, 14, 1976,

BILL ALEXANDER.

DISSENTING VIEWS OF HON. WILLIAM ARMSTRONG

As a member of the House Appropriations Committee, I find the 1976 Foreign Assistance Appropriation bill to be the most frustrating piece of legislation to come before the Committee during the 15 months I have been a member.

It is almost impossible for anyone not a member of the Subcommittee to evaluate whether the spending proposed in this bill is really essential to the world-wide interests of the United States or whether, as many of us suspect, it is mostly useless, wasteful or completely counter-productive spending.

Why are we financing *both* sides of so many international disputes? Why are the authorization and appropriation bills coming before the House with less than four months remaining in the fiscal year? Why is the justification for many of the appropriations so flimsy as, for example, the appropriation of \$80 million for so-called Security Supporting Assistance for Syria? Why does the Committee complain bitterly about the United Nations Development Program (see page 29 of the report) and then proceed to *increase* the appropriation for this program while professing to be "not satisfied" and quoting George Meany's evaluation that the program is "completely perverted . . . hostile to the interests and ideals of the people of the United States . . . instruments of political warfare against our country . . ."

These and many other questions call this bill into doubt.

Without the opportunity to fully evaluate this legislation, my instinctive reaction to what I have heard and seen thus far is that the nation's foreign assistance programs are being grossly abused and, what is worse, have been developed without any apparent motivating purpose or consistency of principle.

WILLIAM ARMSTRONG.

(83)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND BUDGET ESTIMATES FOR 1976

PERMANENT NEW BUDGET (OBLIGATIONAL) AUTHORITY—TRUST FUNDS

[Becomes available automatically under earlier, or "permanent" law without further, or annual, action by the Congress. Thus, these amounts are not included in the accompanying bill]

(85)

Agency and item (1)	New budget (obligational) authority, 1975 (2)	Budget estimate of new (obligational) authority, 1976 and transition period (3)	Increase (+) or decrease (-) (4)
Economic assistance: Technical assistance: U.S. dollars advanced from foreign governments..... Transition period.....	\$8, 795, 000	\$6, 000, 000	-\$2, 795, 000
Military assistance: Advances, foreign military sales (contract authorization)..... Transition period.....	8, 692, 886, 000	9, 772, 205, 000 1, 669, 805, 000	+1, 079, 319, 000
Action: Miscellaneous trust funds..... Transition period.....	203, 000	245, 000 61, 000	+42, 000
Total, permanent new budget (obligational) authority, trust funds..... Transition period.....	8, 701, 884, 000	9, 778, 450, 000 1, 669, 866, 000	+1, 076, 566, 000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1976 AND THE TRANSITION PERIOD

[Note: All amounts are in the form of "appropriations" unless otherwise indicated]

Item (1)	New budget (obligational) authority, fiscal year 1975 (includes supp.) ¹ (2)	Budget estimates of new (obligational) authority, fiscal year 1976/transition period (3)	New budget (obligational) authority recommended in the bill (4)	Bill compared with—	
				New budget (obligational) authority, fiscal year 1975 (5)	Budget estimates of new (obligational) authority, fiscal year 1976/transition period (6)
TITLE I—FOREIGN ASSISTANCE ACT ACTIVITIES					
FUNDS APPROPRIATED TO THE PRESIDENT					
ECONOMIC ASSISTANCE					
Food and nutrition, development assistance.....	\$300,000,000	\$623,000,000	\$487,500,000	+\$187,500,000	-\$135,500,000
Transition period.....		167,150,000	121,900,000		-45,250,000
Population planning and health, development assistance.....	² 125,000,000	218,500,000	⁴⁶ 180,000,000	+55,000,000	-38,500,000
Transition period.....		66,500,000	45,000,000		-21,500,000
Education and human resources development, development assistance.....	82,000,000	84,500,000	82,000,000		-2,500,000
Transition period.....		23,679,000	20,500,000		-3,179,000

