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**APPROVED**  
**OCT 1 - 1976**

810/1

THE WHITE HOUSE  
WASHINGTON  
September 30, 1976

ACTION

Revised 10/1/76  
To ARCHIVES  
10/1

MEMORANDUM FOR

THE PRESIDENT

FROM:

JIM CANNON *[Signature]*

SUBJECT:

H.R. 14260 - Foreign Assistance  
and Related Programs Appropriation  
Act, 1977

Attached for your consideration is H.R. 14260, sponsored by Representative Passman.

The enrolled bill appropriates for FY 77 a total of \$5,133,707,000 for foreign assistance and related programs. The bill provides \$684.1 million less than the \$5,817.8 million budget request.

A detailed description of the provisions of the enrolled bill is provided in OMB's enrolled bill report at Tab A.

OMB recommends that you sign the bill by October 1, because the activities included in the bill will be without obligational authority as of that date.

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

RECOMMENDATION

That you sign H.R. 14260 at Tab B.



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

SEP 30 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 14260 - Foreign Assistance  
and Related Programs Appropriations Act, 1977  
Sponsor - Rep. Passman (D), Louisiana

Last Day for Action

October 9, 1976 - It is important, however, that you sign the bill by Friday, October 1, because the activities included in the bill will be without obligational authority as of that date.

Purpose

The bill appropriates for fiscal year 1977 a total of \$5,133,707,000 for foreign assistance and related programs.

Agency Recommendation

Office of Management and Budget      Approval

Affected Agencies                      Approval (informally)

Discussion

H.R. 14260 provides \$684.1 million less than the \$5,817.8 million budget request. The changes are detailed in the attached table. The effect of congressional changes will be to reduce spending by \$140 million in 1977 and by \$193 million in 1978.

The following compares the enrolled bill with House and Senate appropriations subcommittee allocations under the second concurrent resolution on the budget:

1977 Budget Authority  
(in millions of dollars)

<u>House Target</u>	<u>Senate Target</u>	<u>Enrolled Bill</u>
5,449	5,500	5,134

Outcome of Major Conference Issues

Of the three issues covered in your letter of September 14 to the conferees, all were resolved in favor of the executive branch provisions:

- The language on prior approval by the appropriations committees of program changes was rejected in favor of weaker language calling for prior notification;
- Funds were provided in the Supporting Assistance account for Southern Africa and the prohibition of aid to Mozambique was removed, though the executive branch agreed not to provide aid to Mozambique in 1977; and
- A full payment of \$375.0 million was approved for the International Development Association.

International Financial Institutions

The \$745.5 million provided in the bill is \$330.2 million below the request. A full payment of \$375.0 million is appropriated for the International Development Association, but restoration of the \$55.0 million cut from last year's request is denied. The first payment of \$200.0 million to the Inter-American Development Bank's soft-term facility under the new replenishment is also denied, plus \$20.0 million of paid-in capital to the hard-term facility. The Asian Development Bank request is cut \$55.0 million. Treasury is considering whether to submit a supplemental request in 1977 or an add-on in 1978 to restore cuts made in this area.

### International Organizations and Programs

The bill provides \$187.0 million for United Nations and OAS voluntary contributions, a \$26.7 million reduction from the amount requested. A \$28.0 million cut is made against a \$40.0 million amendment to resolve a funding shortfall in the UN Relief and Works Agency which assists refugees in the Middle East. A 1977 supplemental request for UNRWA will be sought by State for transmittal in the January budget. The bill also provides your requested \$15.75 million for the Indus Basin fund and \$10 million for the UN Environment fund; against a request of \$5 million.

### AID Development Programs

The appropriation of \$856.0 million--a reduction of \$61.4 million from the level requested--is \$164.8 million higher than in 1976, permitting substantial increases in high-priority programs in agriculture and family planning. The bill also provides \$19.8 million for American schools and hospitals abroad--\$12.5 million above the level requested--and \$45.0 million for disaster relief, which includes your request of \$20.0 million for Lebanon.

### Israel-U.S. Binational Research and Development

The bill eliminates the \$30.0 million request for the U.S. contribution to this program. Treasury will request a supplemental to restore the funds.

### Military Assistance and Credit Sales

The military assistance grant request is cut by \$46.7 million to \$247.3 million and the request for an appropriation to liquidate contract authority of \$41.0 million is denied. International military training funds are included at \$25.0 million, a \$7.2 million reduction from the request. The bill also provides \$740.0 million in budget authority for foreign military credit sales, \$100.0 million less than requested, but adequate to finance the authorized program.

### Supporting Assistance

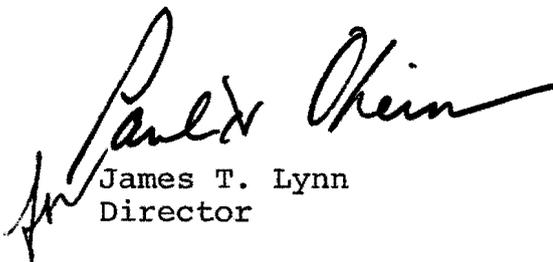
The bill provides \$1,734.7 million, \$139.2 million less than your request. Of the total, \$1711.5 million is covered by earmarkings for Israel, Egypt, Jordan, Syria, Portugal, Cyprus, Zambia, Zaire and Botswana. While the earmarkings for the four middle eastern countries are below the levels requested, the proportional distribution among the four is roughly the same as requested. \$23.0 million is included for the Middle East Special Requirements fund, \$12.0 million less than requested.

### Other Programs

\$80.0 million is provided for the Peace Corps, \$12.8 million more than requested. The bill also includes an unrequested \$15.0 million for Jewish refugees from the Soviet Union and limits the use of the funds to refugees in Israel. The requested amounts are provided for general refugee and migration assistance, for Cuban refugees and refugees from Indochina in the United States, and for International Narcotics Control. \$5.0 million is provided for the contingency fund, a reduction of \$5.0 million from the request.

### Recommendation

That you sign the enrolled bill by Friday, October 1.



James T. Lynn  
Director

Attachment

1977 Foreign Assistance and Related Programs  
Appropriation Act  
(\$ in millions)

	<u>Appropriations Request</u>	<u>Appropriation</u>	<u>Difference</u>
<u>International Development Assistance</u>			
<u>Multilateral Assistance</u>			
International Financial Institutions	1,075.6	745.5	-330.2
International Organizational Programs	234.4	212.8	- 21.7
<u>Bilateral Assistance</u>			
AID Functional Development Programs	917.4	856.0	- 61.4
Disaster Relief Programs	45.0	45.0	---
AID Operating Expenses	193.1	192.0	- 1.1
Other AID Programs	24.0	36.5	+ 12.5
Israel-U.S. Industrial R&D Foundation	(30.0)	( ---)	(- 30.0)
<u>International Security Assistance</u>			
Grant Military Assistance	294.0	247.3	- 46.7
Liquidation of Contract Authority	(41.0)	(---)	(- 41.0)
Military Training Grants	32.2	25.0	- 7.2
Foreign Military Credit Sales	840.0	740.0	-100.0
Security Supporting Assistance	1,873.9	1,734.7	-139.2
Middle East Special Requirements Fund	35.0	23.0	- 12.0
<u>Contingency Fund</u>	10.0	5.0	- 5.0
<u>Other Appropriations</u>			
Peace Corps	67.2	80.0	+ 12.8
Cuban Refugee Aid	82.0	82.0	---
Soviet Refugee Aid	---	15.0	+ 15.0
Assistance to Indochina Refugees	50.0	50.0	---
Migration and Refugee Assistance	10.0	10.0	---
International Narcotics Control	34.0	34.0	---
<b>TOTAL APPROPRIATIONS</b>	<b>5,817.8</b>	<b>5,133.7</b>	<b>-684.1</b>
<u>Program Limitations</u>			
Export-Import Bank	(6,346.5)	(6,346.5)	---
Inter-American Foundation	(7.0)	(7.0)	*

\*Less than \$50 thousand

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

SEP 30 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 14260 - Foreign Assistance  
and Related Programs Appropriations Act, 1977  
Sponsor - Rep. Passman (D), Louisiana

Last Day for Action

October 9, 1976 - It is important, however, that you sign the bill by Friday, October 1, because the activities included in the bill will be without obligational authority as of that date.

Purpose

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Agency Recommendation

Office of Management and Budget	Approval
Affected Agencies	Approval (informally)

Discussion

H.R. 14260 provides \$684.1 million less than the \$5,817.8 million budget request. The changes are detailed in the attached table. The effect of congressional changes will be to reduce spending by \$140 million in 1977 and by \$193 million in 1978.

10-  
Johnston  
9-30-76  
7:30 P.M.

THE WHITE HOUSE  
WASHINGTON

Katie: This is not much of a file.

I got verbal o.k. from Ed Schmults  
Greenspan and Bill Seidman  
recommended approval per Lynn  
decision memo of 9/30.

Judy 9/30

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

SEP 30 1976

*Recommendation  
Approval  
MJP*

MEMORANDUM FOR THE PRESIDENT

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THE WHITE HOUSE  
WASHINGTON

October 12, 1976

Dear Dan:

I want you to know of my sincere appreciation for your strong efforts which resulted in the excellent piece of legislation which emerged from the conference committee on the FY 77 Foreign Assistance Appropriations Bill.

Particularly, I am pleased that the conference gave such thoughtful consideration to my letter of September 14. The removal of the prior approval clause, full funding for the International Development Association, and approval of assistance for countries in southern Africa are actions for which I am especially grateful.

Your support on these issues demonstrates that we can work together in a cooperative spirit on legislation of such critical importance to our nation.

Warm personal regards,

*Gerald R. Ford*

The Honorable Daniel K. Inouye  
United States Senate  
Washington, D. C. 20510

*Received in Powell's Office 10/12/76 (6:30 pm)  
Orig delivered by messenger to Russell Office Bldg, Rm 442: 10/13/76*

THE WHITE HOUSE  
WASHINGTON

October 12, 1976

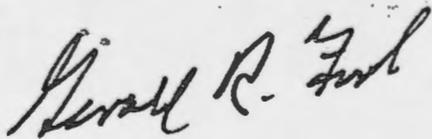
Dear Garner:

I want you to know of my sincere appreciation for your strong efforts which resulted in the excellent piece of legislation which emerged from the conference committee on the FY 77 Foreign Assistance Appropriations Bill.

Particularly, I am pleased that the conference gave such thoughtful consideration to my letter of September 14. The removal of the prior approval clause, full funding for the International Development Association, and approval of assistance for countries in southern Africa are actions for which I am especially grateful.

Your support on these issues demonstrates that we can work together in a cooperative spirit on legislation of such critical importance to our nation.

Warm personal regards,



The Honorable Garner E. Shriver  
House of Representatives  
Washington, D. C. 20515

*Received in Rewards office 10/12/76 (6:30pm)*

*Orig delivered by recipient with messenger to Rayburn office Bldg, Rm 2209: 10/13/76*

THE WHITE HOUSE  
WASHINGTON

October 12, 1976

Dear Ed:

I want you to know of my sincere appreciation for your strong efforts which resulted in the excellent piece of legislation which emerged from the conference committee on the FY 77 Foreign Assistance Appropriations Bill.

Particularly, I am pleased that the conference gave such thoughtful consideration to my letter of September 14. The removal of the prior approval clause, full funding for the International Development Association, and approval of assistance for countries in southern Africa are actions for which I am especially grateful.

Your support on these issues demonstrates that we can work together in a cooperative spirit on legislation of such critical importance to our nation.

Warm personal regards,

*Gerald R. Ford*

The Honorable Edward W. Brooke  
United States Senate  
Washington, D. C. 20510

*Received in Records Office 10/12/76 (6:30pm)*

*Copy delivered by receipted W/messenger to Russell Office Bldg, Rm 421: 10/13/76*

THE WHITE HOUSE  
WASHINGTON

October 12, 1976

Dear Otto:

I want you to know how deeply I appreciate the strong leadership role you played in the conference committee deliberations on the FY 77 Foreign Assistance Appropriations Bill. The excellent piece of legislation which emerged is yet another example of the many outstanding contributions you have made to the welfare of the United States throughout your long and distinguished tenure in Congress.

I am especially gratified by the careful consideration you and your colleagues gave to my letter of September 14. The removal of the prior approval clause, full funding for the International Development Association, and approval of assistance for countries in southern Africa are actions for which I am particularly grateful. In this regard, I know your strong support and belief in the integrity of our constitution was a key factor in achieving the removal of the prior approval section.

Your efforts not only have produced a bill of which you can be proud but again demonstrate that we can work together in a cooperative spirit on issues of such vital importance to our country.

Warm personal regards,

*Gerald R. Ford*

The Honorable Otto E. Passman  
House of Representatives  
Washington, D. C. 20515

*Received in Records Office 10/12/76 (6:30 pm)  
Copy delivered by recipient WH messenger to Rayburn Bldg - Rm 2108: 10/13/76*

## FOREIGN ASSISTANCE AND RELATED PROGRAMS APPROPRIATION BILL, 1977

JUNE 29 (legislative day, JUNE 18), 1976.—Ordered to be printed

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

### REPORT

together with  
ADDITIONAL VIEWS

[To accompany H.R. 14260]

The Committee on Appropriations, to which was referred the bill (H.R. 14260) making appropriations for foreign assistance and related programs for the fiscal year ending September 30, 1977, reports the same to the Senate with amendments and submits the following explanation of its recommendations.

#### *Amounts in new budget authority*

Fiscal year 1976 appropriations.....	\$5, 420, 353, 909
Fiscal year 1977 amended budget estimate.....	5, 817, 770, 000
Amount of bill as passed House.....	4, 833, 498, 000
Amount of bill as reported to Senate.....	5, 353, 265, 000
Bill as recommended to Senate compared to:	
1976 appropriations.....	- 67, 088, 909
Amended budget estimate.....	- 464, 505, 000
House action.....	+ 519, 767, 000

(1)

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FOREIGN ASSISTANCE AND RELATED PROGRAMS  
APPROPRIATION BILL, 1977

JUNE 8, 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

ADDITIONAL AND SUPPLEMENTAL VIEWS

[To accompany H.R. 14260]

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  
September 30, 1977, and for other purposes.

