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June 24, 1976

## THE PRESIDENT HAS SEEN....

## Alternative Transition Quarter Compromises

Congressional spokesmen have offered an alternative transition quarter funding compromise for Israel of \$320 million. They are apparently willing to permit proportional increases for the other countries. The budget impact of the congressional alternative would be:

Transition Quarter Increases  
(\$ in millions)

	<u>Administration Compromise</u>	<u>Congressional Alternative</u> <sup>1/</sup>	
Israel (FMS) (forgiven)	+200 (-)	+320 (160)	375 145 <u>550</u>
Egypt (SA)	+100	+100	173.8
Jordan (total)	+ 62	+ 62	18
Syria (SA)	+ 14	+ 14 (15?)	20
Total Program	+376	<del>476</del> 476	
BA	+196	<del>353</del> 353	
Outlays TQ 1977	+ 10 + 40	<del>80</del> 80 <del>120</del> 120	

<sup>1/</sup> Assumes that 50% of the Israeli FMS is to be forgiven; proportional increases are assumed for toher countries (see attachment for calculations)

Attachment

ATTACHMENT

Proportionality Calculations for the Transition Quarter  
(Program in \$ millions)

	<u>1976 Reduction Administration</u>	<u>TQ Increase Compromise</u>	<u>Net Increase</u>	<u>% Increase over 1976</u>
<u>Israel</u>				
FMS	-	+200	<u>+145</u>	<u>6.9%</u>
SA	-55	-		
<u>Egypt</u>				
SA	-55	+100	<u>+ 45</u>	<u>6.0%</u>
<u>Jordan</u>				
FMS	-	+ 30	<u>+ 12</u>	<u>4.8%</u>
MAP	-45	+ 14		
SA	- 5	+ 18		
<u>Syria</u>				
SA	-10	+ 14	<u>+ 4</u>	<u>4.4%</u>

Congressional Alternative

<u>Israel</u>				
FMS	-	+320	<u>+265</u>	<u>11.75%</u>
SA	-55	-		
<del><u>Egypt</u></del>				
<del>  SA</del>	<del>-55</del>	<del>+143</del>	<del>+ 88</del>	<del><u>11.75%</u></del>
<u>Jordan</u>				
FMS	-	+ 48	<u>+ 30</u>	<u>11.75%</u>
MAP	-45	+ 14		
SA	- 5	+ 18		
<u>Syria</u>				
SA	- 5	+ 21	<u>+ 11</u>	<u>11.75%</u>

# Proportionality

Original Admin Request for FY 76	Percent Compromise - FY 76 + 77	Humphrey Pay FY 76 +
Israel	100%	100%
Egypt	33.3	31.5
Jordan	11.2	10.5
Syria	4%	3.7

Middle East Program Levels -- Security Assistance  
(Program in \$ Millions)

	FY '76		Transition Quarter		
	Request	Conference Report	Request	Senate 25%	Admin. Compromise
<u>Israel</u>					
FMS	1,500.0	1,500.0	--	375.0	200.0
Supporting Assistance	<u>755.0</u>	<u>700.0</u>	--	<u>175.0</u>	<u>--</u>
TOTAL	2,255.0	2,200.0	--	550.0	200.0
<u>Egypt</u>					
Supporting Assistance	<u>750.0</u>	<u>695.0</u>	--	<u>173.8</u>	<u>100.0</u>
TOTAL	750.0	695.0		173.8	100.0
<u>Jordan</u>					
Supporting Assistance	77.5	72.5	--	18.1	18.1
MAP	100.0	50.0 <sup>1</sup>	--	--	20.0 <sup>2</sup>
FMS Credits	<u>75.0</u>	<u>75.0</u> <sup>1</sup>	--	<u>--</u>	<u>23.8</u>
TOTAL	252.5	197.5		18.1	62.0
<u>Syria</u>					
Supporting Assistance	<u>90.0</u>	<u>80.0</u>	--	<u>20.0</u>	<u>14.0</u>
TOTAL	90.0	80.0	--	20.0	14.0

<sup>1</sup> amount authorized in S. 3439. Appropriations bill did not earmark.

<sup>2</sup> adjusted to reflect supplemental MAP request.

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AID LEVELS FOR ISRAEL 1/ 2/

(Program in \$ millions)

	<u>1971</u> <u>actual</u>	<u>1972</u> <u>actual</u>	<u>1973</u> <u>actual</u>	<u>1974</u> <u>actual</u>	<u>1975</u> <u>actual</u>	<u>Total</u> <u>5 yr.</u>	<u>Average</u> <u>5 yr.</u>	<u>1976</u> <u>request</u>	<u>1977</u> <u>request</u>	<u>Total</u> <u>2 yr.</u>	<u>Average</u> <u>2 yr.</u>
FMS Credits	545	300	308	2,500	300	3,953	791	1,500	1,000	2,500	1,250
(forgiven)	-	-	-	(1,500)	(100)	(1,600)	(320)	(750)	(500)	(1,250)	(625)
Supporting Assistance	-	50	50	50	325	475	95	755	785	1,540	770
P.L. 480	<u>56</u>	<u>54</u>	<u>59</u>	<u>28</u>	<u>9</u>	<u>206</u>	<u>41</u>	<u>15</u>	<u>9</u>	<u>24</u>	<u>12</u>
Total	601	404	417	2,578	634	4,634	927	2,270	1,794	4,064	2,032

1/ Excludes other aid in the form of: Housing Guarantees, Refugee relief, and the Israeli Desalter

2/ Assumes no additional funding for the transition quarter.

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