

FOR IMMEDIATE RELEASE

MAY 15, 1975

Office of the White House Press Secretary

THE WHITE HOUSE

TEXT OF LETTERS FROM THE PRESIDENT TO THE
SPEAKER OF THE HOUSE OF REPRESENTATIVES
AND THE PRESIDENT OF THE SENATE

May 15, 1975

Dear Mr. Speaker: (Dear Mr. President:)

I am transmitting today a bill to authorize Foreign Assistance programs for fiscal years 1976 and 1977 and for the transition period July 1, 1976 through September 30, 1976.

This proposal reflects both current realities and continuing uncertainties.

One reality is that we live in an interdependent world -- a world in which the actions or inactions of any one great nation can affect the interests of all. By its actions, this nation will play its proper role in influencing the course of world events to make a better world for all. Foreign assistance is an essential element in the U.S. commitment to this objective.

A second reality, however, is that the recent events in Indochina have had a profound impact on the assumptions underlying the assistance requirements in my 1976 Budget, transmitted in February. There has not been sufficient time to fully assess the implications of these changes on foreign assistance requirements. What is abundantly clear, however, is the urgent need to assist those people who have been forced to flee from Indochina. I have already requested legislation to permit us to meet this need and I urge speedy congressional action.

A third reality is the continuing tension in the Middle East -- an area which has been wracked by war and even now knows only an uneasy peace. The United States has made every effort to assist in finding a solution to the problems in this part of the world and is now undertaking a thorough reassessment of every aspect of our relations with the countries of the Middle East.

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These current realities are also the source of continuing uncertainties about the 1976 foreign assistance program.

In order to permit the fullest possible consideration of foreign aid requirements by the Congress, the legislation I am transmitting today contains specific funding proposals for development assistance and related programs. However, because of the uncertainties caused by changing events, this request does not include specific amounts for grant military assistance, foreign military credit sales and some economic supporting assistance programs at this time. For these accounts, I am requesting an authorization for such sums as may be necessary and will return to the Congress with specific funding proposals as soon as possible.

The review of our policies in the Middle East, which I initiated last month, will not be completed until later this summer. I have, therefore, also omitted specific requests for assistance to the four major Middle Eastern aid recipients until this review is completed.

With this bill, the Congress is now in a position to begin consideration of those elements of our foreign aid programs on which I have made firm recommendations. The other specifics will be transmitted as soon as our reviews permit. I urge that the Congress consider and enact this legislation.

Sincerely,

GERALD R. FORD

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A BILL

To amend the Foreign Assistance Act of 1961, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Foreign Assistance Act of 1975".

DEVELOPMENT ASSISTANCE

SECTION 2. (a) Chapter 1 of part 1 of the Foreign Assistance Act of 1961 is amended as follows:

(1) In section 103(a), relating to food and nutrition, immediately after "1975," insert "\$534,500,000 for the fiscal year 1976, and \$635,000,000 for the fiscal year 1977,".

(2) In section 104, relating to population planning and health, immediately after "1975," insert "\$180,500,000 for the fiscal year 1976, and \$210,000,000 for the fiscal year 1977,".

(3) In section 105, relating to education and human resources development, immediately after "1975," insert "\$71,000,000 for the fiscal year 1976, and \$85,000,000 for the fiscal year 1977,".

(4) In section 106, relating to selected development accounts, immediately after "1975," insert "and \$45,300,000 for the fiscal year 1976, and \$40,000,000 for the fiscal year 1977".

(5) In section 107, relating to selected countries and organizations, immediately after "1975," insert "and \$32,000,000 for the fiscal year 1976, and \$40,000,000 for the fiscal year 1977".

(b) Section 209(c) of the Foreign Assistance Act of 1961 is repealed.

AMERICAN SCHOOLS AND HOSPITALS ABROAD

SEC. 3. Section 214 of the Foreign Assistance Act of 1961, relating to American schools and hospitals abroad, is amended as follows:

(1) In subsection (c), immediately after "\$19,000,000," insert "and for the fiscal year 1976, \$9,800,000 and for the fiscal year 1977, \$9,800,000".

(2) In subsection (d), immediately after "\$6,500,000," insert "and for the fiscal year 1976, \$7,000,000 and for the fiscal year 1977, \$7,000,000".

HOUSING GUARANTIES

SEC. 4. Title III of Chapter 2 of part I of the Foreign Assistance Act of 1961 is amended as follows:

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(1) In section 221, relating to worldwide housing guaranties, strike out "\$355,000,000" and insert in lieu thereof "\$505,000,000".

(2) In section 222(c), relating to housing projects in Latin American countries, strike out "\$550,000,000" and insert in lieu thereof "\$650,000,000".

(3) In section 223(1), relating to general provisions, strike out "June 30, 1976" and insert in lieu thereof "September 30, 1978".