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Selected development problems, development assistance.....	³ 37,000,000	44,000,000		-37,000,000	-44,000,000
Transition period.....		12,571,000			-12,571,000
Selected countries and organizations, development assistance.....	30,000,000	37,000,000		-30,000,000	-37,000,000
Transition period.....		16,400,000			-16,400,000
Technical assistance, energy, research, reconstruction and selected development problems, development assistance.....		(⁴⁴)	72,000,000	+72,000,000	+72,000,000
Transition period.....			18,000,000		+18,000,000
Subtotal, development assistance.....	574,000,000	¹⁷ 1,007,000,000	821,500,000	+247,500,000	-185,500,000
Transition period.....		¹⁸ 286,300,000	205,400,000		-80,900,000
Loans.....	(175,000,000)	(453,600,000)	(300,000,000)	(+125,000,000)	(-153,600,000)
Grants.....	⁴ (399,000,000)	(¹⁹ 553,400,000)	(⁴⁷ 521,500,000)	(+122,500,000)	(-31,900,000)
Transition period, loans.....		(122,400,000)	(75,000,000)		(-47,400,000)
Transition period, grants.....		(²⁰ 163,900,000)	(⁴⁸ 130,400,000)		(-33,500,000)
International organizations and programs.....	⁵ 125,000,000	189,500,000	⁴⁹ 160,000,000	+35,000,000	-29,500,000
Transition period.....		19,200,000	19,200,000		
United Nations Environment Fund.....	5,000,000	7,500,000	5,000,000		-2,500,000
Transition period.....					

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See footnotes at end of table, p. 98.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1976 AND THE TRANSITION PERIOD—Continued

[Note: All amounts are in the form of "appropriations" unless otherwise indicated]

Item (1)	New budget (obligational) authority, fiscal year 1975 (includes supp.) ¹ (2)	Budget estimates of new (obligational) authority, fiscal year 1976/ transition period (3)	New budget (obligational) authority recommended in the bill (4)	Bill compared with—	
				New budget (obligational) authority, fiscal year 1975 (5)	Budget estimates of new (obligational) authority, fiscal year 1976/transition period (6)
TITLE I—FOREIGN ASSISTANCE ACT ACTIVITIES—Continued					
FUNDS APPROPRIATED TO THE PRESIDENT—Continued					
ECONOMIC ASSISTANCE—Continued					
American schools and hospitals abroad.....	\$17,500,000	²⁴ \$20,000,000	\$20,000,000	+ \$2,500,000	
Transition period.....		2,500,000	2,500,000		
American schools and hospitals abroad (special foreign currency program).....	(6,500,000)	(7,000,000)	(7,000,000)	(+500,000)	
Transition period.....		(1,750,000)	(1,750,000)		
John McCormack Center, St. John's Medical College (special foreign currency program).....			(13,650,000)	(+13,650,000)	(+13,650,000)
Transition period.....					

Indus Basin Development Fund, grants.....	9,000,000	²¹ 22,500,000	9,000,000		-13,500,000
Transition period.....		²² 4,500,000	2,250,000		-2,250,000
Indus Basin Development Fund, loans.....	200,000	²³ 10,000,000	5,000,000	+4,800,000	-5,000,000
Transition period.....					
Contingency fund.....	1,800,000	²⁴ 30,000,000	5,000,000	+3,200,000	-25,000,000
Transition period.....		²⁵ 15,000,000	1,250,000		-13,750,000
International disaster assistance.....	⁶ 35,000,000		20,000,000	-15,000,000	+20,000,000
Transition period.....			5,000,000		+5,000,000
African development program.....			5,000,000	+5,000,000	+5,000,000
Transition period.....					
Cyprus relief and rehabilitation.....		(⁴⁶)	25,000,000	+25,000,000	+25,000,000
Transition period.....		(⁴⁵)	5,000,000		+5,000,000
International narcotics control.....	⁷ 17,500,000	42,500,000	25,000,000	+7,500,000	-17,500,000
Transition period.....		13,000,000	6,250,000		-6,750,000
Assistance to Portugal and Portuguese colonies in Africa gaining independence.....	⁸ 25,000,000		(⁵⁰)	-25,000,000	
Transition period.....					
Payment to the Foreign Service Retirement and Disability Fund.....	(16,080,000)	²⁵ 16,680,000	16,680,000	+16,680,000	

See footnotes at end of table, p. 98.