INDEX TO BILL AND REPORT

	<i>Bill page</i>	<i>Report page</i>
Title I—Foreign Assistance Act Activities:		
Economic Assistance.....	2	14
Middle East Special Requirements Fund.....	5	28
Security Supporting Assistance.....	6	28
Operating Expenses of the Agency for International De- velopment.....	6	29
Military Assistance.....	6	30
International Military Education and Training.....	7	32
Overseas Private Investment Corporation.....	7	---
Inter-American Foundation.....	7	33
General Provisions.....	8	---
Title II—Foreign Military Credit Sales.....	10	34

	Bill page	Report page
Title III—Foreign Assistance (other):		
Action (Peace Corps).....	10	35
Cuban Refugee Assistance.....	10	36
Special Assistance to Refugees from Cambodia, Vietnam and Laos in the United States.....	11	36
Migration and Refugee Assistance.....	11	37
Assistance to Refugees from the Soviet Union and other Communist Countries in Eastern Europe.....	12	37
Asian Development Bank.....	12	41
Inter-American Development Bank.....	12	41
International Development Association.....	13	41
Title IV—Export-Import Bank of the United States.....	13	42
Title V—General Provisions.....	15	---
Changes in the application of existing law.....	---	44
Limitations and legislative provisions.....	---	45
Five year projection of outlays.....	---	47
Comparisons with budget resolution.....	---	47
Assistance to State and local governments.....	---	47

### SUMMARY OF THE BILL

Item	New budget (obligational) authority, fiscal year 1975	Budget estimates, fiscal year 1977	Recommended in bill	Bill compared with—	
				New budget (obligational) authority, fiscal year 1976	Budget estimates, fiscal year 1977
Title I—Foreign Assistance Act activities.....	\$3,229,430,000	\$3,512,430,000	\$3,277,880,000	+\$48,450,000	-\$234,550,000
Title II—Foreign military credit sales.....	1,065,000,000	840,000,000	840,000,000	-225,000,000	-----
Title III—Foreign Assistance (other).....	895,923,909	1,144,790,000	828,318,000	-67,605,909	-316,472,000
Title IV—Export-Import Bank (limitation).....	(5,631,627,000)	(6,346,524,000)	(6,346,524,000)	(+714,897,000)	-----
<b>Total, new budget (obligational) authority.....</b>	<b>5,190,353,909</b>	<b>5,497,220,000</b>	<b>4,946,198,000</b>	<b>-244,155,909</b>	<b>-551,022,000</b>

#### FISCAL YEAR 1976 APPROPRIATION LEVELS USED IN COMPARISONS

It should be noted at the outset that all comparisons in this report to the fiscal year 1976 appropriation levels will be based on the fiscal year 1976 appropriation levels as established by the House-Senate conference agreement on the Foreign Assistance Appropriation Bill, 1976 (H.R. 12203) contained in House Report 94-1006 and the Second Supplemental Appropriation Bill, 1976 (H.R. 13172) as passed the House.

#### BUDGET ESTIMATE

The estimates for new budget (obligational) authority for activities provided for in the accompanying bill total \$5,497,220,000 for fiscal year 1977 or some \$306,866,091 above the fiscal year 1976 appropriation levels. Over 40 percent of the total budget estimates for fiscal year 1977 have been requested for the four countries involved in the Middle East peace package. The Committee has also been informed that additional budget requests for fiscal year 1977 will be transmitted to the Congress at a later date but they will not be included in this bill as reported to the House because they were not received in time.

### THE BILL

The Committee recommends the appropriation of new budget (obligational) authority of \$4,946,198,000 for the programs contained in Titles I, II, and III of the bill, which is \$551,022,000 below the budget estimates and \$244,155,909 below the fiscal year 1976 appropriation levels. Approximately 45 percent of the recommended appropriations can be attributed to the Middle East programs supporting the Sinai Agreement. The Committee recommends the approval of the total limitations of \$6,346,524,000 proposed for the activities of the Export-Import Bank contained in Title IV of the bill.

#### EFFECT OF COMMITTEE ACTION ON PROJECTED BUDGET EXPENDITURES (OUTLAYS) IN FISCAL YEAR 1977

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 1977 requests by approximately \$65,000,000.

#### PERMANENT OBLIGATIONAL AUTHORITY—TRUST FUNDS

In addition to the new budget (obligational) authority recommended in the accompany 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 \$8,936,620,000 in fiscal year 1977, which is a decrease of \$841,830,000 below fiscal year 1976. Details of these activities are reflected in the appropriate table appearing at the end of this report. Almost the entire amount (\$8,930,375,000) is allocated to the Foreign Military Sales trust fund which is strictly a cash account and used to enable foreign governments to make cash purchases of defense articles from the United States.

#### STATUS OF CERTAIN AUTHORIZING LEGISLATION

Because of the deadlines placed on the Committee by the Budget and Impoundment Control Act of 1974 (Public Law 93-344), many of the authorization bills authorizing appropriations contained in the accompanying bill have not yet been enacted.

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 for fiscal years 1976 and 1977. As of the present time, both the House and the Senate are considering the security assistance authorization bills (H.R. 13680 and S. 3439).

The Senate has passed the Foreign Relations Authorization Act, Fiscal Year 1977 (S. 3168) which authorizes funds for the migration and refugee assistance program and the Soviet Union and other Eastern European Communist countries refugee assistance program. The House has not yet acted on similar legislation.

The programs presently not authorized and included in the accompanying appropriation bill 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, foreign military credit sales, migration and refugee assistance, and assistance to refugees from the Soviet Union and other communist countries in Eastern Europe.

#### 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.

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, 1977 instead of terminating the program and therefore is inflationary.

The total amount of new budget (obligational) authority recommended in the accompanying bill for fiscal year 1977 is \$551,022,000 below the budget requests. To the extent that the budget requests are inflationary, the Committee feels that the amounts recommended in the bill will have a less severe impact on total inflation.

#### 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 \$551,022,000.

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 will be used to provide assistance in the Middle East which accounts for a major part of the funds recommended in the accompanying bill. There is no question that the United States has a vital stake in a peacetime 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.....	\$785, 000, 000	\$735, 000, 000
Military credit sales.....	(1) 1, 000, 000, 000	1, 000, 000, 000
Egypt: Security supporting assistance.....	750, 000, 000	700, 000, 000
Syria: Security supporting assistance.....	90, 000, 000	80, 000, 000
Jordan: Security supporting assistance.....	77, 500, 000	(2) 70, 000, 000

<sup>1</sup> Israel will be exempt from repaying one-half.

<sup>2</sup> Jordan will also receive assistance under the military assistance, the international military education and training, 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 past reports, the Committee indicated that the method of selecting freight brokers moving cargo to U.S. aid recipient nations should be more closely scrutinized. 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 realizes there is nothing illegal in foreign nationals booking the freight and receiving the commissions but the Committee feels, since there are millions of dollars involved in these freight commissions, that it would be preferable to have bona fide American freight brokers move this freight and pay income taxes

on the profits realized. The Committee suggests that a better system of handling these freight movements would be to establish a separate office in the Agency for International Development or the Department of Agriculture which would be responsible for making all the freight bookings. This office would obtain the lowest possible price through competitive bidding. The Committee hopes this matter will again 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 strongly that 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 eliminated 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.

It is standard practice of United States Government agencies and departments to permit inclusion of language in bid invitations and contracts for foreign aid projects and programs requiring the supplier to adhere to all laws and regulations of the recipient country. The purpose of such provisions is to assure that in areas such as workman's compensation, minimum wage, etc. the contractors familiarize themselves with, and obey, local requirements.

But when applied to countries which impose a secondary boycott against firms and individuals because of their association with another country, the bid invitation and contract provisions take on the character of an endorsement of the boycott. Such is the case with Arab countries, many of which have written into their own legal codes the restrictions of the Arab League boycott against firms and individuals associated with Israel.

Unambiguous statements by the President make it clear that the United States does not endorse imposition of a secondary boycott. Nonetheless, the Arab secondary boycott against Israel is a pernicious practice, harmful to the cherished concepts of free association and free trade and carrying with it the hateful spectre of anti-Semitism. While some may argue that it is sufficient that the federal agencies concerned simply assure themselves that the boycott is not applied to contracts they finance, the Committee believes that in the areas covered by this bill, where government funds are involved and where the issue is of such overwhelming moral magnitude, no ambiguity can be allowed to persist.

Given the forthright statements of the United States Government opposing the secondary boycott, the Committee believes that explicit notification to prospective bidders would not only not be disruptive to existing or potential relationships but in fact would only give appropriate implementation to what is already explicit policy.

Accordingly, the Committee directs that all United States Government departments and agencies which provide aid under this bill develop effective procedures to notify prospective bidders on any contract by or on behalf of recipient countries which would normally impose secondary boycott restrictions that, notwithstanding any provision of the bid invitation or contract, no secondary boycott restrictions will apply with respect to such contract. If such procedures are not developed and put into effect, those departments and agencies are on notice that legislative requirements will be imposed.

It is also the intent of the Committee that international financial institutions funded under this bill adopt similar notification procedures. As with the United States Government agencies, the international financial institutions apparently reject any attempts to apply secondary boycott provisions to contracts they finance. The International Bank for Reconstruction and Development (the World Bank) has made explicit statements in this regard. Therefore, it is not the announced policies which are in question here, but the manner in which those policies are effected. It is our purpose to convey to those institutions the intent of Congress to review future requests for American funding of their programs in light of their practices in this area.

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 1977 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, 1976, 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 \$181,628,719,000, of which \$38,158,305,000 was in the form of loans and the balance of \$143,470,414,000 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 \$125,793,716,000 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 137 nations and 9 territories of the world, fiscal year 1946 through fiscal year 1976, estimated

Afghanistan	\$467,291,000	Indochina	
Albania	20,400,000	(Undistributed)	\$1,542,500,000
Algeria	457,591,000	Indonesia	2,182,087,000
Argentina	410,920,000	Iran	2,330,142,000
Australia	214,000,000	Iraq	84,400,000
Austria	1,219,525,000	Ireland	58,200,000
Bahamas	28,200,000	Israel	7,457,172,000
Bahrain	841,000	Italy	5,461,500,000
Bangladesh	1,075,313,000	Ivory Coast	130,436,000
Barbados	1,634,000	Jamaica	157,823,000
Belgium-		Japan	3,305,100,000
Luxembourg	1,759,400,000	Jordan	1,544,596,000
Belize (British		Kenya	166,108,000
Honduras) <sup>1</sup>	7,921,000	Korea	12,116,138,000
Bermuda <sup>1</sup>	22,500,000	Kuwait	-2,400,000
Bhutan	68,000	Laos	2,560,100,000
Bolivia	714,480,000	Lebanon	155,371,000
Botswana	39,825,000	Lesotho	26,413,000
Brazil	3,431,479,000	Liberia	241,698,000
Brunel <sup>1</sup>	17,700,000	Libya	220,200,000
Burundi	12,102,000	Malagasay Republic	10,081,000
Burma	157,900,000	Malawi	31,348,000
Cambodia	2,132,900,000	Malaysia	147,019,000
Cameroon	51,995,000	Maldives	20,000
Canada	295,900,000	Mali	79,538,000
Cape Verde Islands	5,202,000	Malta	62,312,000
Central African		Mauritania	24,067,000
Republic	10,261,000	Mauritius	16,482,000
Chad	23,629,000	Mexico	551,600,000
Chile	1,325,305,000	Morocco	876,218,000
China, Republic of	6,277,300,000	Mozambique	850,000
Colombia	1,365,331,000	Nepal	205,779,000
Congo (Brazzaville)	8,642,000	Netherlands	2,158,800,000
Costa Rica	200,311,000	New Zealand	87,700,000
Cuba	45,500,000	Nicaragua	282,621,000
Cyprus	80,000,000	Niger	60,532,000
Czechoslovakia	189,500,000	Nigeria	437,863,000
Dahomey (Benin)	18,417,000	Norway	1,461,600,000
Denmark	928,800,000	Oceania, Other	15,775,000
Dominican Republic	574,169,000	Oman	538,000
East Germany	800,000	Pakistan	4,956,727,000
Ecuador	313,408,000	Panama	394,526,000
Egypt	2,036,563,000	Papua New Guinea	25,900,000
El Salvador	166,148,000	Paraguay	158,914,000
Ethiopia	611,745,000	Peru	667,845,000
Finland	-30,500,000	Philippines	2,484,470,000
France	7,215,200,000	Poland	555,600,000
Gabon	14,042,000	Portugal	588,025,000
Gambia	9,943,000	Romania	62,000,000
Ghana	253,079,000	Ryukyu Islands <sup>1</sup>	403,200,000
Germany and Berlin	3,767,800,000	Rwanda	12,924,000
Greece	4,324,000,000	Sao Tome & Principe	170,000
Guatemala	365,690,000	Saudi Arabia	108,800,000
Guinea	128,082,000	Senegal	67,055,000
Guinea-Bissau	3,322,000	Seychelles <sup>1</sup>	825,000
Guyana	92,372,000	Sierra Leone	60,671,000
Haiti	162,062,000	Singapore	93,259,000
Honduras	228,158,000	Somalia	84,700,000
Hong Kong and		South Africa, Repub-	
Macao <sup>1</sup>	95,000,000	lic of	-34,100,000
Hungary	12,500,000	Southern Rhodesia <sup>1</sup>	900,000
Iceland	43,400,000	Spain	2,439,625,000
India	8,066,221,000	Sri Lanka	281,230,000

See footnotes at end of table.

Total net foreign assistance to 137 nations and 9 territories of the world, fiscal year 1946 through fiscal year 1976, estimated—Continued

Sudan	\$152,624,000	Zaire	\$710,599,000
Surinam	8,700,000	Zambia	30,624,000
Swaziland	10,406,000	CENTO	52,400,000
Sweden	231,100,000	Regional and World-	
Switzerland	98,400,000	wide <sup>2</sup>	24,929,776,000
Syria	270,452,000		
Tanzania	161,145,000	Total, net dis-	
Thailand	2,008,853,000	bursements to	
Togo	30,208,000	foreign na-	
Trinidad and Tobago-	55,700,000	tions, fiscal	
Trust Territory of the		years 1946-	
Pacific <sup>1</sup>	592,700,000	1976 (est.) <sup>3</sup>	181,628,719,000
Tunisia	777,672,000	Total net in-	
Turkey	6,596,100,000	terest paid on	
Uganda	42,400,000	what we have	
United Kingdom	6,222,200,000	borrowed to	
U.S.S.R.	1,216,100,000	give away,	
Upper Volta	47,162,000	fiscal years	
Uruguay	214,936,000	1946-1976	125,793,716,000
Venezuela	291,730,000		
Vietnam, So-	22,751,500,000	Grand total—	
West Indies, Other	55,741,000	Cost of for-	
Western Samoa	1,698,000	eign assist-	
Yemen Arab Repub-		ance, fiscal	
lic	70,013,000	years 1946-	
Yemen, Dem. Rep. of	4,500,000	1976	307,422,435,000
Yugoslavia	2,815,400,000		

<sup>1</sup> Indicates territories.