INTERNATIONAL AGRICULTURAL RESEARCH

SEC. 5. Chapter 2 of part I of the Foreign Assistance Act of 1961 is further amended by adding at the end thereof of the following new titles:

"TITLE XII - INTERNATIONAL AGRICULTURAL RESEARCH

SEC. 296. General Authority. -- (a) The Congress recognizes that in a world of growing population with growing expectations, increased food production and improved distribution, storage and marketing in the developing countries is necessary not only to prevent hunger but to lay the economic base for growth. Current levels of nutrition and food supply are not now adequate; just to maintain them will require that current production be doubled by the end of the century. Moreover, in an interdependent world economy, the increased availability of food, of higher nutritional quality, in any sector of the world, can benefit all. The greatest potential for increasing world supplies is in the developing countries in which the gap between food demand and food supply is greatest, and current average yields are low.

"(b) The Congress further recognizes that sustained agricultural research is necessary if the quantity, quality, and availability of food are to be increased, in both developed and developing countries. Key roles in this effort are played by international agricultural centers, universities and research institutions, in the United States and elsewhere, through their agricultural research work and in the dissemination of increased agricultural knowledge to the farmer.

"(c) It is the sense of the Congress that research bearing on agricultural production, distribution, storage and marketing in the developing countries conducted in a growing network of internationally oriented agricultural research institutions must be expended substantially and rapidly if the steadily growing demand for food is to be met. Such research should receive continued, increased, and where possible, longer-range support from national, international, and private sources. In adopting this title, Congress expresses the commitment of the United States to the expansion of such research in order to hasten and encourage the long-term planning and institutional growth needed to secure the most beneficial research results.

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"SEC. 297. Authorization. -- To carry out the intent of Congress as expressed in section 296, the President is authorized to use any of the funds made available under section 103 of the Act to provide assistance on such terms and conditions as he may determine in support of programs of food research for the benefit of developing countries and areas. Such funds may be made available without regard to the provisions of section 110(b) and 211(d) of this Act."

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SEC. 6. (a) Section 302 of the Foreign Assistance Act of 1961 is amended as follows:

(1) In subsection (a), immediately after "\$165,000,000" insert "and for the fiscal year 1976, \$189,500,000 and for the fiscal year 1977, \$214,900,000."

(2) In subsection (b)(2), immediately after "\$14,500,000" insert "and for use beginning in the fiscal year 1976, \$27,000,000."

"(b) In section 54 of the Foreign Assistance Act of 1974, strike out 'part III' and insert in lieu thereof 'part I'."

CONTINGENCY FUND

SEC. 7. Chapter 5 of part I of the Foreign Assistance Act of 1961 is amended as follows:

(1) In the chapter heading, strike out "Disaster Relief" and insert in lieu thereof "Contingency Fund."

(2) Section 451(a) is amended to read as follows:

"(a) In addition to amounts otherwise available for such purposes, there are authorized to be appropriated to the President from time to time such amounts as may be necessary to provide availabilities for obligations to provide assistance authorized by this part for any emergency purpose, in accordance with the provisions applicable to the furnishing of such assistance: Provided, however, That availabilities of funds which have not been previously obligated shall at no time exceed \$10,000,000. Amounts appropriated hereunder shall remain available until expended."

INTERNATIONAL NARCOTICS CONTROL

SEC. 8. Section 482 of the Foreign Assistance Act of 1961 is amended by inserting "and \$42,500,000 for the fiscal year 1976 and \$42,500,000 for the fiscal year 1977" immediately after "1975."

INTERNATIONAL DISASTER ASSISTANCE

SEC. 9. Part I of the Foreign Assistance Act of 1961 is further amended as follows:

(1) Chapter 9 of Part I is retitled "Chapter 9 - International Disaster Assistance."

(2) Section 491 is renumbered "Section 495."

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(3) Immediately after the heading "Chapter 9 - International Disaster Assistance" insert the following new sections:

"Section 491 - International Disaster Assistance.

(a) The Congress, recognizing that prompt United States assistance to alleviate human suffering caused by natural and man-made disasters abroad is an important expression of the humanitarian concern and tradition of the American people, affirms the willingness of the United States to provide assistance for the humanitarian relief and rehabilitation of peoples and countries affected by such disasters. Such humanitarian assistance both symbolizes the concern of the United States for the welfare of people in need throughout the world, and also constitutes an important element in the foreign relations of the United States in its efforts to contribute to a stable international peace.

"(b) Notwithstanding any other provision of this or any other Act, the President is authorized to furnish assistance to any foreign country or international organization on such terms and conditions as he may determine, for disaster relief and rehabilitation, including assistance relating to disaster preparedness, and to the prediction of an contingency planning for natural disasters abroad.

"Section 492. Authorization. (a) In addition to amounts otherwise available for such purposes, there is authorized to be appropriated to the President from time to time such amounts as may be necessary to provide availabilities for obligations for disaster relief and rehabilitation assistance authorized by this section: Provided, however, that availabilities of funds which have not been previously obligated shall at no time exceed \$20,000,000. Amounts appropriated hereunder shall remain available until expended.