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COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1976 AND THE TRANSITION PERIOD—Continued

[Note: All amounts are in the form of "appropriations" unless otherwise indicated]

Item (1)	New budget (obligational) authority, fiscal year 1975 (includes supp.) ¹ (2)	Budget estimates of new (obligational) authority, fiscal year 1976/ transition period (3)	New budget (obligational) authority recommended in the bill (4)	Bill compared with —	
				New budget (obligational) authority, fiscal year 1975 (5)	Budget estimates of new (obligational) authority, fiscal year 1976/transition period (6)
TITLE I—FOREIGN ASSISTANCE ACT ACTIVITIES—Continued					
FUNDS APPROPRIATED TO THE PRESIDENT—Continued					
ECONOMIC ASSISTANCE—Continued					
Overseas training (special foreign currency program).....		(\$200,000)	(\$200,000)	(+ \$200,000)	
Transition period.....					
Administrative expenses:					
AID.....	\$40,000,000 ⁽²⁵⁾		-40,000,000	
Transition period.....					
State.....	4,800,000 ⁽²⁷⁾		-4,800,000	
Transition period.....					

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Subtotal, economic assistance.....	854,800,000	1,345,680,000	1,117,180,000	+262,380,000	-\$228,500,000
Transition period.....		340,500,000	246,850,000		-93,650,000
INDOCHINA POSTWAR RECONSTRUCTION ASSISTANCE					
Indochina postwar reconstruction assistance.....	440,000,000 ⁽²⁸⁾		-440,000,000	
Transition period.....	 ⁽²⁸⁾			
MIDDLE EAST SPECIAL REQUIREMENTS FUND					
Middle East special requirements fund.....	100,000,000	.....²⁹ 50,000,000	50,000,000	-50,000,000	
Transition period.....		.....³⁰ 10,000,000	10,000,000		
SECURITY SUPPORTING ASSISTANCE					
Security supporting assistance.....	* 660,000,000	.....³¹ 1,873,300,000	.....³¹ 1,712,500,000	+1,052,500,000	-160,800,000
Transition period.....		.....³² 30,200,000	25,200,000		-5,000,000
UNITED NATIONS FORCE IN CYPRUS					
United Nations Force in Cyprus.....		.....³³ 9,600,000			-9,600,000
Transition period.....		4,800,000			-4,800,000
Subtotal.....	2,054,800,000	3,278,580,000	2,879,680,000	+824,880,000	-398,900,000
Transition period.....		385,500,000	282,050,000		-103,450,000

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See footnotes at end of table, p. 98.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1976 AND THE TRANSITION PERIOD—Continued

[Note: All amounts are in the form of "appropriations" unless otherwise indicated]

Item (1)	New budget (obligational) authority, fiscal year 1975 (includes supp.) ¹ (2)	Budget estimates of new (obligational) authority, fiscal year 1976/ transition period (3)	New budget (obligational) authority recommended in the bill (4)	Bill compared with —	
				New budget (obligational) authority, fiscal year 1975 (5)	Budget estimates of new (obligational) authority, fiscal year 1976/transition period (6)
TITLE I—FOREIGN ASSISTANCE ACT ACTIVITIES—Continued					
FUNDS APPROPRIATED TO THE PRESIDENT—Continued					
MILITARY ASSISTANCE					
Military assistance:					
Regular appropriation-----	\$475,000,000	³⁴ \$394,500,000	\$225,000,000	-\$250,000,000	-\$169,500,000
Transition period-----		³⁵ 27,200,000	27,200,000		
Appropriation to liquidate contract authority-----		(323,913,000)	(323,913,000)	(+323,913,000)	
Transition period-----					
INTERNATIONAL MILITARY EDUCATION AND TRAINING					
International military education and training-----	(⁴³)	30,000,000	25,000,000	+25,000,000	-5,000,000

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Transition period-----		7,000,000	6,250,000		-750,000
INTER-AMERICAN FOUNDATION					
Inter-American Foundation (limitation on obligations)-----	(10,000,000)	(10,000,000)	(5,000,000)	(-5,000,000)	(-5,000,000)
Transition period-----		(2,500,000)	(1,250,000)		(-1,250,000)
Total, title I, new budget (obligational) authority, Foreign Assistance Act Activities-----	¹⁰ 2,529,800,000	³⁶ 3,703,080,000	3,129,680,000	+599,880,000	-573,400,000
Transition period-----		419,700,000	315,500,000		-104,200,000
TITLE II—FOREIGN MILITARY CREDIT SALES					
Foreign military credit sales-----	¹¹ 300,000,000	³⁷ 1,065,000,000	⁵² 1,065,000,000	+765,000,000	
Transition period-----		30,000,000	30,000,000		
Total, titles I and II, new budget (obligational) authority-----	2,829,800,000	4,768,080,000	4,194,680,000	+1,364,880,000	-573,400,000
Transition period-----		449,700,000	345,500,000		-104,200,000
TITLE III—FOREIGN ASSISTANCE (OTHER)					
INDEPENDENT AGENCY					
ACTION—INTERNATIONAL PROGRAMS					
Peace Corps-----	¹² 77,687,000	80,826,000	80,000,000	+2,313,000	-826,000
Transition period-----		25,729,000	20,000,000		-5,729,000

See footnotes at end of table, p. 98.