<sup>2</sup> Includes paid-in capital subscriptions to international financial institutions and voluntary contributions to the United Nations, the Organization of American States, and other international/regional organizations.

<sup>3</sup> \$161,418,000,000 should be added to the above amounts which represent Department of Defense expenditures in Korea, South Vietnam, and other areas of Southeast Asia and the Far East.

Note.—Totals may not add due to rounding.

Many programs seeking Congressional action 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 transmitted in the fiscal year 1977 budget:

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

1. Foreign Assistance Act (includes military assistance) <sup>1</sup> -----	\$3,512,530,000
2. Foreign military credit sales <sup>2</sup> -----	840,000,000
3. Inter-American Development Bank (budget amendment)-----	440,000,000
4. Inter-American Development Bank (supplemental)-----	240,000,000
5. African Development Fund (supplemental)-----	15,000,000
6. International Finance Corporation (proposed)-----	41,667,000
7. International Development Association-----	375,000,000
8. Asian Development Bank-----	120,635,000
9. Asian Development Bank (proposed)-----	50,000,000
10. Receipts and recoveries from previous programs-----	98,600,000
11. Military assistance (in Defense budget)-----	80,000,000
12. International Military Headquarters-----	116,900,000
13. Permanent military construction-Foreign nations-----	264,208,000
14. Export-Import Bank, long-term credits-----	3,950,000,000
15. Export-Import Bank, regular operations-----	1,384,443,000
16. Export-Import Bank, discount authorizations-----	1,000,000,000
17. Peace Corps-----	67,155,000
18. Migrants and refugees-----	10,000,000
19. U.S. Emergency Refugee and Migration Assistance Fund (supplemental)-----	25,000,000
20. Public Law 480 (Agricultural Commodities)-----	1,169,255,000
21. Contributions to international organizations-----	274,000,000
22. Education (foreign and other students)-----	68,500,000
23. Trust Territories of the Pacific-----	82,321,000
<b>Total</b> -----	<b>14,225,209,000</b>

<sup>1</sup> Includes the following amounts related to the Sinai Agreement:

Security supporting assistance-----	\$1,702,500,000
Israel-----	785,000,000
Egypt-----	750,000,000
Syria-----	90,000,000
Jordan-----	77,500,000

Middle East Special Requirements fund----- 35,000,000

<sup>2</sup> Includes \$550,000,000 for Israel.

NOTE.—Total amount related to Sinai Agreement as stated above is \$2,287,500,000.

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 \$18,658,089,000 of unexpended balances (the pipeline) estimated as of June 30, 1976, 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, 1976*

1. Foreign Assistance Act (including Military Assistance)-----	\$4,206,325,000
2. Export-Import Bank long-term credits-----	3,824,900,000
3. Export-Import Bank regular operations-----	2,274,400,000
4. Export-Import Bank export expansion program-----	117,800,000
5. Inter-American Development Bank-----	4,122,580,000
6. International Bank for Reconstruction and Development-----	1,482,140,000
7. International Development Association-----	687,086,000
8. Asian Development Bank-----	380,801,000
9. African Development Fund-----	10,000,000
10. Foreign military credit sales program-----	606,072,000
11. MAAG's missions and milgroups-----	3,520,000
12. Military assistance (in defense budget)-----	18,000,000
13. International Military Headquarters-----	25,000,000
14. Inter-American Foundation-----	22,263,000
15. Permanent military construction overseas-----	376,000,000
16. Overseas Private Investment Corporation (OPIC)-----	435,320,000
17. Peace Corps-----	12,026,000
18. Contributions to International Organizations-----	4,903,000
19. Educational Exchange-----	31,241,000
20. Migrants and refugees-----	6,979,000
21. Inter-American Highway-----	26,841,000
22. Trust Territories of the Pacific Islands-----	33,912,000
<b>Total</b> -----	<b>18,658,089,000</b>

**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 21 year period, reductions in only Title I activities have averaged around \$800,000,000 per year which is about a 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	3,766,570,000	—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	29.36
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	1,918,050,000	—583,632,000	23.41
1975-----	4,191,100,000	2,529,800,000	—1,661,300,000	39.64
1976-----	3,728,080,000	3,229,430,000	—498,650,000	13.37
<b>Total</b> -----	<b>76,501,534,250</b>	<b>59,666,539,750</b>	<b>—16,834,994,500</b>	<b>22.00</b>

Note: The above totals do not include amounts for titles II and III of the bill.

## 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 three surplus positions in the last 26 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 26 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 <sup>1</sup>	+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	-2,660,000,000
1964	-3,006,000,000
1965	-1,306,000,000
1966	-2,077,000,000
1967	-3,650,000,000
1968 <sup>1</sup>	+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
1975 <sup>1</sup>	+3,100,000,000
Net U.S. balance-of-payments deficit (26 yrs.) 1950 through 1975	-107,630,000,000

<sup>1</sup> Net surplus.

## NUMBER OF COUNTRIES RECEIVING U.S. AID

In fiscal year 1977, it is anticipated that 97 countries and territories would receive disbursements from various foreign aid programs.

The fiscal year 1977 proposed budget program indicates the following:

- 45 countries would receive military assistance and/or training.
- 8 countries would receive security supporting assistance.
- 67 countries would receive economic assistance.
- 77 countries would receive Public Law 480 assistance.
- 66 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 1976 appropriation	<sup>1</sup> \$3,229,430,000
Fiscal year 1977 estimate	<sup>2</sup> 3,512,430,000
Recommended in the bill	3,277,880,000

<sup>1</sup> Prior year unobligated balances reappropriated.

<sup>2</sup> Prior year unobligated balances requested to be reappropriated.

The Committee recommends the appropriation of \$3,277,880,000 for activities mostly authorized by the Foreign Assistance Act and funded under Title I of the accompanying bill, a reduction of \$234,550,000 below the budget estimates but an increase of \$48,450,000 above the fiscal year 1976 appropriation level.

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 1977, these funds are estimated to total \$103,700,000 which consist of \$9,800,000 in reimbursements and \$93,900,000 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 Appropriation 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. At the present time the Foreign Assistance Appropriation Bill for fiscal year 1976 is still pending before Congress. The bill has completed conference and the conference report has been filed but no action has yet been taken pending progress on certain authorizing legislation relating to the security assistance programs. So final action on the fiscal year 1976 appropriation conference report is still pending and the final disposition is uncertain at this time.

In the meantime, the House Foreign Operations Subcommittee on Appropriations held hearings on the fiscal year 1977 budget requests for foreign assistance and marked up the fiscal year 1977 Foreign Assistance Appropriation Bill on May 5, 1976 in order to be able to meet the deadlines imposed on the Congress by the Budget and Impoundment Control Act of 1974 regarding the reporting and completion of a fiscal year 1977 bill. After the mark-up, the report had to be written in order to be printed in final form three calendar days (excluding Saturdays, Sundays, and legal holidays) before full Committee consideration during the first week in June. Floor consideration of the bill in the House would probably occur the latter part of June. So in light of these deadlines and the fact that the fiscal year 1976 appropriation bill is still pending, it seems clear that it would be physically impossible for the Committee and Congress to consider two separate Foreign Assist-

ance Appropriation Bills for fiscal year 1977 during the time period required.

Lastly, the Committee does not see any advantages or disadvantages to one program over another by having all programs in 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 1976 appropriation.....	\$1,046,930,000
Fiscal year 1977 estimate.....	1,192,530,000
Recommended in the bill.....	1,090,480,000

The Committee recommends an appropriation of \$1,090,480,000, a reduction of \$102,050,000 below the budget estimate but an increase of \$43,550,000 above the fiscal year 1976 appropriation level.

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 again wishes to emphasize its interest in intermediate or appropriate or light capital technology (See the FY 1976 Foreign Assistance and Related Programs Appropriation Bill Committee Report, House Report 94-857, pp. 14-15 and pg. 50). It should be made clear to other aid donors, contracting organizations, and throughout AID and the Administration that light capital technology is the new thrust of U.S. development policy.

The Committee expects activities in light capital technology to account for a steadily increasing share of AID's development budget, eventually expanding well beyond the modest allocation under Section 107. In addition to pilot projects in specific technologies, AID should focus on generating attitudes, abilities, and institutions in poor countries to make appropriate technologies "home-grown" with "home-created" capital and thus with the aim of making economic development endogenous rather than exogenous.

The Committee is of the opinion that geographic, sociological, and economic considerations merit serious consideration of construction of an airport facility capable of accommodating jet aircraft at Thot-Ea-Moli in the country of Lesotho. It is the desire of this Committee that the Agency for International Development conduct a study on the feasibility of supporting the construction of such a facility.

#### DEVELOPMENT ASSISTANCE

Fiscal year 1976 appropriation.....	\$691,200,000
Fiscal year 1977 estimate.....	920,900,000
Recommended in the bill.....	815,000,000

The Committee recommends an appropriation of \$815,000,000, a reduction of \$105,900,000 below the budget estimate but an increase of \$123,800,000 above the fiscal year 1976 appropriation level.

The budget proposed a total fiscal year 1977 program of \$990,000,000, for the development assistance categories consisting of \$920,900,000 in new appropriations and \$69,100,000 in recoveries. Of this total proposed budget program, loans would make up \$518,000,000 of the amount and grants \$472,000,000.

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 1960's, 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 is encouraged to note that AID has issued new policy guidelines which would allow loans to be negotiated on harder terms depending on the capability of each developing country to carry these harder terms.

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 \$815,000,000 recommended in new obligational authority for appropriation for development assistance by the Committee. The Committee wants to make clear that the paragraph merely sets a floor on the amount of new obligational authority that can be used for loans in development assistance and does not prohibit AID from increasing the loan program above this floor amount.

The Committee recommendations for each individual development assistance sector follow:

#### FOOD AND NUTRITION, DEVELOPMENT ASSISTANCE

Fiscal year 1976 appropriation.....	\$426,600,000
Fiscal year 1977 estimate.....	587,900,000
Recommended in the bill.....	475,000,000

The Committee recommends an appropriation of \$475,000,000, a reduction of \$62,900,000 below the budget estimate but an increase of \$48,400,000 above the fiscal year 1976 appropriation level.

The proposed fiscal year 1977 budget program of \$540,400,000 consists of \$537,900,000 in new obligational authority and \$2,500,000 in recoveries. The details of the proposed fiscal year 1977 budget program follow:

#### PROPOSED FISCAL YEAR 1977 PROGRAM

	Total	Grants	Loans
Total program.....	\$540,400,000	\$157,300,000	\$383,100,000
Africa.....	134,900,000	64,300,000	70,600,000
Cameroon.....	5,800,000	1,300,000	4,500,000
Central African Republic.....	200,000	200,000	.....
Chad.....	1,800,000	1,800,000	.....
Ethiopia.....	16,900,000	1,900,000	15,000,000
Ghana.....	2,100,000	2,100,000	.....
Guinea.....	800,000	800,000	.....
Kenya.....	15,300,000	2,300,000	13,000,000
Liberia.....	9,200,000	1,200,000	8,000,000
Mali.....	5,900,000	5,900,000	.....

## PROPOSED FISCAL YEAR 1977 PROGRAM—Continued

	Total	Grants	Loans
<b>Africa—Continued</b>			
Mauritania.....	\$800,000	\$800,000	-----
Niger.....	2,400,000	2,400,000	-----
Rwanda.....	100,000	100,000	-----
Senegal.....	4,400,000	800,000	\$3,600,000
Sierra Leone.....	1,000,000	1,000,000	-----
Somalia.....	2,000,000	2,000,000	-----
Tanzania.....	14,400,000	4,400,000	10,000,000
Upper Volta.....	2,400,000	2,400,000	-----
Zaire.....	1,400,000	1,400,000	-----
East Africa regional.....	700,000	700,000	-----
Former Portuguese territories.....	3,800,000	2,300,000	1,500,000
Southern Africa regional.....	12,900,000	2,900,000	10,000,000
Sahel/central West Africa regional.....	19,100,000	14,100,000	5,000,000
Africa regional.....	11,500,000	11,500,000	-----
<b>Asia.....</b>	<b>227,300,000</b>	<b>14,500,000</b>	<b>212,800,000</b>
Bangladesh.....	59,000,000	1,500,000	57,500,000
India.....	61,200,000	1,200,000	60,000,000
Indonesia.....	31,400,000	1,600,000	29,800,000
Nepal.....	1,700,000	1,700,000	-----
Pakistan.....	35,100,000	2,100,000	33,000,000
Philippines.....	27,300,000	4,300,000	23,000,000
Sri Lanka.....	3,000,000	-----	3,000,000
Thailand.....	8,000,000	1,500,000	6,500,000
Asia regional.....	600,000	600,000	-----
<b>Latin America.....</b>	<b>107,100,000</b>	<b>16,400,000</b>	<b>90,700,000</b>
Bolivia.....	9,500,000	1,500,000	8,000,000
Chile.....	11,300,000	300,000	11,000,000
Colombia.....	200,000	200,000	-----
Costa Rica.....	200,000	200,000	-----
Dominican Republic.....	300,000	300,000	-----
El Salvador.....	11,000,000	1,000,000	10,000,000
Guatemala.....	8,700,000	900,000	7,800,000
Guyana.....	200,000	200,000	-----
Haiti.....	7,000,000	3,000,000	4,000,000
Honduras.....	9,900,000	400,000	9,500,000
Jamaica.....	200,000	200,000	-----
Nicaragua.....	8,200,000	200,000	8,000,000
Panama.....	12,700,000	200,000	12,500,000
Paraguay.....	4,900,000	500,000	4,400,000
Peru.....	400,000	400,000	-----
Uruguay.....	( <sup>1</sup> )	( <sup>1</sup> )	-----
Caribbean regional.....	5,700,000	200,000	5,500,000
ROCAP.....	11,500,000	1,500,000	10,000,000
Latin America regional.....	5,200,000	5,200,000	-----
<b>Near East.....</b>	<b>15,900,000</b>	<b>6,900,000</b>	<b>9,000,000</b>
Afghanistan.....	5,800,000	1,800,000	4,000,000
Morocco.....	6,800,000	1,800,000	5,000,000
Tunisia.....	1,300,000	1,300,000	-----
Yemen.....	1,600,000	1,600,000	-----
Near East regional.....	400,000	400,000	-----
Worldwide technical assistance and research programs.....	54,900,000	54,900,000	-----
Inspector General of Foreign Assistance.....	300,000	300,000	-----

<sup>1</sup> Less than \$50,000.