"(b) The President shall submit quarterly reports to the Committee on Foreign Relations and the Committee on Appropriations of the Senate and to the Speaker of the House of Representatives on the programming and obligation of funds authorized by this section."

(4) Section 639 is repealed.

(5) Sections 639A and 639B are renumbered sections 493 and 494, respectively, and inserted after section 492.

(6) Section 452 is renumbered section 495A and inserted after section 495.

MILITARY ASSISTANCE

SEC. 10. Chapter 2 of part II of the Foreign Assistance Act of 1961 is amended as follows:

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(1) Section 504(a), relating to authorization, is amended by striking out "\$600,000,000 for the fiscal year 1975" and inserting in lieu thereof "such amounts as may be necessary for the fiscal year 1976 and for the fiscal year 1977;"

(2) Section 506(a), relating to special authority, is amended by striking out "the fiscal year 1975" in each place it appears and inserting in lieu thereof "the fiscal year 1976" in each such place.

(3) Section 514, relating to the stockpiling of defense articles for foreign countries, is amended to read as follows:

"SEC. 514. Stockpiling of Defense Articles for Foreign Countries. -- No defense article in the inventory of the Department of Defense which is set aside, reserved, or in any way earmarked or intended for future use by any foreign country may be made available to or for use by any foreign country unless such transfer is authorized under this Act or the Foreign Military Sales Act, or any subsequent corresponding legislation, and such transfer is charged against funds authorized under such legislation or against the limitations specified in such legislation, as appropriate, for the fiscal period in which such defense article is transferred."

SECURITY SUPPORTING ASSISTANCE

SEC. 11. Section 532 of the Foreign Assistance Act of 1961 is amended by inserting immediately after "\$660,000,000" a comma and "for the fiscal year 1976 and for the fiscal year 1977, such amounts as may be necessary."

INTERNATIONAL MILITARY EDUCATION AND TRAINING

SEC. 12. (a) Part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new chapter:

CHAPTER 5 -- INTERNATIONAL MILITARY EDUCATION AND TRAINING

"SEC. 542. General Authority. -- The President is authorized to provide education and training for military and related civilian personnel of foreign countries on such terms and conditions as he shall determine, including --

(1) attendance at military educational and training facilities in the United States (other than the Service Academies) and abroad;

(2) attendance in special courses of instruction at schools and institutions of learning or research in the United States or abroad; and

(3) observation and orientation visits to military facilities and related activities in the United States and abroad.

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"SEC. 543. Authorization. -- There are authorized to be appropriated to the President to carry out the purposes of this chapter such amounts as may be necessary for the fiscal year 1976 and for the fiscal year 1977.

"SEC. 544. Purposes. -- Education and training activities conducted under this chapter shall be designed:

(1) to encourage effective and mutually beneficial relationships and increased understanding between the United States and foreign countries, in furtherance of the goals of international peace and security; and

(2) to improve the ability of participating foreign countries to utilize their resources, including defense articles and defense services obtained by them from the United States, with maximum effectiveness, thereby contributing to greater self reliance by such countries."

(b) The Foreign Assistance Act of 1961 is amended as follows:

(1) Section 502B(d), relating to human rights, is amended by inserting "or chapter 5 (international military education and training)" immediately after "(supporting assistance)".

(2) Section 504(a)(1), relating to authorization, is amended by striking out "(other than (1) training in the United States, or (2) for Western Hemisphere countries, training in the United States or in the Canal Zone)".

(3) Section 510, relating to restrictions on training foreign military students, is repealed.

(4) Section 622, relating to coordination with foreign policy, is amended as follows:

(A) In subsection (b) immediately after the phrase "(including civic action)" insert the words "and military education and training".

(B) Subsection (c) is amended to read as follows:

"(c) Under the direction of the President, the Secretary of State shall be responsible for the continuous supervision and general direction of economic assistance, military assistance and military education and training programs, including but not limited to determining whether there shall be a military assistance (including civic action) or a military education and training program for a country and the value thereof, to the end that such programs are effectively integrated both at home and abroad and the foreign policy of the United States is best served thereby."

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(5) Section 623, relating to the Secretary of Defense, is amended as follows:

(A) In subsection (a)(4), immediately after the word "military", insert the words "and related civilian".

(B) In subsection (a)(6), immediately after the word "assistance", insert a comma and the words "education and training".

(6) Section 632, relating to allocation and reimbursement among agencies, is amended as follows:

(A) by inserting in subsections (a) and (e) immediately after the word "articles", wherever it appears, a comma and the words "military education and training"; and

(B) by striking out in subsection (b) the words "and defense articles" and inserting in lieu thereof a comma and the words "defense articles, or military education and training".

(7) Section 636, relating to provisions on uses of funds, is amended as follows:

(A) In subsection (g)(1), immediately after the word "articles", insert a comma and the words "military education and training".

(B) In subsection (g)(2) and in subsection (g)(3), strike out the word "personnel" and insert in lieu thereof the words "and related civilian personnel".