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COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1976 AND THE TRANSITION PERIOD—Continued

[Note: All amounts are in the form of "appropriations" unless otherwise indicated]

Item (1)	New budget (obligational) authority, fiscal year 1975 (includes supp.) ¹ (2)	Budget estimates of new (obligational) authority, fiscal year 1976/transition period (3)	New budget (obligational) authority recommended in the bill (4)	Bill compared with—	
				New budget (obligational) authority, fiscal year 1975 (5)	Budget estimates of new (obligational) authority, fiscal year 1976/transition period (6)
TITLE III—FOREIGN ASSISTANCE(OTHER)—Continued					
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE					
Assistance to refugees in the United States (Cuban program).....	\$90,000,000	³⁸ \$85,000,000	\$85,000,000	-\$5,000,000	-----
Transition period.....	-----	³⁹ 19,000,000	19,000,000	-----	-----
DEPARTMENT OF STATE					
Migration and refugee assistance.....	¹³ 8,443,000	10,100,000	9,000,000	+557,000	-\$1,100,000
Transition period.....	-----	800,000	800,000	-----	-----
Assistance to refugees from the Soviet Union.....	¹⁴ 40,000,000	-----	15,000,000	-25,000,000	+15,000,000
Transition period.....	-----	-----	-----	-----	-----
Assistance to Palestinian refugees.....	10,000,000	-----	-----	-10,000,000	-----
Transition period.....	-----	-----	-----	-----	-----

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FUNDS APPROPRIATED TO THE PRESIDENT					
INTERNATIONAL FINANCIAL INSTITUTIONS					
Asian Development Bank:					
Paid-in capital.....	24,126,982	24,126,982	12,063,491	-12,063,491	-12,063,491
Transition period.....	-----	-----	-----	-----	-----
Callable capital.....	-----	96,507,927	48,253,963	+48,253,963	-48,253,964
Transition period.....	-----	-----	-----	-----	-----
Special funds.....	50,000,000	50,000,000	25,000,000	-25,000,000	-25,000,000
Transition period.....	-----	-----	-----	-----	-----
Subtotal, ADB.....	74,126,982	170,634,909	85,317,454	+11,190,472	-85,317,455
Transition period.....	-----	-----	-----	-----	-----
Inter-American Development Bank:					
Fund for special operations.....	¹⁵ 225,000,000	⁴⁰ 275,000,000	200,000,000	-25,000,000	-75,000,000
Transition period.....	-----	-----	-----	-----	-----
International Development Association					
.....	320,000,000	375,000,000	320,000,000	-----	-55,000,000
Transition period.....	-----	-----	-----	-----	-----
Total, title III, new budget (obligational) authority, Foreign Assistance (other).....	845,256,982	996,560,909	794,317,454	-50,939,528	-202,243,455
Transition period.....	-----	45,529,000	39,800,000	-----	-5,729,000

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See footnotes at end of table, p. 98.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1975 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1976 AND THE TRANSITION PERIOD—Continued

[Note: All amounts are in the form of "appropriations" unless otherwise indicated]

Item (1)	New budget (obligational) authority, fiscal year 1975 (Includes supp.) ¹ (2)	Budget estimates of new (obligational) authority, fiscal year 1976/ transition period (3)	New budget (obligational) authority recommended in the bill (4)	Bill compared with—	
				New budget (obligational) authority, fiscal year 1975 (5)	Budget estimates of new (obligational) authority, fiscal year 1976/transition period (6)
TITLE IV—EXPORT-IMPORT BANK OF THE UNITED STATES					
Limitation on program activity.....	(\$6,403,086,000)	⁴¹ (\$5,619,945,000)	(\$5,619,945,000)	(-\$783,141,000)	-----
Transition period.....	-----	⁴² (1,436,813,000)	(1,436,813,000)	-----	-----
Limitation on administrative expenses.....	¹⁶ (10,542,000)	(11,416,000)	(11,416,000)	(+874,000)	-----
Transition period.....	-----	(2,949,000)	(2,949,000)	-----	-----
Total, title IV, Export-Import Bank of the United States, limitation on use of corporate funds.....	(6,413,628,000)	(5,631,361,000)	(5,631,361,000)	(-782,267,000)	-----
Transition period.....	-----	(1,439,762,000)	(1,439,762,000)	-----	-----