According to the justifications, the Agency for International Development (AID) programs seek to involve the poor in development by:

Improving food production technology for small family farms in poorer countries;

Providing fertilizer and other agricultural inputs;

Developing appropriate market incentives for small farmers to produce more;

Strengthening institutions and agribusiness which provide supporting services to family farms;

Assisting the development of supporting agricultural infrastructure;

Promoting national strategies for improving nutrition among the poor; and  
Supporting agricultural research under Title XII of the Foreign Assistance Act.

## POPULATION PLANNING AND HEALTH, DEVELOPMENT ASSISTANCE

Fiscal year 1976 appropriation.....	\$146,400,000
Fiscal year 1977 estimate.....	229,900,000
Recommended in the bill.....	200,000,000

The Committee recommends an appropriation of \$200,000,000, a reduction of \$29,900,000 below the budget estimate but an increase of \$53,600,000 above the fiscal year 1976 appropriation level.

The proposed fiscal year 1977 budget program of \$242,900,000 consists of \$229,900,000 in new obligational authority and \$13,000,000 in recoveries. The details of the proposed fiscal year 1977 budget program follow:

## PROPOSED FISCAL YEAR 1977 PROGRAM

	Total	Grants	Loans
<b>Total program.....</b>	<b>\$242,900,000</b>	<b>\$176,700,000</b>	<b>\$66,200,000</b>
<b>Africa.....</b>	<b>25,500,000</b>	<b>23,000,000</b>	<b>2,500,000</b>
Cameroon.....	800,000	800,000	-----
Central Africa Republic.....	600,000	600,000	-----
Chad.....	300,000	300,000	-----
Ghana.....	2,100,000	2,100,000	-----
Kenya.....	800,000	800,000	-----
Liberia.....	5,500,000	3,000,000	2,500,000
Mali.....	1,000,000	1,000,000	-----
Senegal.....	500,000	500,000	-----
Tanzania.....	1,500,000	1,500,000	-----
Zaire.....	2,200,000	2,200,000	-----
Former Portuguese Territories.....	400,000	400,000	-----
Southern Africa Regional.....	2,300,000	2,300,000	-----
Sahel/central West Africa regional.....	3,500,000	3,500,000	-----
Africa Regional.....	4,000,000	4,000,000	-----
<b>Asia.....</b>	<b>73,200,000</b>	<b>35,000,000</b>	<b>38,200,000</b>
Bangladesh.....	8,300,000	8,300,000	-----
Indonesia.....	10,700,000	3,400,000	7,300,000
Nepal.....	2,300,000	2,300,000	-----
Pakistan.....	26,400,000	13,900,000	12,500,000
Philippines.....	16,700,000	3,300,000	13,400,000
Sri Lanka.....	5,000,000	-----	5,000,000
Thailand.....	2,000,000	2,000,000	-----
Asia Regional.....	1,800,000	1,800,000	-----
<b>Latin America.....</b>	<b>26,600,000</b>	<b>11,100,000</b>	<b>15,500,000</b>
Bolivia.....	5,800,000	800,000	5,000,000
Colombia.....	200,000	200,000	-----
Costa Rica.....	300,000	300,000	-----
Dominican Republic.....	300,000	300,000	-----
El Salvador.....	600,000	600,000	-----
Guatemala.....	500,000	500,000	-----
Haiti.....	9,000,000	2,000,000	7,000,000
Honduras.....	500,000	500,000	-----
Jamaica.....	800,000	800,000	-----
Nicaragua.....	800,000	800,000	-----
Panama.....	4,100,000	600,000	3,500,000
Paraguay.....	400,000	400,000	-----
Peru.....	300,000	300,000	-----
Latin America regional.....	3,000,000	3,000,000	-----
<b>Near East.....</b>	<b>16,300,000</b>	<b>6,300,000</b>	<b>10,000,000</b>
Afghanistan.....	1,400,000	1,400,000	-----
Morocco.....	900,000	900,000	-----
Tunisia.....	1,800,000	1,800,000	-----
Yemen.....	11,600,000	1,600,000	10,000,000
Near East regional.....	600,000	600,000	-----
Interregional population program.....	68,100,000	68,100,000	-----

## PROPOSED FISCAL YEAR 1977 PROGRAM—Continued

	Total	Grants	Loans
Demographic analysis and evaluation.....	\$6,300,000	\$6,300,000	.....
Population policy development.....	5,300,000	5,300,000	.....
Fertility control techniques.....	10,300,000	10,300,000	.....
Family planning services.....	35,000,000	35,000,000	.....
Information, evaluation and communication.....	2,800,000	2,800,000	.....
Manpower and institutional development.....	8,400,000	8,400,000	.....
Worldwide technical assistance and research programs.....	7,100,000	7,100,000	.....
Program and management services.....	800,000	800,000	.....
United Nations Fund for Population Activities.....	25,000,000	25,000,000	.....
Inspector General of Foreign Assistance.....	300,000	300,000	.....

According to AID, 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 U.N. 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 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.

EDUCATION AND HUMAN RESOURCES DEVELOPMENT, DEVELOPMENT ASSISTANCE

Fiscal year 1976 appropriation.....	\$80,800,000
Fiscal year 1977 estimate.....	79,100,000
Recommended in the bill.....	70,000,000

The Committee recommends an appropriation of \$70,000,000, a reduction of \$9,100,000 below the budget estimate but an increase of \$9,200,000 above the fiscal year 1976 appropriation level.

The proposed fiscal year 1977 budget program of \$126,100,000 consists of \$79,100,000 in new obligational authority and \$47,000,000 in recoveries. The details of the proposed fiscal year 1977 budget program follow:

PROPOSED FISCAL YEAR 1977 PROGRAM

	Total	Grants	Loans
Total program.....	\$126,100,000	\$62,400,000	\$63,700,000
Africa.....	18,900,000	18,900,000	.....
Chad.....	400,000	400,000	.....
Ghana.....	400,000	400,000	.....
Kenya.....	400,000	400,000	.....
Liberia.....	1,000,000	1,000,000	.....
Rwanda.....	100,000	100,000	.....
Upper Volta.....	300,000	300,000	.....
Zaire.....	500,000	500,000	.....
East Africa regional.....	400,000	400,000	.....
Former Portuguese territories.....	1,600,000	1,600,000	.....
Southern Africa regional.....	2,400,000	2,400,000	.....
Sahel/central West Africa regional.....	600,000	600,000	.....
Africa regional.....	10,800,000	10,800,000	.....
Asia.....	28,400,000	10,500,000	17,900,000
India.....	500,000	500,000	.....
Indonesia.....	7,800,000	1,900,000	5,900,000
Nepal.....	800,000	800,000	.....
Pakistan.....	12,400,000	400,000	12,000,000
Philippines.....	100,000	100,000	.....
Thailand.....	800,000	800,000	.....
Asia regional.....	6,000,000	6,000,000	.....
Latin America.....	60,300,000	18,300,000	42,000,000
Bolivia.....	8,100,000	600,000	7,500,000
Brazil.....	500,000	500,000	.....
Columbia.....	400,000	400,000	.....
Dominican Republic.....	2,100,000	100,000	2,000,000
El Salvador.....	3,200,000	200,000	3,000,000
Guatemala.....	5,300,000	300,000	5,000,000
Haiti.....	100,000	100,000	.....
Honduras.....	8,000,000	500,000	7,500,000
Jamaica.....	100,000	100,000	.....

## PROPOSED FISCAL YEAR 1977 PROGRAM—Continued

	Total	Grants	Loans
Latin American—Continued			
Nicaragua.....	\$7,300,000	\$300,000	\$7,000,000
Panama.....	300,000	300,000	
Paraguay.....	300,000	300,000	
Peru.....	10,800,000	800,000	10,000,000
Uruguay.....	200,000	200,000	
Caribbean regional.....	400,000	400,000	
ROCAP.....	400,000	400,000	
Latin America regional.....	12,800,000	12,800,000	
Near East.....	9,300,000	5,500,000	3,800,000
Afghanistan.....	4,600,000	800,000	3,800,000
Tunisia.....	100,000	100,000	
Yemen.....	600,000	600,000	
Regional.....	4,000,000	4,000,000	
Worldwide technical assistance and research programs.....	15,900,000	15,900,000	
Private and voluntary organizations.....	1,000,000	1,000,000	
Program and management services.....	1,500,000	1,500,000	
Office of Labor Affairs.....	600,000	600,000	
Inspector General of Foreign Assistance.....	200,000	200,000	

<sup>1</sup> Includes \$300,000 for women in development.

AID indicates these funds will be used as follows:

The education and human resources development task is to help poor men, women, and children of the developing countries gain skills and knowledge to improve the quality of their lives.

AID supports efforts to examine existing formal and nonformal education structures and programs and to devise ways in which they can be modified, strengthened, and supplemented to reach and help the poor.

AID supports programs to achieve a greater integration of the poor into the process of development.

AID supports initiatives to improve the ability of poor people to exercise greater positive control over their own destinies by providing them with information, knowledge, and skills for improving food production and health, nutrition and family planning practices.

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

Fiscal year 1976 appropriation.....	\$57,400,000
Fiscal year 1977 estimate.....	74,000,000
Recommended in the bill.....	70,000,000

The Committee recommends an appropriation of \$70,000,000 a reduction of \$4,000,000 below the budget estimate but an increase of \$12,600,000 above the fiscal year 1976 appropriation level.

The proposed fiscal year 1977 budget program of \$80,600,000 consists of \$74,000,000 in new obligational authority and \$6,600,000 in recoveries. The details of the proposed fiscal year 1977 budget program follow:

## PROPOSED FISCAL YEAR 1977 PROGRAM

	Total	Grants	Loans
Total program.....	\$80,600,000	\$75,600,000	\$5,000,000
Africa.....	20,800,000	18,800,000	2,000,000
Former Portuguese Territories.....	5,000,000	3,000,000	2,000,000
Sahel/central West Africa regional.....	12,400,000	12,400,000	
Africa/regional.....	3,400,000	3,400,000	
Asia.....	6,900,000	6,900,000	
Bangladesh.....	900,000	900,000	
Asia Regional.....	6,000,000	6,000,000	
Latin America.....	7,100,000	4,100,000	3,000,000
Chile.....	( <sup>1</sup> )	( <sup>1</sup> )	
El Salvador.....	500,000	500,000	
Haiti.....	3,300,000	300,000	3,000,000
Honduras.....			
Nicaragua.....	100,000	100,000	
Central America Regional Program.....	( <sup>1</sup> )	( <sup>1</sup> )	
Latin America Regional.....	2,300,000	2,300,000	
Special Development Activities.....	900,000	900,000	
Near East.....	1,500,000	1,500,000	
Tunisia.....	300,000	300,000	
Yemen.....	400,000	400,000	
Near East Regional.....	800,000	800,000	
Worldwide technical assistance and research programs.....	9,700,000	9,700,000	
Private and voluntary organizations.....	30,800,000	30,800,000	
Program and management services.....	2,900,000	2,900,000	
Stimulating reimbursable development programs.....	500,000	500,000	
Inspector General of Foreign Assistance.....	400,000	400,000	

<sup>1</sup> Less than \$50,000.

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 AID 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.

#### INTERNATIONAL ORGANIZATIONS AND PROGRAMS

Fiscal year 1976 appropriation.....	<sup>1</sup> \$175,250,000
Fiscal year 1977 estimate.....	<sup>2</sup> 173,650,000
Recommended in the bill.....	<sup>3</sup> 170,000,000

<sup>1</sup> Placed a ceiling of \$20,000,000 on funds for UNICEF and earmarked \$1,000,000 for the IAEA to strengthen safeguards and inspections.

<sup>2</sup> Includes a budget amendment of \$1,000,000 for IAEA submitted in H. Doc. 94-477.

<sup>3</sup> Placed a ceiling of \$20,000,000 on funds for UNICEF and earmarks \$1,000,000 for IAEA.

The Committee recommends an appropriation of \$170,000,000, a reduction of \$3,650,000 below the budget estimate and a reduction of \$5,250,000 below the fiscal year 1976 appropriation level.

Included in the fiscal year 1977 request are the following programs and proposed amounts:

Proposed fiscal year 1977 program	Amount
U.N. development program.....	\$100,000,000
U.N. Children's Fund.....	17,000,000
International Atomic Energy Agency operational fund.....	6,000,000
World Meteorological Organization—voluntary assistance program.....	2,000,000
U.N./Food and Agricultural Organization—world food program.....	1,500,000
U.N. Institute for Training and Research.....	400,000
U.N. Relief and Works Agency for Palestine Refugees.....	26,700,000
U.N. educational and training program for Southern Africa.....	50,000
U.N. revolving fund for natural resources exploration.....	2,500,000
Organization of American States.....	17,500,000
<b>Total, proposed program.....</b>	<b>173,650,000</b>

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 1,262 personnel in its headquarters and field operations but that the UNDP hired 10,698 experts and consultants in 1975. The Committee feels that this certainly would make for a top heavy organization. In addition, it was discovered that the UNDP administered 7,946 individual country and intercountry projects. It appears that the UNDP has an enormous operation underway.

According to information provided to the Committee, the UNDP apparently has had administrative problems within the organization and other financial difficulties which have resulted in a serious cash flow situation. The Committee is aware that the present Administrator of the UNDP plans to hold program levels down until the cash flow problem is cleared up and new administrative procedures are instituted. The Committee certainly supports this effort and plans to closely monitor the progress made in this area.

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 1976 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 fully intends that the entire \$20,000,000 be allocated to the United Nations Children's Fund from the funds provided under this title.

The Committee also has earmarked \$1,000,000 for a contribution to the International Atomic Energy Agency to strengthen its safeguards program.

The Committee remains concerned about the threat of nuclear proliferation and the need for additional efforts by the International Atomic Energy Agency to develop and enforce international nuclear safeguards.