(8) Section 644, relating to definitions, is amended as follows:

(A) Subsection (f) is amended to read as follows:

"(f) 'Defense service' includes any service, test, inspection, repair, publication, or technical or other assistance or defense information used for the purposes of furnishing military assistance, but shall not include military educational and training activities under chapter 5 of Part II."

(B) There is added at the end thereof the following new subsection:

"(n) 'Military education and training' includes formal or informal instruction of foreign students in the United States or overseas by officers or employees of the United States, contract technicians, contractors (including instruction at civilian institutions), or by correspondence courses, technical, educational, or information publications and media of all kinds, training aids, orientation, and military advice to foreign military units and forces."

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(c) Except as may be expressly provided to the contrary in this Act, all determinations, authorizations, regulations, orders, contracts, agreements, and other actions issued, undertaken or entered into under authority of any provision of law amended or repealed by this section shall continue in full force and effect until modified by appropriate authority.

(d) Funds made available pursuant to other provisions of law for foreign military educational and training activities shall remain available for obligation and expenditure for their original purposes in accordance with the provisions of law originally applicable thereto, or in accordance with the provisions of law currently applicable to those purposes.

OPERATING EXPENSES

SEC. 13. Part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"Sec. 665. Operating Expenses. There is hereby authorized to be appropriated to the President for the fiscal year 1976 \$205,200,000, and for the fiscal year 1977 such amounts as may be necessary for operating expenses of the agency primarily responsible for administering part I. These amounts may be increased by transfer of other funds made available under this Act, but the total amount available to carry out this section shall not be increased by more than 10 per centum of the amount initially made available."

REIMBURSABLE DEVELOPMENT PROGRAMS

SEC. 14. Section 661 of the Foreign Assistance Act of 1961 is amended by striking out "in each of the fiscal years 1975 and 1976" and inserting in lieu thereof "in the fiscal year 1975, \$2,000,000 in the fiscal year 1976, and \$2,000,000 in the fiscal year 1977,".

INDOCHINA ASSISTANCE

SEC. 15. Part V of the Foreign Assistance Act of 1961 and sections 34, 35, 36, 37, 38, 39 and 40 of the Foreign Assistance Act of 1974 are repealed. All determinations, authorizations, regulations, orders, contracts, agreements and other actions issued, undertaken or entered into under authority of any provision of law repealed by this section shall continue in full force and effect until modified, revoked or superseded by appropriate authority.

MIDDLE EAST SPECIAL REQUIREMENTS FUND

SEC. 16. Section 903(a) of the Foreign Assistance Act of 1961 is amended by inserting a comma and "for the fiscal year 1976 and for the fiscal year 1977, such amounts as may be necessary" immediately following "\$100,000,000".

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FOREIGN MILITARY SALES

SEC. 17. The Foreign Military Sales Act is amended as follows:

(1) In section 31(a), relating to authorization, strike out "\$405,000,000 for the fiscal year 1975" and insert in lieu thereof "such amounts as may be necessary for the fiscal year 1976 and for the fiscal year 1977".

(2) Section 33, relating to regional ceilings, is repealed.

TRANSITION PROVISIONS

SEC. 18. (a) There are authorized to be appropriated for the period July 1, 1976, through September 30, 1976, such sums as may be necessary to conduct programs and activities for which funding was authorized for fiscal year 1976 by this Act in accordance with the authorities applicable to such programs and activities for such fiscal year.

(b) Effective October 1, 1976 --

(1) Subsection 506(a) of the Foreign Assistance Act of 1961 relating to special authority, is amended to read as follows:

"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, in addition to military assistance otherwise authorized to be furnished under this chapter, only in such amounts as are provided in appropriations acts for military assistance. The value of such orders under this section in any fiscal year shall not exceed \$150,000,000.";

(2) Subsection 506(b) of the Foreign Assistance Act of 1961, is repealed, and appropriations to the President of such sums as may be necessary to reimburse the applicable appropriation, fund, or account for orders issued prior to October 1, 1976, under subsection 506(a) of that Act are hereby authorized; and

(3) Subsection 632(d) of the Foreign Assistance Act of 1961, is amended by striking out the words "Except as otherwise provided in section 506,".

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SECTION-BY-SECTION ANALYSIS OF THE
PROPOSED FOREIGN ASSISTANCE ACT OF 1975

I. INTRODUCTION

The proposed Foreign Assistance Act of 1975 (hereinafter referred to as "the Bill") is an amendment to the Foreign Assistance Act of 1961, as amended (hereinafter referred to as "the Act"). The Bill also amends the Foreign Military Sales Act, as amended (hereinafter referred to as "the FMSA"). The major purpose of the Bill is to provide authorization for appropriations for activities under the Act and the FMSA for fiscal year 1976. In accordance with section 607 of the Congressional Budget Act of 1974, authorizations for fiscal year 1977 are also included.