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Grand total, new budget (obligational) authority, titles I, II, and III.....	3,675,056,982	5,764,640,909	4,988,997,454	+1,313,940,472	-\$775,643,455
Transition period.....	-----	495,229,000	385,300,000	-----	-109,929,000
Reappropriation of unobligated balances:					
(a) Economic assistance.....	(41,393,000)	(17,800,000)	(17,800,000)	(-23,593,000)	-----
Transition period.....	-----	-----	-----	-----	-----
(b) Military assistance.....	(4,596,000)	(2,300,000)	(2,300,000)	(-2,296,000)	-----
Transition period.....	-----	-----	-----	-----	-----
(c) Security supporting assistance.....	(743,000)	(4,100,000)	(4,100,000)	(+3,357,000)	-----
Transition period.....	-----	-----	-----	-----	-----
(d) Indochina postwar reconstruction assistance.....	(134,000)	(11,200,000)	(11,200,000)	(+11,066,000)	-----
Transition period.....	-----	-----	-----	-----	-----

See footnotes at end of table, p. 98.

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¹ Does not include \$405,000,000 appropriated in fiscal year 1975 for Cambodian and South Vietnamese refugees to remain available through June 30, 1976. If this amount was included in the fiscal year 1975 totals, the grand total would be \$4,080,056,982.

² Placed a limitation of \$110,000,000 on the funds which could be used for programs relating to population growth.

³ Placed a limitation of \$500,000 on funds for the National Association of the Partners of the Alliance, Inc.

⁴ Included \$115,100,000 for operating expenses.

⁵ Placed a limitation of \$17,000,000 for the UNICEF program.

⁶ Earmarks \$25,000,000 for Cyprus.

⁷ Plus could use unobligated balance of about \$15,000,000.

⁸ Earmarks \$5,000,000 for the Cape Verde Islands and \$5,000,000 for Mozambique, Guinea-Bissau and Angola. Unobligated balances were continued available under the fiscal year 1976 continuing resolution.

⁹ Earmarks \$324,500,000 for Israel, \$250,000,000 for Egypt and \$77,500,000 for Jordan.

¹⁰ Prior year unobligated balances reappropriated.

¹¹ Earmarks \$300,000,000 for Israel out of the aggregate credit sale ceiling of \$872,500,000.

¹² Includes \$687,000 as provided in the 2d supplemental, fiscal year 1975. Earmarks \$44,500,000 for direct support of volunteers.

¹³ Includes \$23,000 as provided in the 2d supplemental, fiscal year 1975.

¹⁴ The conference statement directed that not less than \$35,000,000 be made available to resettle Soviet refugees in Israel.

¹⁵ Earmarks \$25,000,000 for cooperatives, \$10,000,000 for credit unions and \$15,000,000 for savings and loan associations.

¹⁶ Includes an increase in limitation of \$300,000 as provided in the 2d supplemental fiscal year 1975.

¹⁷ Includes a decrease of \$4,700,000 contained in H. Doc. 94-292.

¹⁸ Includes a decrease of \$3,700,000 contained in H. Doc. 94-292.

¹⁹ Includes \$381,600,000 in grants and \$171,800,000 in operating expenses.

²⁰ Includes \$114,000,000 in grants and \$49,900,000 in operating expenses.

²¹ Includes an increase of \$6,000,000 contained in H. Doc. 94-292.

²² Includes an increase of \$3,700,000 contained in H. Doc. 94-292.

²³ Submitted as a budget amendment in H. Doc. 94-292.

²⁴ Includes \$10,000,000 for the contingency fund and \$20,000,000 for disaster assistance.

²⁵ Includes an increase of \$600,000 contained in H. Doc. 94-344.

²⁶ This account is now included under operating expenses allocated to each appropriation item.

²⁷ This account was transferred to the Department of State appropriations bill.