The Committee expects the Administration to explore new ways to strengthen the system of international nuclear controls, using the leverage of the United States as a key member of and a major contributor to the IAEA. The Committee expects the negotiation of international agreements, if necessary, to achieve an expanded system of nuclear safeguards, including physical security standards for nuclear facilities, controls on nuclear materials in international transit, and controls on the international transfer or sale of nuclear materials, equipment and technology.

The Committee also expects the Administration to give continued attention to the problem areas pertaining to IAEA enforcement which were identified in the Committee's report on the FY 1976 foreign assistance appropriations bill (House Report 94-857).

#### UNITED NATIONS ENVIRONMENT FUND

Fiscal year 1976 appropriation.....	\$7,500,000
Fiscal year 1977 estimate.....	5,000,000
Recommended in the bill.....	5,000,000

The Committee recommends an appropriation of the budget estimate of \$5,000,000, which is a decrease of \$2,500,000 below the fiscal year 1976 appropriation level.

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 1976 appropriation-----	\$19,800,000
Fiscal year 1977 estimate-----	7,300,000
Recommended in the bill-----	19,800,000

#### SPECIAL FOREIGN CURRENCY PROGRAM

Fiscal year 1976 appropriation-----	(\$7,000,000)
Fiscal year 1977 estimate-----	(7,000,000)
Recommended in the bill-----	(7,000,000)

The Committee recommends an appropriation of \$19,800,000, an increase of \$12,500,000 above the budget estimate. 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 education 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.

It is estimated that pending requests for funds for fiscal year 1977 approximate in excess of \$44,000,000, not including additional requests of \$7,112,000 in excess foreign currencies. 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 recognizes that due to financial restraints, many grants to American-sponsored private institutions in foreign countries have out of necessity been denied. However, without designating particular institutions to receive assistance, the Committee urges that stronger consideration be given to schools and hospitals which have not benefited from this program in recent years and need help to finance construction projects already underway. In view of the increased funding level recommended by the Committee, it is hoped that additional emphasis will be placed on such institutions.

#### CONTINGENCY FUND

Fiscal year 1976 appropriation-----	\$5,000,000
Fiscal year 1977 estimate-----	10,000,000
Recommended in the bill-----	5,000,000

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

The authorizing legislation for fiscal year 1977 for this program is still pending before Congress. The following testimony was received concerning the contingency fund:

It has been well established practice to provide the President with a modest fund to deal with unexpected political and security problems that inevitably arise in the conduct of foreign policy. The contingency fund was traditionally used for both political and humanitarian emergencies.

In fiscal year 1976, the administration proposed two separate funds in order to maintain a clear and candid distinction between separate humanitarian and political objectives. The disaster relief fund is limited to natural or man-made disasters and cannot be used for security or political purposes. Maintaining a small contingency fund—carefully monitored by the Congress—can be of critical value to the President in the effective conduct of U.S. foreign policy.

#### INTERNATIONAL DISASTER ASSISTANCE

Fiscal year 1976 appropriation-----	<sup>1</sup> \$45,000,000
Fiscal year 1977 estimate-----	25,000,000
Recommended in the bill-----	25,000,000

<sup>1</sup> Earmarks \$25,000,000 for Guatemala disaster relief.

The Committee recommends an appropriation of \$25,000,000, a reduction of \$20,000,000 below the fiscal year 1976 appropriation level.

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 March follows:

INTERNATIONAL DISASTER ASSISTANCE PROGRAM  
PROGRAM AND OBLIGATIONS AS OF MAR. 31, 1976

	Programed Amount as of end of 2d quarter	Net change in programed amount during 3d quarter	Total programed amount as of end of 3d quarter	Actual obligations as of end of 3d quarter
Angola-Portugal (airlift).....	\$8,008,000	-\$8,000	\$8,000,000	\$8,000,000
Angola, civil strife.....	425,000	260,000	685,000	685,000
Brazil, floods.....	169,000	22,000	191,000	169,000
Dahomey, polio epidemic.....		1,000	1,000	1,000
Ecuador, volcanic eruption.....		9,000	9,000	9,000
Guatemala, earthquake.....		8,790,000	8,790,000	4,797,000
Haiti, drought.....	62,000		62,000	62,000
India, floods.....	25,000		25,000	25,000
India, mine explosion.....	50,000		50,000	50,000
Jamaica, civil strife.....		47,000	47,000	47,000
Lebanon, civil strife (emergency assistance only).....	710,000	959,000	1,669,000	910,000
Macao, fire.....		5,000	5,000	5,000
Malagasy Republic, cyclone.....		25,000	25,000	25,000
Mauritius, cyclone.....	(1)		(1)	(1)
Nepal, landslides.....	4,000		4,000	4,000
Romania, floods.....	646,000		646,000	646,000
Sierra Leone, wind storm.....	25,000		25,000	25,000
Spanish Sahara, displaced persons.....		100,000	100,000	100,000
Sudan, floods.....	127,000		127,000	127,000
Turkey, earthquake.....	225,000	34,000	259,000	259,000
Yemen, floods.....	20,000		20,000	20,000
Other.....	188,000	12,000	200,000	200,000
<b>Total</b> .....	<b>10,684,000</b>	<b>10,256,000</b>	<b>20,940,000</b>	<b>16,066,000</b>
Warrants available under CR.....	16,000,000		25,000,000	
Difference.....	5,316,000		*4,060,000	

<sup>1</sup> Less than \$500.

<sup>2</sup> New urgent requirements for Guatemala and for ICRC for Lebanon will eliminate this reserve.

INTERNATIONAL NARCOTICS CONTROL

Fiscal year 1976 appropriation.....	\$37,500,000
Fiscal year 1977 estimate.....	34,000,000
Recommended in the bill.....	34,000,000

The Committee recommends an appropriation of \$34,000,000, a reduction of \$3,500,000 below the the fiscal year 1976 appropriation level.

The authorizing legislation for fiscal year 1977 for this program is still pending before Congress.

The details of the proposed fiscal year 1977 budget program follows:

Proposed fiscal year 1977 program	Amount
Andean Regional.....	\$2,470,000
Bolivia.....	435,000
Brazil.....	603,000
Chile.....	125,000
Colombia.....	800,000
Costa Rica.....	38,000
Ecuador.....	330,000
Jamaica.....	25,000
Mexico.....	10,942,000
Paraguay.....	12,000

Proposed fiscal year 1977 program	Amount
Peru.....	\$260,000
Subtotal Latin America.....	16,040,000
Burma.....	2,500,000
Indonesia.....	75,000
Thailand.....	1,335,000
Subtotal East Asia.....	3,910,000
Pakistan.....	1,800,000
Subtotal Near East.....	1,800,000
UNFDAC.....	4,000,000
Colombo plan.....	100,000
Subtotal International Organizations.....	4,100,000
Treatment and rehabilitation.....	500,000
Training.....	6,750,000
Subtotal Inter-regional.....	7,250,000
Program Support and Development.....	900,000
Program total.....	34,000,000

According to material submitted by the Department of State, the main thrust of narcotic assistance to foreign governments is to strengthen international cooperative efforts in selectively disrupting and immobilizing trafficking organizations, thereby making it far more difficult to introduce and obtain illicit drugs in the United States. To accomplish these objectives, the FY 1977 program emphasizes seven critical program elements: Diplomatic initiatives; internationalizing the effort; bilateral enforcement assistance; crop replacement; reduction of demand; training of narcotics enforcement officials; and program development and support.

The international trafficking networks are not rigidly compartmentalized by different drugs of abuse. Therefore, actions taken to immobilize a heroin trafficking network can affect the distribution system used for a wide variety of illicit drugs. This interrelationship notwithstanding, priority targeting of diplomatic, technical and financial resources must be determined within the context of the adverse impact on our society of different drugs of abuse. The highest priority target for Federal government action is the international trafficking of opium and its derivatives.

PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

Fiscal year 1976 appropriation.....	\$16,680,000
Fiscal year 1977 estimate.....	16,680,000
Recommended in the bill.....	16,680,000

The Committee recommends an appropriation of the full budget request of \$16,680,000.

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 1976 appropriation.....	(\$200,000)
Fiscal year 1977 estimate.....	(400,000)
Recommended in the bill.....	(400,000)

The Committee recommends an appropriation of the full budget request of \$400,000 in excess currencies.

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 1976 appropriation.....	\$50,000,000
Fiscal year 1977 estimate.....	35,000,000
Recommended in the bill.....	35,000,000

The Committee recommends an appropriation of \$35,000,000 a reduction of \$15,000,000 below the fiscal year 1976 appropriation level.

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

According to AID, the Middle East special requirements fund facilitates U.S. peace efforts by permitting prompt U.S. response to special needs arising from the Middle East peace efforts being undertaken by the United States.

The framework for peace in the Middle East is still quite fragile and a great deal of work remains to be done. It will be essential for the U.S. to have the capability to move rapidly to support activities which could further peace efforts in the area. The special requirements fund has been extremely useful in this regard, because it is a flexible tool which enables the United States to respond promptly and effectively to special needs arising in the area.

**SECURITY SUPPORTING ASSISTANCE**

Fiscal year 1976 appropriation.....	<sup>1</sup> 1,689,900,000
Fiscal year 1977 estimate.....	1,781,900,000
Recommended in the bill.....	<sup>2</sup> 1,664,400,000

<sup>1</sup> Earmarked \$700,000,000 for Israel, \$695,000,000 for Egypt, \$72,500,000 for Jordan, \$80,000,000 for Syria, and \$85,000,000 for Greece.

<sup>2</sup> Earmarks \$735,000,000 for Israel, \$700,000,000 for Egypt, \$70,000,000 for Jordan, and \$80,000,000 for Syria.

The Committee recommends an appropriation of \$1,664,400,000, a reduction of \$117,500,000 below the budget estimate and a reduction of \$25,500,000 below the fiscal year 1976 appropriation level.

The proposed fiscal year 1977 budget program of \$1,787,000,000 consists of \$1,781,900,000 in new obligational authority and \$5,100,000 in recoveries.

The details of the proposed fiscal year 1977 budget program follow:

Proposed fiscal year 1977 program	Amount
Egypt.....	\$750,000,000
Israel.....	785,000,000
Jordan.....	77,500,000
Syria.....	90,000,000
Subtotal Middle East.....	1,702,500,000
Portugal.....	55,000,000
Cyprus.....	10,000,000
UNFICYP.....	9,500,000
Bahrain.....	400,000
Malta.....	9,500,000
Subtotal other.....	84,500,000
Total.....	1,787,000,000

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 current serious economic problems of Portugal; and to meet other assistance requirements for Cyprus, Bahrain, Malta, etc.

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 in 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 1977 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 included a provision in the accompanying bill which earmarks \$735,000,000 for Israel, \$700,000,000 for Egypt, \$80,000,000 for Syria, and \$70,000,000 for Jordan from funds appropriated for security supporting assistance. The Committee believes that the earmarking provisions contained in the accompanying appropriation bill would take precedence over any authorization earmarking provisions.

**OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL  
DEVELOPMENT**

Fiscal year 1976 appropriation.....	\$194,600,000
Fiscal year 1977 estimate.....	193,100,000
Recommended in the bill.....	193,000,000

The Committee recommends an appropriation of \$193,000,000, a reduction of \$100,000 below the budget estimate and a reduction of \$1,600,000 below the fiscal year 1976 appropriation level.

Before fiscal year 1976, the operating expenses were included in the development assistance accounts, the American schools and hospitals abroad account, and the security supporting assistance account. There

was also a separate administrative expense account. In fiscal year 1976, these operating expenses were all pulled out of the various accounts and placed in this separate line item.

These operating funds are authorized within the accounts mentioned above.

To provide some detail of how these operating expenses were allocated to the various accounts, the following table is supplied:

*Operating expenses for fiscal year 1977*

Food/nutrition.....	\$95,700,000
Population and health.....	45,700,000
Education and human resources.....	22,700,000
Section 106 development activities.....	9,200,000
Subtotal, functional accounts.....	173,300,000
Security supporting assistance.....	19,600,000
ASHA.....	200,000
Total NOA.....	193,100,000

**MILITARY ASSISTANCE**

Fiscal year 1976 appropriation.....	\$225,000,000
Fiscal year 1977 estimate.....	279,000,000
Recommended in the bill.....	270,000,000

The Committee recommends an appropriation of \$270,000,000, a reduction of \$9,000,000 below the budget estimate but an increase of \$45,000,000 above the fiscal year 1976 appropriation level.

The total proposed fiscal year 1977 program of \$305,700,000 consists of \$279,000,000 in new obligational authority, \$7,000,000 in reimbursements and \$19,700,000 in recoupments.

The proposed fiscal year 1977 budget program is outlined in the following table:

Proposed fiscal year 1977 program	Amount	Proposed fiscal year 1977 program	Amount
<b>East Asia and Pacific:</b>		<b>Africa: Ethiopia.....</b>	<b>\$11,700,000</b>
China (Taiwan).....	\$400,000	<b>Regional total.....</b>	<b>11,700,000</b>
Indonesia.....	19,400,000	<b>American Republics:</b>	
Korea.....	8,300,000	Bolivia.....	2,305,000
Philippines.....	19,600,000	Dominican Republic.....	25,000
Thailand.....	20,000,000	El Salvador.....	20,000
<b>Regional total.....</b>	<b>67,700,000</b>	Guatemala.....	15,000
<b>Near East and South Asia: Jordan.....</b>	<b>70,000,000</b>	Honduras.....	15,000
<b>Regional total.....</b>	<b>70,000,000</b>	Nicaragua.....	5,000
<b>Europe:</b>		Panama.....	225,000
Greece.....	33,000,000	Paraguay.....	340,000
Portugal.....	300,000	Uruguay.....	150,000
Turkey.....	50,000,000	<b>Regional total.....</b>	<b>3,000,000</b>
<b>Regional total.....</b>	<b>83,300,000</b>	<b>General costs and MAPSAD.....</b>	<b>70,000,000</b>
		<b>Worldwide total.....</b>	<b>305,700,000</b>

<sup>1</sup> This amount would be reprogrammed elsewhere as the fiscal year 1977 appropriations bill would prohibit military assistance to Uruguay.

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 1977 budget program proposes to supply grant assistance to 20 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 years 1954-76T.Q.).....	12.2
Military assistance grant aid (fiscal year 1950-76T.Q.).....	4.0
Economic assistance programs (fiscal years 1948-76T.Q.).....	6.2
<b>Total.....</b>	<b>40.4</b>

**U.S. MILITARY CASUALTIES IN THE KOREAN WAR**

	Number
Died from hostile causes.....	33,629
Died from nonhostile causes.....	20,617
<b>Total deaths.....</b>	<b>54,246</b>
Wounded or injured, nonfatal.....	103,284
Wounded or injured, fatal (added to deaths).....	2,501
<b>Total.....</b>	<b>105,785</b>
Missing in action.....	5,806
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.