The fiscal year 1976 authorization levels requested for programs under part I of the Act are those set forth in the President's budget. Specific levels are not included for programs under part II of the Act or the FMSA because of ongoing reassessments within the Executive Branch with respect to the Middle East and Indochina. Information regarding the requested levels for these programs will be submitted as soon as possible. The principal substantive amendments in part I of the Act are the creation of a new International Disaster Assistance chapter, and a new International Agricultural Research program; and in part II of the Act a new International Military Education and Training chapter is established.

II. PROVISIONS OF THE BILL

Section 2(a). Development Assistance Authorizations.

This subsection, consisting of five paragraphs, provides development assistance authorizations which will permit the Executive Branch to conduct the overall bilateral development assistance programs at budget request levels. The specific authorizations provided are as follows:

(1) This paragraph amends section 103(a) of the Act, which authorizes funds to alleviate starvation, hunger and malnutrition and to provide basic services to poor people by increasing their capacity for self-help by extending the existing authorization through fiscal year 1976 at a level of \$534,500,000 and through fiscal year 1977 at a level of \$635,000,000. The overall development assistance program reflects a continuation of the policy to increase emphasis on the food and nutrition sector which was initiated during fiscal year 1974 and has gained further impetus in the aftermath of the World Food Conference.

(2) This paragraph amends section 104 of the Act, which authorizes funds to reduce population growth, to increase family planning, and to prevent and combat disease by extending the existing authorization through fiscal year 1976 at a level of \$180,500,000 and through

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fiscal year 1977 at a level of \$210,000,000.

(3) This paragraph amends section 105 of the Act which authorizes funds to reduce illiteracy, to extend basic education and to increase manpower training in skills related to development by extending the existing authorization through fiscal year 1976 at a level of \$71,000,000 and through fiscal year 1977 at a level of \$85,000,000.

(4) This paragraph amends section 106 of the Act which authorizes funds to help solve economic and social development problems in fields such as transportation, power, industry, urban development and export development by extending the existing authorization through fiscal year 1976 at a level of \$45,300,000 and through fiscal year 1977 at a level of \$40,000,000.

(5) This paragraph amends section 107 of the Act which authorizes funds to support the general economies of recipient countries or for development programs conducted by private or international organizations by extending the existing authorization through fiscal year 1976 at a level of \$32,000,000 and through fiscal year 1977 at a level of \$40,000,000.

Section 2(b). Repeal of Section 209(c).

This subsection repeals section 209(c), which was added by the Foreign Assistance Act of 1971. Section 209(c) states that the President should reduce bilateral loans under the Act, with the objective that the total amount of such loans not exceed \$100,000,000 not later than June 30, 1975. Amendments to the Act since 1971 and those proposed to the development assistance chapter establish authorization levels that project a loan program in excess of \$100,000,000, as of June 30, 1975.

Section 3. American Schools and Hospitals Abroad.

This section, consisting of two paragraphs, amends section 214 of the Act, which authorizes assistance to institutions located outside the United States that are sponsored or founded by U.S. citizens. The eligible institutions are schools and libraries, and hospital centers that conduct medical education and research programs. The amounts authorized will permit the Executive Branch to conduct this program at budget request levels.

(1) This paragraph amends section 214(c) by extending the dollar authorizations through fiscal years 1976 and 1977 at annual levels of \$9,800,000.

(2) This paragraph amends section 214(d) by extending the foreign currency authorizations through fiscal years 1976 and 1977 at annual levels of \$7,000,000.

Section 4. Housing Guarantees.

This section, consisting of three paragraphs, amends title III of chapter 2 of part I of the Act as follows:

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(1) This paragraph amends section 221 to increase worldwide housing investment guaranty ceiling from \$355,000,000 to \$505,000,000 through fiscal year 1978.

(2) This paragraph amends section 222(c) to increase the Latin America housing investment guaranty ceiling from \$550,000,000 to \$650,000,000 through fiscal year 1978.

(3) This paragraph amends section 223(1) to extend the duration of the housing investment guaranty program through the end of fiscal year 1978.

Section 5. International Agricultural Research.

This section creates a new title XII in chapter 2 of part I of the Act, the purpose of which is to authorize and fund an expanded and sustained international agricultural research program to meet the food needs of the world and to lay an economic base for growth.

New section 296 recognizes the need for increased food production, distribution, storage and marketing in the developing countries, both to prevent hunger and for growth, and the interdependence of the world food economy. It recognizes the great potential for increased production in developing countries.

Particularly, it emphasizes the need for sustained agricultural research and its dissemination by international agricultural centers, universities and research institutions in the United States and elsewhere.

It states the sense of Congress that agricultural research bearing on developing country food production, distribution, storage and marketing, in the network of internationally oriented research institutions, must be substantially and rapidly expanded, on a continued and longer-range basis. It expresses the commitment of the U.S. to the expansion of such research, in order to promote the necessary long-term planning and institutional growth.