²⁸ Deleted in H. Doc. 94-292 (\$952,000,000 regular appropriation and \$241,300,000 transition).

²⁹ Includes an increase of \$25,000,000 contained in H. Doc. 94-292.

³⁰ Submitted as a budget amendment in H. Doc. 94-292.

³¹ Includes an increase of \$1,277,900,000 contained in H. Doc. 94-292 and an increase of \$15,000,000 contained in H. Doc. 94-344.

³² Includes a decrease of \$116,200,000 contained in H. Doc. 94-292.

³³ Item is also included in the security supporting assistance item.

³⁴ Includes a decrease of \$321,587,000 contained in H. Doc. 94-292. The regular appropriation and the contract authority are combined in the document.

³⁵ Includes a decrease of \$87,800,000 contained in H. Doc. 94-292.

³⁶ Prior year unobligated balances requested to be reappropriated.

³⁷ Includes an increase of \$280,000,000 contained in H. Doc. 94-292 and an increase of \$225,000,000 contained in H. Doc. 94-344. Administration has requested authority to forgive Israel from repayment of \$750,000,000 of credit sales and to be able to provide credit sales on a concessionary basis.

³⁸ Includes an increase of \$44,700,000 contained in H. Doc. 94-344.

³⁹ Includes an increase of \$10,000,000 contained in H. Doc. 94-344.

⁴⁰ Submitted as a budget amendment in H. Doc. 94-157. Administration has requested authority to void last year's earmarking of \$50,000,000 for the IDB.

⁴¹ Includes a decrease of \$952,842,000 contained in H. Doc. 94-344.

⁴² Includes a decrease of \$273,458,000 contained in H. Doc. 94-344.

⁴³ This item was included under the military assistance program (\$28,705,000).

⁴⁴ The authorizing legislation (P.L. 94-161) combined "Selected development problems" and "Selected countries and organizations" into this function.

⁴⁵ The budget request for their program was included in security supporting assistance for \$25,000,000 in FY 1976 and \$5,000,000 for the transition period.

⁴⁶ Placed a limitation of \$135,000,000 on the funds which could be used for population planning.

⁴⁷ Includes approximately \$171,800,000 in operating expenses.

⁴⁸ Includes approximately \$49,900,000 in operating expenses.

⁴⁹ Placed a limitation of \$20,000,000 for the U.N. Children's Fund program.

⁵⁰ The authorizing legislation (P.L. 94-161) provided that up to \$30,000,000 of the funds made available for development assistance in FY 1976 may be used for development assistance or relief and rehabilitation assistance to countries and colonies in Africa which were, prior to April 25, 1974, colonies of Portugal.

⁵¹ Earmarks \$700,000,000 for Israel, \$695,000,000 for Egypt, \$72,500,000 for Jordan, \$80,000,000 for Syria and \$65,000,000 for Greece.

⁵² Earmarked \$1,500,000,000 for Israel out of the aggregate credit sale ceiling.

⁵³ Includes \$5,000,000 for the contingency fund and \$10,000,000 for disaster assistance.

⁵⁴ Includes an increase of \$10,000,000 contained in H. Doc. 94-382.

JULY 1, 1976

Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

I have signed H.R. 12203, the Foreign Assistance and Related Programs Appropriation Act, 1976, and the period ending September 30, 1976. The bill appropriates funds for a variety of programs in support of U.S. foreign policy objectives, most importantly our pursuit of a peaceful solution to the problems of the Middle East.

Nevertheless, I have serious reservations regarding one element of the bill, and believe it is necessary to comment on why I have signed the bill notwithstanding my objections to it.

Title I of the bill contains a provision which conditions the availability of appropriated funds, in certain instances, upon the acquiescence of the Appropriations Committees of each House of Congress. This requirement violates the fundamental constitutional doctrine of separation of powers. While similar provisions have been included in congressional enactments, and have been found objectionable on these grounds, this particular requirement is especially onerous in that it intrudes upon the execution of programs in nineteen different appropriation categories.

Since I view this provision as severable from what is an otherwise valid exercise of legislative authority, and because it is presented for my signature in the last week of the fiscal year, I am not withholding my approval. We shall continue to work with the Appropriations Committees, as with all Committees of the Congress, in a spirit of cooperation. We shall continue to keep the Congress fully informed on a current basis on the execution of the laws. However, we shall not concur in a delegation of the powers of appropriation to two Committees of Congress.

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