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 Committee might also point out that South Korea is very important to the security of that area of the world.

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

#### INTERNATIONAL MILITARY EDUCATION AND TRAINING

Fiscal year 1976 appropriation.....	\$23,000,000
Fiscal year 1977 estimate.....	30,900,000
Recommended in the bill.....	25,000,000

The Committee recommends an appropriation of \$25,000,000, a reduction of \$5,900,000 below the budget estimate but an increase of \$2,000,000 above the fiscal year 1976 appropriation level.

The Administration recommended the establishment of a separate international military education and training program in 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.

The details of the proposed fiscal year 1977 program follow:

Proposed fiscal year 1977 program	Amount	Proposed fiscal year 1977 program	Amount
<b>East Asia and Pacific:</b>		<b>Near East and South Asia—Continued</b>	
China (Taiwan).....	\$500,000	Pakistan.....	\$325,000
Indonesia.....	3,000,000	Sri Lanka.....	15,000
Korea.....	2,700,000	Tunisia.....	400,000
Malaysia.....	300,000	<b>Regional total.....</b>	<b>3,175,000</b>
Philippines.....	600,000	<b>Europe:</b>	
Thailand.....	1,500,000	Austria.....	40,000
<b>Regional total.....</b>	<b>8,600,000</b>	Finland.....	40,000
<b>Near East and South Asia:</b>		Greece.....	1,000,000
Afghanistan.....	200,000	Portugal.....	1,000,000
India.....	200,000	Spain.....	700,000
Jordan.....	800,000	Turkey.....	2,000,000
Lebanon.....	300,000	<b>Regional total.....</b>	<b>4,780,000</b>
Morocco.....	900,000		
Nepal.....	35,000		

Proposed fiscal year 1977 program	Amount	Proposed fiscal year 1977 program	Amount
<b>Africa:</b>		<b>American Republics—Continued</b>	
Ethiopia.....	\$900,000	El Salvador.....	\$600,000
Ghana.....	100,000	Guatemala.....	500,000
Kenya.....	200,000	Haiti.....	200,000
Liberia.....	100,000	Honduras.....	500,000
Senegal.....	45,000	Mexico.....	200,000
Zaire.....	2,500,000	Nicaragua.....	600,000
<b>Regional total.....</b>	<b>3,845,000</b>	Panama.....	400,000
<b>American Republics:</b>		Paraguay.....	400,000
Argentina.....	900,000	Peru.....	900,000
Bolivia.....	600,000	Uruguay.....	1,500,000
Brazil.....	1,100,000	Venezuela.....	700,000
Colombia.....	700,000	<b>Regional total.....</b>	<b>10,300,000</b>
Dominican Republic.....	500,000	<b>General costs.....</b>	<b>200,000</b>
Ecuador.....	900,000	<b>Worldwide total.....</b>	<b>30,900,000</b>

<sup>1</sup> This amount would be reprogramed elsewhere as the fiscal year 1977 appropriations bill would prohibit military assistance to Uruguay.

#### INTER-AMERICAN FOUNDATION

Fiscal year 1976 limitation.....	<sup>1</sup> (\$7,500,000)
Fiscal year 1977 limitation request.....	(7,018,000)
Recommended in the bill.....	(7,000,000)

<sup>1</sup> Limitation on obligations.

The Committee recommends a limitation on obligations of \$7,000,000, a reduction of \$18,000 below the budget request and \$500,000 below the fiscal year 1976 limitation.

The original 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, 1976 of this total is estimated to be \$18,159,000.

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 \$16,000,000 from this source in fiscal year 1977 in addition to the \$7,018,000 limitation being requested.

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 1976 appropriation.....	<sup>1</sup> \$1,065,000,000
Fiscal year 1977 estimate.....	<sup>2</sup> 840,000,000
Recommended in the bill.....	<sup>3</sup> 840,000,000

<sup>1</sup> Earmarked \$1,500,000,000 for Israel out of the aggregate credit sale ceiling.  
<sup>2</sup> Request proposes \$1,000,000,000 for Israel out of the aggregate credit sale ceiling.  
 Forgives Israel from repayment of \$500,000,000 of this amount and provides credit sales on concessionary terms.  
<sup>3</sup> Earmarks \$1,000,000,000 for Israel out of the aggregate credit sale ceiling.

The Committee recommends an appropriation of \$840,000,000 the same as the budget estimate but a decrease of \$225,000,000 below the fiscal year 1976 appropriation level.

The total proposed credit sales program for fiscal year 1977 is estimated to be \$2,059,600,000, of which \$1,355,111,000 will be privately financed and \$135,511,000 will be set aside as a 10 percent guaranty for this private financing, \$204,489,000 will be Department of Defense financed and \$500,000,000 in repayments will be forgiven for Israel.

The details of the proposed fiscal year 1977 program follow:

Proposed fiscal year 1977 program	Amount	Proposed fiscal year 1977 program	Amount
<b>East Asia and Pacific:</b>		<b>Africa (continued):</b>	
China (Taiwan).....	\$35,000,000	Liberia.....	\$500,000
Indonesia.....	23,100,000	Zaire.....	28,000,000
Korea.....	275,000,000	Regional total.....	43,500,000
Malaysia.....	36,000,000	<b>American Republics:</b>	
Philippines.....	20,000,000	Argentina.....	48,400,000
Thailand.....	30,000,000	Bolivia.....	12,000,000
Regional total.....	419,100,000	Brazil.....	60,000,000
<b>Near East and South Asia:</b>		Colombia.....	26,000,000
Israel.....	\$1,000,000,000	Dominican Republic.....	1,000,000
Jordan.....	75,000,000	Ecuador.....	10,000,000
Lebanon.....	5,000,000	El Salvador.....	2,500,000
Morocco.....	30,000,000	Guatemala.....	600,000
Tunisia.....	15,000,000	Haiti.....	500,000
Regional total.....	1,125,000,000	Honduras.....	2,500,000
<b>Europe:</b>		Mexico.....	5,000,000
Greece.....	127,000,000	Nicaragua.....	2,500,000
Turkey.....	150,000,000	Panama.....	1,000,000
Regional total.....	277,000,000	Paraguay.....	500,000
<b>Africa:</b>		Peru.....	20,000,000
Ethiopia.....	10,000,000	Uruguay.....	2,500,000
Kenya.....	5,000,000	Regional total.....	195,000,000
		Worldwide total.....	2,059,600,000

<sup>1</sup> Includes \$500 million payment waived.  
<sup>2</sup> This amount would be reprogrammed elsewhere as the fiscal year 1977 appropriations bill would prohibit military assistance to Uruguay.

The Department of Defense (DOD) sells required material and related services to eligible allied and friendly nations on both a cash and 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 1977 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 \$1,000,000,000 for Israel out of the total credit ceiling allowed in fiscal 1977. The proposed authorizing legislation includes language which has the effect of forgiving Israel from repaying \$500,000,000 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 present terms on the normal 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 PROGRAM

#### PEACE CORPS

Fiscal year 1976 appropriation.....	<sup>1</sup> \$81,266,000
Fiscal year 1977 estimate.....	67,155,000
Recommended in the bill.....	<sup>2</sup> 71,000,000

<sup>1</sup> Earmarked \$7,599,000 for an increase in readjustment allowances to \$125.  
<sup>2</sup> Earmarks \$10,058,000 for an increase in readjustment allowances to \$125.

The Committee recommends an appropriation of \$71,000,000, an increase of \$3,845,000 above the budget request but a decrease of \$10,266,000 below the fiscal year 1976 appropriation level.

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 peo-

ple or are being performed by other agencies (voluntary, private or government).

The Committee included a provision in the bill which earmarks \$10,058,000 for an increase in readjustment allowances to \$125. This increase was authorized by Public Law 94-130. The Committee believes that the earmarking provision contained in the accompanying bill would take precedence over any authorization earmarking provision.

#### DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

##### CUBAN REFUGEE ASSISTANCE

Fiscal year 1976 appropriation.....	\$85,000,000
Fiscal year 1977 estimate.....	82,000,000
Recommended in the bill.....	82,000,000

The Committee recommends an appropriation of \$82,000,000 the same as the budget estimate but a decrease of \$3,000,000 below the fiscal year 1976 appropriation level.

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 Committee has supported this program over the many years of its existence and it believes the Cuban refugees are now well adjusted and integrated for the most part into the mainstream of American life. Therefore, it is the Committee's desire that the Administration look into the possible phase out of this program in the near future. In this regard, the Committee was informed that a study was to be conducted to determine just how much the Cuban refugees were contributing through taxes, etc. to their own local support. This study is to be completed during the summer and the Committee will look forward to receiving the results.

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

Fiscal year 1976 appropriation.....	(1)
Fiscal year 1977 estimate.....	\$50,000,000
Recommended in the bill.....	50,000,000

<sup>1</sup> \$100,000,000 was appropriated for this item in fiscal year 1975 and was made available until June 30, 1976.

The Committee recommends an appropriation of \$50,000,000, the same as the budget request.

The Indochina Migration and Refugee Assistance Act of 1975 (Public Law 94-23) approved May 23, 1975, authorized temporary assistance on behalf of Cambodian and Vietnamese refugees in the United States until September 30, 1977, for certain types of services provided through the Department of Health, Education, and Welfare.

An appropriation of \$100,000,000 was made to the Social and Rehabilitation Service of the Department of Health, Education, and Welfare in May, 1975 for fiscal years 1975 and 1976 for three basic HEW activities: welfare (including cash assistance, medical assistance, and social services); educational services; and certain services of the U.S. Public Health Service related to entry of the refugees into the country.

The Department of Health, Education, and Welfare is requesting the additional \$50,000,000 for fiscal year 1977 with the expectation that these funds along with other funds to be transferred in will permit reimbursement to States and localities for public assistance (cash assistance, medical assistance, and social services) required by needy refugees until the termination of the program at the end of fiscal year 1977.

The Committee understands and was informed that the Administration plans to terminate this program when the authorizing legislation expires on September 30, 1977. The Committee feels this program will have accomplished its purpose by the end of fiscal year 1977 and supports the termination date of September 30, 1977 as set forth in the authorizing legislation (P.L. 94-23).

#### DEPARTMENT OF STATE

##### MIGRATION AND REFUGEE ASSISTANCE

Fiscal year 1976 appropriation.....	\$9,023,000
Fiscal year 1977 estimate.....	10,000,000
Recommended in the bill.....	10,000,000

The Committee recommends an appropriation of \$10,000,000, the same as the budget estimate but an increase of \$977,000 above the fiscal year 1976 appropriation level.

The details of the fiscal year 1977 proposed budget program follow:

Proposed fiscal year 1977 program	Amount
Program by activities:	
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
United States refugee program.....	3,700,000
Operational and administrative expenses.....	1,329,000
Total proposed program.....	10,000,000

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

Fiscal year 1976 appropriation.....	\$15,000,000
Fiscal year 1977 estimate.....	15,000,000
Recommended in the bill.....	15,000,000

The Committee recommends an appropriation of \$15,000,000, the same as the fiscal year 1976 appropriation level. The amount recommended by the Committee should be adequate to finance this program for fiscal year 1977.

The following table indicates the allocation of funds:

	Actual obligations, 1975	Estimated obligations, 1976
Grant to United Israel Appeal (UIA)		
1. Enroute care and maintenance costs of refugees.....	\$334,000	\$240,000
2. Construction or enlargement of transit centers in Vienna.....		
3. Construction or acquisition of absorption centers and hostels.....	4,400,000	
4. Construction or acquisition of hospital wing/medical clinic.....		
5. Construction or acquisition of apartments and/or mobile homes.....	2,190,000	
5a. Rental payments for apartments.....	5,700,000	650,000
6. University scholarships.....	1,640,000	625,000
7. Training and retraining of artisans and technicians.....	2,800,000	1,250,000
7a. Medical and paramedical services.....		
8. Maintenance costs for on-the-job trainees.....	(0)	
9. Maintenance costs at Ulpanim, absorption centers and hostels.....	11,315,000	3,000,000
10. Absorption of academicians.....	3,151,000	1,235,000
11. Youth Aleijah institutions.....	1,445,000	400,000
12. Financial assistance to needy refugees.....	650,000	600,000
13. Old age homes.....	450,000	
14. To be allocated.....		4,000,000
<b>Total grant to UIA.....</b>	<b>34,115,000</b>	<b>12,000,000</b>
Other assistance:		
ICEM transportation.....	1,000,000	
Assistance to refugees not going to Israel (includes care and maintenance in Europe, transportation, and resettlement grants in United States).....	4,800,000	3,000,000
Administration.....	85,000	
<b>Total appropriation for assistance to Soviet refugees.....</b>	<b>40,000,000</b>	<b>15,000,000</b>
Assistance to refugees not going to Israel (funds transferred per Presidential Determination 75-6, Nov. 2, 1974).....	3,500,000	
<b>Total program.....</b>	<b>43,500,000</b>	

<sup>1</sup> Transferred to program No. 7.

<sup>2</sup> In addition, it is anticipated that \$7,000,000 will be required from other sources.

#### 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 that it has over the bilateral assistance programs. Since fiscal year 1961, the Congress has appropriated \$7,329,091,891 to the three international institutions contained in this bill through fiscal year 1976 (Asian Development 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 1977 budget requests for these same institutions amount to \$935,635,000. The following table gives some indication of the amounts provided to these institutions over the years:

[1961-76 inclusive, 16 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
1976.....	145,634,909	320,000,000	225,000,000	690,634,909
<b>Total.....</b>	<b>469,761,891</b>	<b>2,392,290,000</b>	<b>4,467,040,000</b>	<b>7,329,091,891</b>
1972 MOV <sup>1</sup> .....	18,000,000	122,000,000	370,000,000	510,000,000
1974 MOV <sup>1</sup> .....	24,000,000	161,000,000	510,000,000	695,000,000
<b>Grand total.....</b>	<b>511,761,891</b>	<b>2,675,290,000</b>	<b>5,347,040,000</b>	<b>8,534,091,891</b>
1977 new requests.....	120,635,000	375,000,000	440,000,000	935,635,000

<sup>1</sup> 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 second year's contribution for 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 \$120,635,000 for the third contribution to this ordinary capital increase. 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.