Section 297 authorizes the use of any funds authorized to be available for food and nutrition assistance under section 103 of the Act to support programs of agricultural research benefitting developing countries. Funds used under this authority would not be subject to the limitation on research activities in section 211(d) of the Act. The agricultural research program would not be subject to the three-year restriction on project funding contained in section 110(b) of the Act, since in many cases a long-term commitment will be essential to the achievement of research goals. The section indicates that funds should be made available on a long-term basis where to do so would help sustain and build such efforts, or encourage support by others. It is contemplated that in administering the program, AID will use fully its existing authorities, such as section 635(h), permitting commitments of assistance for not more than five years, subject to any future action of the Congress. Where there may be a present need to obligate funds on a long-term basis, e.g., for up to five years, for research costs, it is contemplated that this may be done.

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Section 6. International Organization and Programs.

This section, consisting of two paragraphs, amends section 302 of the Act as follows:

(1) This paragraph extends the authorization for International Organizations and Programs under section 302(a) through fiscal year 1976 at a level of \$189,500,000 and through fiscal year 1977 at a level of \$214,900,000. This authorization will enable the Executive Branch to make its voluntary contributions to international organizations whose programs are focused on the developing world at budget request levels.

(2) This paragraph extends the authorization for the Indus Basin Development grants under section 302(b) at a level of \$27,000,000 to enable the Executive Branch to make voluntary contributions to the Indus Basin Development Fund at the budget request level for fiscal year 1976 and to make an additional contribution of \$4,500,000 in the interim quarter or in fiscal year 1977.

Section 7. Contingency Fund.

This section, consisting of two paragraphs, amends chapter 5 of part I of the Act as follows:

(1) This paragraph changes the chapter heading from "Disaster Relief" to "Contingency Fund." This change will avoid confusion with chapter 9 of the Act as added by section 9 of the Bill.

(2) This paragraph amends section 451(a) of the Act, which authorizes the President to provide assistance authorized by part I for any emergency purpose. This amendment would create a permanent authorization for this purpose. Appropriations, however, would be limited by proviso that at no time could availabilities of funds which had not previously been obligated exceed \$10,000,000. It is the intent of this section to make available sufficient funds to meet emergency requirements other than those arising from disasters. By making the authorization a permanent one, the Executive Branch will have to seek appropriations (but not new authorizing legislation) to replenish the Contingency Fund as it is drawn down.

Quarterly reporting requirements and the prohibition on gifts of existing law would be retained. This authorization is less than the President's budget request of \$30,000,000 but is consistent with it. The President's budget request was finalized prior to the division of the Contingency Fund into the existing Contingency Fund and a separate Famine and Disaster Assistance Fund.

Section 8. International Narcotics Control.

This section amends section 482 of the Act, which authorizes appropriations for assistance to control the illicit production and trafficking in dangerous drugs. The amendment extends the authorization through fiscal

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year 1976 at a level of \$42,500,000 and through fiscal year 1977 at the same level. This authorization will enable the Executive Branch to conduct its international narcotics control program at budget request levels.

Section 9. International Disaster Assistance.

This section consists of six paragraphs which consolidate existing disaster assistance authorities into a single chapter in the Act and authorize funds for disaster assistance purposes.

(1) This paragraph retitles chapter 9 of part I to read "International Disaster Assistance."

(2) This paragraph relocates within the chapter the existing authority for assistance to refugees in Bangladesh.

(3) This paragraph adds sections 491 and 492 to the Act, containing new authority for International Disaster Assistance.

Section 491(a) is a statement of policy that reiterates the humanitarian and political importance which the United States attaches to efforts aimed at alleviating human suffering caused by natural and man-made disasters abroad.

Section 491(b) authorizes the President to furnish assistance to any foreign country or international organization for disaster relief and rehabilitation, which assistance is defined to include assistance relating to disaster preparedness and to the prediction of and contingency planning for natural disasters. The subsection also provides that such assistance may be furnished without regard to the restrictions and prohibitions contained in other provisions of law.

Section 492(a) is a permanent authorization for appropriations to provide assistance authorized by section 491. The appropriations are limited by a proviso that imposes a ceiling of \$20,000,000 on availabilities of funds which have not been obligated previously. It is the intent of this section to permit AID to have sufficient funds available at all times to meet the relief and rehabilitation needs that may arise from disasters which cannot be foreseen. By making the authorization a permanent one, the Executive Branch will have to seek appropriations (but not new authorizing legislation) to replenish the fund as it is drawn down. This new funding mechanism should assure that the U.S. Government will always have funds available to respond to disasters abroad.

Section 492(b) retains the quarterly reports on uses of funds required by present law in the context of section 639. This request is consistent with the President's budget request of \$30 million for the Contingency Fund. As indicated previously, the budget request was prepared prior to the enactment of the famine and disaster authority of section 639.

(4) This paragraph repeals section 639, which is replaced by sections 491 and 492.

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(5) This paragraph renumbers sections 639A and 639B, which deal with assistance to the drought-stricken nations of Africa, and places them in the new International Disaster Assistance chapter.

(6) This paragraph renumbers section 452, which deals with assistance to Pakistan and Nicaragua and places it within the new International Disaster Assistance chapter.

Section 10. Military Assistance.

This section, consisting of three paragraphs, amends chapter 2 of part II of the Act, which contains authority for military assistance.

(1) This paragraph amends section 504(a) to authorize appropriations for fiscal years 1976 and 1977 of such amounts as may be necessary for military assistance.

(2) This paragraph extends for fiscal year 1976 the President's special authority under section 506(a) of the Act to draw down Department of Defense stocks and services to meet unforeseen emergency needs for military assistance.

(3) This paragraph amends section 514 of the Act by prohibiting the transfer to or for the use of any foreign country, whether by grant or sale or otherwise, of defense articles in the stocks of the Department of Defense which are set aside, reserved, or in any way earmarked or intended for future use by any foreign country, unless: (1) the transfer is authorized by and subject to all the restrictions of the Act or the FMSA, and (2) the transfer is charged against MAP funds, section 506 drawdown limitations, FMS credit funds, FMS credit and guaranty program ceiling, or other appropriate statutory limitations in effect at the time transferred.

Under the funding restrictions of section 514, as it now reads, the war reserve and the contingency requirements of our own armed forces and of our allies would have to be separately computed, financed by different appropriations, and would seemingly have to be earmarked for separate uses. Under an amended section 514, our armed forces would have full title and control of all such stocks and could utilize any part of such stocks for our own requirements, should circumstances so require, even though acquired in whole or in part based on possible use by allies. Unless so amended, further MAP materiel grants might have to be limited to new procurement, with the delays this often entails, or by removing the equipment from the very hands of our own active armed forces.

Section 11. Security Supporting Assistance.

This section amends section 532 of the Act which authorizes assistance to friendly countries and organizations to support or promote economic or political stability. The amendment authorizes the appropriation

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of such amounts as may be necessary for these purposes for fiscal years 1976 and 1977.

Section 12(a). International Military Education and Training.

This subsection adds to part II of the Act a new chapter 5, establishing a program of international military education and training. Under this new chapter, the education and training of foreign military and related personnel will be conducted in a program separate and distinct from the military assistance. Military assistance, as authorized by chapter 2 of part II of the Act will henceforth be concentrated on materiel assistance. The new chapter consists of three sections, as described below:

General Authority. Section 542 authorizes the President to provide military education on such terms and conditions as he shall determine and describes the kind of activities that can be engaged in under this chapter. These activities include attendance by foreign military personnel and related civilians at U.S. and foreign military facilities for education or training purposes. This includes international military educational facilities such as those under NATO auspices. Also permitted is attendance by such foreign personnel at pertinent courses of instruction at non-military public and private educational and research institutions. In addition, observation and orientation visits by foreign military and related civilian personnel would be provided under this chapter.

Authorization. Section 543 authorizes the appropriation of funds to the President to carry out the purposes of the chapter.

Purposes. Section 544 describes the purposes of the new chapter as encouraging mutually beneficial relationships and increased understanding, while improving the ability of participating foreign countries to manage their resources and thereby to increase their self-reliance. These specific purposes distinguish the new education and training chapter from the more general military assistance program.

Section 12(b). Conforming Amendments to the Foreign Assistance Act.

This subsection amends the Act to eliminate all references to training from chapter 2 of part II, which deals with military assistance, because military education and training programs will no longer be conducted as military assistance. Thus, statutory provisions applicable to "military assistance" would not be applicable to military education and training programs under chapter 5. The subsection also amends part III of the Act, containing general, administrative, and miscellaneous provisions, to clarify the application of those provisions to the new chapter on international military education and training. The specific amendments made by this subsection are:

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(1) This provision adds international military education to the definition of security assistance contained in section 502B(d) of the Act, concerning human rights.

(2) This provision deletes the exclusion of "training only" countries from the thirty-one country limitation on the number of countries that can receive military assistance contained in section 504(a) of the Act.

(3) This provision repeals the restriction on the number of foreign military students to be trained in the United States. According to section 510 of the Act, this number cannot exceed in any fiscal year the number of civilians brought to the United States in the previous fiscal year under the Mutual Educational and Cultural Exchange Act of 1961.

(4) This provision makes clear that the roles of the Chief of the United States Diplomatic Mission and of the Secretary of State with respect to international military education and training will be the same as they are for military materiel assistance programs. This is achieved by inserting a reference to military assistance in subsections (b) and (c) of section 622 of the Act.

(5) This provision extends the supervisory responsibilities of the Secretary of Defense under section 623(a) (4) of the Act to military-related civilian personnel, consistent with the scope of the new chapter on international military education and training. It also makes the supervisory responsibility of the Secretary of Defense over Department of Defense functions relating to military assistance expressly applicable to military education and training as well.