The Committee strongly reiterates its view that activities in the field of intermediate or appropriate or light capital technology be a focus of activities in all sectors by the multilateral development banks. Further, the Committee expects to receive responses from the U.S. Representatives to these institutions regarding the banks' activities to date and their program for the future in light capital technology. These responses are expected to include a policy declaration on light capital technology, details on past and proposed activities and pilot projects, and a timetable according to which a steadily increasing share of the institution's resources will be directed toward light capital activities.

Because the multilateral development banks allocate a substantial part of their resources for electric power, the Committee expects that the banks will endeavor to stay abreast of the latest developments in light capital energy technologies and to sponsor pilot projects as well as full-scale development projects for the more promising of these technologies.

The Committee is extremely disturbed over the present procedure of the Treasury Department in agreeing to subscriptions to callable capital of the various international financial institutions without first obtaining an appropriation as has been the past practice. In fiscal year 1975, the Congress denied the callable capital request of \$96,507,927 for the Asian Development Bank but the Treasury Department subscribed to the callable capital portion anyway.

In a letter dated April 26, 1976, from the Secretary of the Treasury, it was indicated that discussions were under way to provide a capital increase for the World Bank of which the United States share could total \$1.56 billion. The letter went on to state that the Treasury Department felt it appropriate to restrict their appropriation request to only the paid-in portion of the subscription which would total \$156,000,000 or only ten percent of the full subscription amount. A letter was transmitted to the Treasury Department indicating the Committee's concern on this matter.

Further, the Treasury Department plans to subscribe to \$930,000,000 in inter-regional callable capital for the Inter-American Development Bank over the next four years without first obtaining an appropriation. The Committee does not approve of this procedure of subscribing to callable capital increases until a specific appropriation is first obtained or of subscribing to callable capital increases after the appropriation is denied by Congress. In the past, the Administration has always requested an appropriation to fund these callable capital increases and the Committee directs the Treasury Department to continue this procedure. Also, if appropriation requests for the international financial institutions are denied, the Committee does not ex-

pect the Administration to proceed to subscribe to the capital increases so denied.

#### ASIAN DEVELOPMENT BANK

Fiscal year 1976 appropriation.....	\$145,634,909
Fiscal year 1977 estimate.....	120,635,000
Recommended in the bill.....	60,318,000

The budget request of \$120,635,000 consists of the following items: \$24,127,000 for paid in ordinary capital and \$96,508,000 for callable ordinary capital.

The Committee recommends an appropriation of \$12,064,000 for paid-in ordinary capital and \$48,254,000 for callable ordinary capital.

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 rates on these loans run 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 1976 appropriation.....	\$225,000,000
Fiscal year 1977 estimate.....	440,000,000
Recommended in the bill.....	220,000,000

The budget request of \$440,000,000 consists of the following items: \$40,000,000 for paid-in capital, \$200,000,000 for callable capital and \$200,000,000 for the Fund for Special Operations.

The Committee recommends an appropriation of \$20,000,000 for paid-in capital, \$100,000,000 for callable capital and \$100,000,000 for the Fund for Special Operations.

The ordinary capital resources of the Bank are used to provide "hard" loans to countries in Latin America and the United States contribution to this account approximates 40 percent of the total contributions made through fiscal year 1975. The interest rates on these loans run about 8 percent and the terms are usually 15-30 years with a grace period of 1-5 years.

The Fund for Special Operations 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 1976 appropriation.....	\$320,000,000
Fiscal year 1977 estimate.....	375,000,000
Recommended in the bill.....	320,000,000

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.

The Committee finds it difficult to justify India's receiving 40 percent of IDA's resources when that country has shown little commitment to helping its poor, has moved away from democracy and toward authoritarianism, has squandered huge sums on military spending and nuclear development, and has done much to weaken international restraints on the spread of nuclear weapons.

#### TITLE IV—EXPORT-IMPORT BANK OF THE UNITED STATES

Fiscal year 1976 limitation on program activity.....	(\$5, 619, 945, 000)
Fiscal year 1976 limitation on administrative expenses.....	(11, 682, 000)
<b>Total, fiscal year 1976 limitation.....</b>	<b>(5, 631, 627, 000)</b>
Fiscal year 1977 proposed limitation on program activity.....	(6, 334, 443, 000)
Fiscal year 1977 proposed limitation on administrative expenses.....	(12, 081, 000)
<b>Total, fiscal year 1977 proposed limitation.....</b>	<b>(6, 346, 524, 000)</b>

The Committee recommends the full budget request of \$6,346,524,000 for the total limitation on use of corporate funds which is an increase of \$714,897,000 above the fiscal year 1976 limitation.

The following table shows the Bank's estimated activity proposed for fiscal year 1977:

Proposed fiscal year 1977 activity	Amount
Equipment and services authorizations.....	\$3, 950, 000, 000
Commodity authorizations.....	75, 000, 000
Discount authorizations.....	1, 000, 000, 000
Special foreign trade authorizations.....	50, 000, 000
Subtotal (gross).....	5, 075, 000, 000
Less: Participations and cancellations in authorizations issued during year.....	-175, 000, 000
Net loan authorizations <sup>1</sup> .....	4, 900, 000, 000
Guarantees and insurance: Current charge to program <sup>2</sup> .....	718, 069, 000
Subtotal, loans, guarantees and insurance.....	5, 618, 069, 000
Interest and nonadministrative expense.....	716, 274, 000
Equipment and all other.....	100, 000
Subtotal, program activity.....	6, 334, 443, 000
Administrative expenses.....	12, 081, 000
Total.....	6, 346, 524, 000

<sup>1</sup> As in prior years, loan and guarantee figures exclude transfers of prior fiscal year authorizations between these programs.

<sup>2</sup> Figure represents 25% of new authorizations, less cancellations, repayments and expirations.

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, \$926,000,000 has been paid in dividends to the U.S. Treasury through fiscal year 1975.

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 precluded 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. export sales to the USSR since May of 1974. Credits totalling \$469 million were authorized prior to that date. Through February 29, 1976, \$200.0 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 1977 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, foreign military credit sales, migration and refugee assistance, and assistance to refugees from the Soviet Union and other communist countries in Eastern Europe. Appropriation of funds for these items in the absence of authorizations therefore could be construed as changing the application of existing law.

3. 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. Also, the bill does not allow some of the funds to remain available until expended as provided for in the authorizing legislation.

4. 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.

5. On page 3 of the bill, under International organizations and programs, the Committee has included a provision which earmarks \$1,000,000 for a contribution to the International Atomic Energy Agency to strengthen its safeguards program. This is a new earmarking on the use of funds and it might be construed as changing the application of existing law.

6. On page 10 of the bill, the Committee has included a provision (section 108) which does not allow funds made available in the bill to be obligated or expended for North Vietnam, South Vietnam, Cam-

bodia, or Laos. This is a new restriction on the use of funds and it might be construed as changing the application of existing law.

7. On page 10 of the bill, under Peace Corps, the Committee included a provision which earmarks funds for readjustment allowances at a level below the amount provided for in the authorization act. This appears to change the application of existing law.

8. On page 11 of the bill, under the refugee assistance to Cambodia, Vietnam and Laos item, the Committee included a provision which allows funds that would expire on June 30, 1976 to remain available until September 30, 1977. This appears to change the application of existing law.

9. On page 16 of the bill, the Committee has included a provision (section 504) which prohibits aid to any country in default in excess of one year on loans from programs for which funds are appropriated under this Act unless the debt has been disputed or the country has arranged to cure the default. This is a new restriction on the use of funds and it might be construed as changing the application of existing law.

10. On page 16 of the bill, the Committee has included a provision (section 505) which allows funds to be obligated or expended for programs not yet authorized. This provision in effect voids the operation of specific sections of existing law.

11. On pages 16 and 17 of the bill, the Committee has included a provision (section 506) which does not allow funds made available in the bill to be provided for military assistance to Uruguay. This is a new restriction on the use of funds and might be construed as changing the application of existing law.

12. On page 17 of the bill, the Committee has included a provision (section 507) which does not allow funds to be available to an international financial institution whose United States' representatives cannot obtain certain loan information of the institution. This is a new restriction on the use of funds and it might be construed as changing the application of existing law.

#### 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 "International organizations and programs":

*Provided further, That not less than \$1,000,000 shall be available until expended for a contribution to the International Atomic Energy Agency to strengthen the Agency's safeguards program:*

On page 6, in connection with the "Middle East special requirements funds":

*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 6, in connection with "Security supporting assistance":

*Provided, That of the funds appropriated under this paragraph, \$735,000,000 shall be allocated to Israel, \$700,000,000 shall be allocated to Egypt, \$70,000,000 shall be allocated to Jordan, and \$80,000,000 shall be allocated to Syria.*

On page 6, in connection with "Operating expenses of the Agency for International Development":

**OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL  
DEVELOPMENT**

For "Operating Expenses of the Agency for International Development", \$193,000,000.

On page 10, in connection with "General Provision—section 108"; *SEC. 108. None of the funds appropriated or made available pursuant to this Act shall be used to provide assistance to the Democratic Republic of Vietnam (North Vietnam), South Vietnam, Cambodia, or Laos.*

On page 10, 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 \$1,000,000,000 shall be allocated to Israel.*

On page 10, in connection with the "Peace Corps": *Provided, That of this amount \$10,058,000 shall be for Peace Corps volunteer readjustment allowances, as authorized by Public Law 94-130.*

On page 11, in connection with "Special assistance to refugees from Cambodia, Vietnam, and Laos in the United States":

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

*For assistance to refugees from Cambodia, Vietnam, and Laos in the United States, \$50,000,000: Provided, That all funds in this account shall remain available through September 30, 1977.*

On page 16, in connection with "General Provision—section 504": *SEC. 504. 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.*

On page 16, in connection with "General Provision—section 505": *SEC. 505. The funds appropriated or made available pursuant to to this Act shall be available notwithstanding the provisions of section 10 of Public Law 91-672, and section 15(a) of the Act entitled, "An Act to provide certain basic authority for the Department of State", approved August 1, 1956, as amended.*

On pages 16 and 17, in connection with "General Provision—section 506":

*SEC. 506. None of the funds appropriated or made available pursuant to this Act shall be used to provide military assistance, international military education and training, or foreign military credit sales to the Government of Uruguay.*

On page 17, in connection with "General Provision—section 507": *SEC. 507. None of the funds appropriated or made available pursuant to this Act shall be available to any international financial institution whose United States' representative cannot upon request obtain the*

*amounts and the names of borrowers for all loans of the international financial institution, including loans to employees of the institution.*

**FIVE YEAR PROJECTION OF OUTLAYS**

In accordance with Section 308(a)(1)(B) of the Congressional Budget Act of 1974 (P.L. 93-344), the following table contains 5 year projections of the outlays associated with the budget authority provided in the accompanying bill.

*Budget authority—outlays*

<b>Fiscal year:</b>		
1977 budget authority.....	\$4,946,198,000	
1977 outlays.....	2,211,718,000	
1978 outlays.....	1,460,456,000	
1979 outlays.....	513,499,000	
1980 outlays.....	215,726,000	
1981 outlays.....	124,255,000	

**COMPARISONS WITH BUDGET RESOLUTION**

In accordance with Section 308(a)(1)(A) of the Congressional Budget Act of 1974 (P.L. 93-344), the following table provides comparisons between the new budget authority targets set forth in the First Concurrent Resolution on the Budget, as allocated by the Committee on Appropriations under Section 302 of the Act, and the budget authority contained in the accompanying bill.

Function (budget authority)	Amount in concurrent resolution	Committee recommendations	Difference
050 National defense.....	\$1,149,900,000	\$1,135,000,000	-\$14,900,000
150 International affairs.....	4,175,248,000	3,679,198,000	-496,050,000
600 Income security.....	132,000,000	132,000,000	
Subcommittee total.....	5,457,148,000	4,946,198,000	-\$510,950,000

**ASSISTANCE TO STATE AND LOCAL GOVERNMENTS**

Section 308(a)(1)(C) of the Congressional Budget and Impoundment Control Act of 1974 requires that the report accompanying any bill or resolution providing new budget authority (other than continuing appropriations) shall contain a statement of the new budget authority and budget outlays provided by that bill or resolution for financial assistance to State and local governments.

The amounts recommended in the accompanying bill contain no budget authority or budget outlays for any State or local governments.

must make it clear whether they are ready to accept in principle the role that the President reserves for them. \* \* \*

The power of the political parties and the power of the Armed Forces exclude each other \* \* \* a new order of power (must be established) in which the Armed Forces shall support the new government in replacement of the political parties. \* \* \*

It (the government) will have to extend the power, instead of limiting it as did previous Constitutions, because the enemy of personal liberty is not the government but by a danger coming from outside the country. \* \* \*

Government actions alone will determine whether the Constitution is good or bad, not whether those actions are unconstitutional, discussions which used to paralyze government actions in the past.

There is a need for a higher and permanent entity, a Supreme National Council in addition to the National Security Council for any important political decision-making, whose existence would allow the Armed Forces to take an immediate action in case of danger. The government would have the authority in this entity, supported by the consensus which comes about when the governing functions are carried out without interference from particular interests, either from the labor unions or the economy.

The political parties would represent the authorized opinion but would not be allowed to grab power in the traditional manner: through agitations or the press.

The legitimacy of voting has been gradually degenerating into the illegitimate creed that after obtaining electoral victory, there would exist a complete freedom of action even against the national will and interest. This is not a democracy anymore.

#### EXHIBIT 2.—URUGUAY: TORTURE CHAMBER OF LATIN AMERICA

(From the Congressional Record, Mar. 25, 1976)

Mr. KOCH. Mr. Speaker, Uruguay, which used to be the Switzerland of Latin America, has become its cesspool. The appended report of Amnesty International tells you why. What the report does not tell you is how much aid, military and economic, we are giving that dictatorship. In 1975 we spent roughly \$10 million in military assistance to Uruguay, and an additional \$7.7 million of economic assistance in our AID program.

The blood of these tortured prisoners is on our collective hands. The report follows:

#### TORTURED TO DEATH IN URUGUAY: 22 CASES

Uruguay was once known as a democratic island in Latin America. This small country of 2,500,000 people had maintained a constitutional tradition, political stability, and a high level of education and culture. All of this has changed.