(6) This provision makes the provisions of section 632 of the Act, concerning reimbursement among agencies, expressly applicable to military education and training in the same manner as that section applies to military materiel assistance.

(7) This provision amends section 636(g) of the Act to ensure that part II funds are available for administrative, extraordinary and operating expenses incurred in furnishing military education and training. It also makes part II funds available for reimbursement of certain expenses incurred in connection with training and orientation visits of military-related civilian personnel, consistent with the scope of the new chapter on international military education and training.

(8) This provision modifies the definition of defense service in section 644(f) of the Act so as to exclude references to training. By this change, the authority to furnish training as military assistance under chapter 2 of part II of the Act will be terminated. In addition, the definition of training is made a separate subsection, subsection 644(n), which will apply to the new chapter on international military education and training. The changes made by this provision are not intended to affect the sale of training as a defense service under the FMSA.

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Section 12(c). Preservation of Existing Actions.

This technical subsection makes clear that the amendments to the Act affected by this section will not call into question the continuing validity of actions taken under authority of any provision amended or repealed by this section, such as regulations and contracts.

Section 12(d). Interim Funding.

This technical subsection authorizes funds heretofore made available for activities which will be funded in the future under the new international military education and training chapter to be obligated and expended either in accordance with the originally applicable authority or under the new authority.

Section 13. Operating Expenses

This section creates a new category of funding designed to cover all AID operating, administrative and personnel expenses. An authorization is provided for fiscal year 1976 at a level of \$205,200,000 and for fiscal year 1977 at whatever level may be necessary. Because the Agency cannot project with absolute precision the travel requirements and operating costs connected with new programs, some funding flexibility is required. This is provided by the authority to augment the new account by no more than 10% with other funds made available under the Foreign Assistance Act.

Section 14. Reimbursable Development Programs.

This section amends section 661 of the Act, to authorize the use of up to \$2,000,000 rather than \$1,000,000 in funds made available under part I to facilitate access to raw materials and stimulate reimbursable aid programs, and to extend the authority through fiscal year 1977.

Section 15. Indochina Assistance.

This section repeals part V of the Act, which authorized funds for the relief and reconstruction of South Vietnam, Cambodia and Laos, and also repeals sections 34 through 40 of the Foreign Assistance Act of 1974, which set forth certain policies and principles regarding aid to Indochina and authorized funds for Indochina during fiscal year 1975 subject to certain allocations and restrictions. These separate and detailed provisions are no longer necessary. The validity of actions taken under the authorities repealed by this section are preserved by a standard saving clause.

Section 16. Middle East Special Requirements Fund.

This section authorizes the appropriation of such amounts as may be necessary for the Middle East Special Requirements Fund for fiscal years 1976 and 1977.

Section 17. Foreign Military Sales Act Amendments.

This section, consisting of two paragraphs, amends the FMSA as follows:

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(1) This paragraph amends section 31 of the FMSA to authorize such amounts as may be necessary to carry out a program in fiscal years 1976 and 1977. An aggregate ceiling on credits and the principal amount of guaranteed loans for these fiscal years is not included, pending the completion of the pending reassessment within the Executive Branch.

(2) This paragraph repeals section 33 of the FMSA, which imposes an aggregate annual ceiling of \$40,000,000 on military assistance, credits and guarantees to African countries. Section 33 has not limited arms purchases by African countries, but has inhibited the United States' ability to be responsive to reasonable requests for credit in connection with such purchases. In the absence of this limitation, arms sales to African countries would continue to be governed by the criteria which are generally applicable under the FMSA, including considerations of foreign policy, arms proliferation, degree of weapons sophistication, and human rights implications.

Section 18. Transition Amendments.

This section responds to requirements created by the enactment of the Congressional Budget Act of 1974 (P.L. 93-344). Title V of that Act changes the commencement of the fiscal year from July 1 to October 1 beginning with FY 1977. The transition period, July 1, 1976, through September 30, 1976, is legally neither a fiscal year nor any fraction of a fiscal year. The section authorizes the appropriation of such sums as may be necessary to carry out the programs and activities, for which other provisions of this Act authorize funding for fiscal year 1976, during this transition period. The section also makes clear that the authorities that will be available to conduct these programs and activities during fiscal year 1976 will also be available during the interim months, including a limited grant program of overseas excess defense articles.

Section 401 of the Congressional Budget Act of 1974 provides that proposed legislation to authorize new spending authority shall not be in order after the adjournment of the first session of the 94th Congress for consideration by either House of Congress, unless such proposed legislation also provides that such new spending authority is to be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts. Consequently, subsection (b) of this section modifies the President's special drawdown authority under section 506 of the Act, effective with fiscal year 1977, to authorize military assistance appropriations to be made from time to time for purposes of reimbursing the military departments for assistance they provide, in addition to that otherwise authorized, when and if the President determines it to be in the

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security interests of the United States. This authority is not to be used routinely to supplement MAP funds, but is necessary to meet unforeseen, emergency requirements for military assistance which might arise in the course of any fiscal year.

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