Beginning in the 1970's the military shattered the established traditions. Their persistent involvement in the political life of the country over a period of two years led inexorably to their assumption of absolute control over the executive. The elected civilian President, Juan Maria Bordaberry, willingly yielded his effective power to the

Armed Forces. The names for what has happened is the autogolpe—the "self-coup." Compared with the immediate military takeovers in other countries, the autogolpe was gradual. The autogolpe was the first coup in Uruguay during this century.

The total number of political prisoners in Uruguay has been estimated at between 3,000 (by Newsweek, June 2, 1975) and 6,000 (by Uruguayan exile groups). Amnesty International believes that there are approximately 5,000 political prisoners in the country. What that means in a country the size of Uruguay is startling: as of December 1975, one out of every 500 citizens was a detainee on political charges.

Uruguay has the highest concentration per capita of political prisoners in the world. Approximately one out of every 50 citizens sometime in the past suffered from interrogation, temporary arrest or imprisonment. And what is the ratio between persecuted and persecutors? One out of every 50 Uruguayans is a member of the Armed Forces or the police. Due to the political and economic situation, 300,000 persons, 12% of the population, have left the country since the *autogolpe*.

Amnesty International is concerned with the terrible, consistent violations of human rights in Uruguay. Under the pretext of combatting armed subversion, ever wider circles of peaceful dissent are subjected to oppression and persecution. Widespread and systematic torture is one of the more prominent features of this tragic situation.

The information presented here has been carefully gathered and authenticated. Amnesty International is independent and nonpartisan. A major portion of its continuing work to safeguard human rights is directed toward the abolition of torture—everywhere, unconditionally, without exception.

These four pages are not easy reading. The themes are torture, death, barbarism, injustice and illegality. Husbands, mothers, wives, fathers, sons and daughters subjected to the most brutal treatment. Up to this time, the use of torture in Uruguay has received too little attention. These barbarous practices must be exposed. As part of its ongoing Campaign for the Abolition of Torture, Amnesty International is organizing a concerted international effort to raise awareness of this appalling situation.

Some of these victims of torture were known members of the National Liberation Movement—MLN, the Communist Revolutionary Party, the Communist Union, the Communist Party, and the Broad Front. Others were people with no known political affiliation or activities. Amnesty International believes that governmentally sanctioned torture, whether to extract information, intimidate the opposition and general public, or out of the petty sadism of police and military forces, is morally unacceptable in the third quarter of the twentieth century.

After the public scandal of the officially corroborated death under torture of Luis Carlos Batalla in 1972, the authorities have taken steps to prevent other cases from reaching public knowledge. Arrests have been denied, investigations stopped, relatives and doctors threatened and intimidated, requests for autopsies refused, bodies shot or thrown out of windows to simulate suicide or armed confrontation. In spite of all this, reliable reports supported by circumstantial evidence and numerous testimonies have made it possible to identify some of

the people who have lost their lives at the hands of Uruguay's torturers.

We present here twenty-two verified cases of death by torture. There is no help for these victims. But their families, friends, neighbors, co-workers, teachers and students desperately need the help of the outside world.

This information comes from sources which Amnesty International considers trustworthy and reliable. In December the list was sent to President Bordaberry with the request for an impartial on site investigation. No reply has been received to date.

LUIS CARLOS BATALLA, MAY 25, 1972

The first and last death under torture to be officially admitted. Batalla was 32-years old, a building worker and father of two. He was not known to have been engaged in any illegal activities. It is believed that he was interrogated in an attempt to extract names of persons whom he thought might be linked with the Tupamaro guerrilla movement. No charges were brought against him, either before or after his death. He was arrested on May 20, 1972 and died five days later. The official death certificate read: "acute anemia caused by liver rupture." The Minister of Defense admitted on June 22, 1972, that the autopsy proved that Batalla's death had occurred under abnormal circumstances. A member of Parliament who witnessed the autopsy, Deputy Sosa Diaz, testified that he saw huge bruises, cutting wounds and other signs of torture all over the body.

EDISON MARIN, JUNE 3, 1972

An agricultural worker, Marin was among 106 prisoners who escaped from prison on September 6, 1971. Recaptured, he died at a military barrack, Regimiento de Caballeria No. 4, Montevideo. After severe torture, it is reported that he was staked to the ground and his body was torn by dogs. He died at the Military Hospital, where he was held in incommunicado.

HECTOR LORENZO JURADO AVELLANEDA, JULY 15, 1972

Methodist priest who died at the Military a few days after arrest. The official communique said he had committed suicide with a knife at the moment of capture. Although the results of the autopsy were not made public, it was reported that it revealed numerous signs of ill-treatment in addition to a bullet injury and a cutting wound.

CARLOS ALVARIZA, JULY 23, 1972

A 38-year old medical doctor and father of three, Alvariza was arrested on June 5, 1972 and died under torture. The official communique claimed he had tried to escape and had fallen from a height of 13 feet. Testimonies indicated that he was subjected to severe torture, including bouncing the body, hung from the feet, against a wall.

ROBERTO GOMENSORO, MARCH 12, 1973

A 23-year old student of agronomy and a member of the Federation of Uruguayan University Students. He was arrested on March 11, 1973 by a military patrol and the next day it was claimed that he had escaped. After insistent inquiries to military officials, his wife obtained, in April 1974, a death certificate dated shortly after the arrest. The body was never traced.

OSCAR FELIPE FERNANDEZ MENDIETA, MAY 25, 1973

An agricultural worker, he died in custody at a military barrack in Duranzo, Regimiento No. 2 de Caballeria. The military doctors certified that he had died of a heart attack, but could not explain the numerous marks and bruises all over his body.

GERARDO ALTER, AUGUST 22, 1973, AND WALTER HUGO ARTECHE, AUGUST 22, 1973

Alter was a 27-year-old Argentinian and member of the Argentinian Marxist guerilla movement, the People's Revolutionary Army (ERP). Arteche was also a 27-year old militant. Both died on August 22, 1973. It was officially announced that they had died in an armed confrontation. However, the official death certificate said "acute lung oedema", a contradiction which suggest they died as a result of torture. There was no indication that a gunbattle ever took place. The bodies wrapped in burlap were buried by the military in the Cemetery of the North.

HUGO LEONARDO DE LOS SANTOS MENDOZA, SEPTEMBER 1973

A young student of agronomy at the University of Montevideo, he was arrested and interrogated for suspected connections with the Tupamaros. This is one of the few cases which gained public knowledge and were taken into the courts. The body was returned to the family with a certificate citing lung oedema as the cause of death. An autopsy was performed by faculty members of the Medical Institute of the Judiciary. It proved beyond doubt that he had not died of lung oedema.

Furthermore, the body was covered with signs of severe beatings and mutilation, as well as marks apparently caused by electric shocks and evidence of extremely strong blows about the head. The real cause of death was fractures. The case was taken to the highest civilian judicial authorities, but, on August 29, 1974, the Government ordered a halt to the investigation by declaring it a "military secret", on the grounds that the investigation might "endanger the security of the state".

ALBERTO GOWLAND (OR COGHLAN), DECEMBER 19, 1973

A worker and leftwing militant, he was alleged tortured in five or six different military units. Near to death, he was taken to the Military Hospital, where he died after a few hours.

ALDO FERRINI GUALA, MARCH 5, 1974

A 34-year old grocer in the town of Carmelo and father of two. He was arrested on February 26, 1974. He died apparently while being subjected to the "submarine," a method of torture where the victim's head is plunged in water or excrement until near drowning. No intervention by the civil judge or autopsy were allowed. Neighbours testified that he was a peaceful citizen without known political activities.

AURA RAGGIO, 20 YEARS OLD, APRIL 21, 1974, SILVIA REYES, 19 YEARS OLD, APRIL 21, 1974

Both women were student's and militants. They were arrested during a house search in Montevideo. At the onset of the search another woman, Diana Maidanik, received 35 shots when she opened the door. Although the authorities claimed the three girls had died in cross-fire, neighbors saw Ms. Raggio, Ms. Reyes and two men being carried away by the security men. The next day, the bodies of the two girls were delivered to the families showing—besides bullet injuries—signs of beating and areas of the skull where large strands of hair had been pulled out.

ALBERTO BLANCO, MAY 12, 1974

He was one of the young men captured together with Laura Raggio and Silvia Reyes on April 21, 1974. On May 12, 1974, relatives were informed that he had died during an armed confrontation with the military. When relatives collected his body in Montevideo, they were reportedly made to sign a promise not to open his coffin, to bury him within four hours, and not to ask any questions. The funeral personnel who prepared the burial said the body had no legs.

NBYA SABALSAGARAY, JUNE 29, 1974

A 24-year-old teacher, she was arrested in Montevideo on June 29, 1974 and taken to a military unit where she died after being subjected to the "dry submarine," a method of suffocation with a plastic bag over the head. Only ten hours after arrest, relatives were informed that she had "committed suicide." Strong protest from the National Teachers Federation and other organizations yielded no results.

ANSELMO GARCIA, AUGUST 12, 1974

A bankworker at Banco de Seguros, Montevideo, and trade union leader, he was twice arrested and tortured. When released in August 1974 he travelled to Buenos Aires, but died shortly afterwards as a consequence of the severe torture received.

HORACIO MUJICA, NOVEMBER 1974

A young militant who died in a private clinic, Sanatorio No. 2 del Sindicato Medico, in November 1974, reportedly as a consequence of the delicate state of health after severe torture received during detention earlier the same year. It was reported that he was released because he was dying.

IVAN MORALES, NOVEMBER 22, 1974

Twenty-six years old, married and the father of three. He was arrested by plain-clothed personnel on November 20, 1974. Two days later, the body was delivered to a mortuary agency with the family's address and a notice that he had committed suicide. During the funeral services witnesses could see that he was disfigured by beatings and that he had a coarsely sutured cutting wound in the neck.

AMELIA LAVAGNA DE TIZZE, APRIL 29, 1975

Fifty-eight years old. Her husband, Mr. Jose Pedro Tizze, was arrested by the security forces on April 27, 1975 at their home in the city of Manantiales. The next day, the military broke into the house and took Mrs. Tizze. A few hours later, their daughter, Mrs. Amanda Tizze de Rezzano, was requested to collect the body of her mother. Official information was that Mrs. Tizze had poisoned herself during the house search. Relatives were forbidden to open the coffin and burial took place immediately. A few days later, the daughter and her husband, Mr. Hector Ressano—parents of two small children—were also arrested.

ALVARO BALBI, JULY 30, 1975

Balbi was a 32-year-old student of medicine, married with four children and another to be born. He was a business employee and amateur musician. Arrested with other workers during a meeting on July 29, 1975, they were reportedly taken to the offices of the police intelligence services—a known torture center. After his wife had tried unsuccessfully to establish his whereabouts, the body was delivered, two days later, on July 31, with the official explanation that he had suffered an asthma attack. However, the signs of torture were evident: fractures, liver rupture, burns and multiple bruises. There were indications that he died under the "submarine" torture.

Mr. Balbi was the son of Selmar Balbi, a well-known teacher, union leader and former member of the central committee of the Communist Party.

CARLOS CURUCHAGA, SEPTEMBER 26, 1975

A 63-year-old medical doctor in the town of Mercedes, who was arrested on July 10, 1975. Interrogated by the police intelligence service, despite the fact that he suffered from hemiplegia, paralysis of half of the body. The severe torture he suffered at the hands of the Montevideo political police aggravated his health condition seriously. He was interned in a public hospital under military guard, where he died on September 26, 1975.

PEDRO RICARDO LERENA MARTINEZ, SEPTEMBER 29, 1975

Thirty-three years old, a public employee, married, and the father of two. Reported to be one of the founder members of the MLN, he carried out public political activities until 1972. He was arrested on May 25, 1975.

On September 29, 1975, his body was delivered to the family with a notice that he had strangled himself. In spite of the prohibition to open the coffin, relatives examined the body and found marks of severe burns all over the body—apparently caused by soldering pipe—the two hands fractured, and the head bandaged. He had lost about 40 to 50 pounds of weight. No signs of strangulation were found.

Nor has the situation in Uruguay improved. The list sent to President Bordaberry today was drawn up in November. Since then two more cases of death by torture have become known to Amnesty International.

Argenta Estable, aged 64, died in a military hospital on December 17, 1975, as the result of the treatment he received at the second department of the National Directorate of Information and Intelligence and at the Third Infantry Barracks.

Julian Lopez was arrested on December 31 and died, after torture, on January 7, 1976. His body was delivered to his family in a closed coffin. The family was forbidden an autopsy and not allowed to open the coffin.

#### EXHIBIT 3.—EXCERPT ON MILITARY ASSISTANCE FOR URUGUAY

(From hearings before Foreign Operations Subcommittee of the Appropriations Committee, April 7, 1976, pages 804-807.)

Hearings before Foreign Operations Subcommittee of Appropriations Committee, Foreign Military Assistance, April 7, 1976.

Mr. KOCH. General, may I take you to Latin America for a change of pace? First, I would like to set the premise for my questioning. Would you agree with that it's the stated policy of the United States not to intervene in the internal affairs of other countries? Is that a fair statement?

General FISH. I think so. The State Department, do you agree?

Mr. KOCH. Okay. In looking through the justifications for military assistance in Latin America, I came across these notes with respect to these countries. I will read just a few of them. El Salvador, and I quote: "Internally there have been numerous terrorist acts, but there is no reason to believe they pose a serious threat to the present government". The request for military assistance there is \$3.1 million.

Guatemala: "The traditional internal insurgency has abated in recent years." We gave them \$1.1 million.

General FISH. Sir, that is from the Congressional presentation document?

Mr. KOCH. Yes. Nicaragua: "There exists in Nicaragua an insurgent organization capable of conducting rural raids and terrorist activities. The Nicaraguan Armed Forces are capable of coping with the insurgent activities." Their request is \$3.1 million. Uruguay: "Terrorism was a serious threat to the government in Uruguay during 1968 to 1973. This threat has been greatly reduced by the Uruguayan security forces, although the potential for terrorism remains." The request there is \$3 million.

Those are all quotes. There are others. One other note. I find it curious that Costa Rica, which has no defense forces and which therefore receives no military aid from the U.S., is one of the very few democracies left in Latin America. What I want to ask is this: Why do we use, as justification for military assistance, references to internal insurgencies that exist in these countries. I don't mean to suggest for a

moment that these insurgencies don't exist. Rather I wonder whether such an internal threat is sufficient for our supplying military assistance?

Mr. WINSHIP. (Aide from State Department). May I speak to that, Mr. Koch? The fact is that, as provided in the law, internal security is one of the threats to the existence of a friendly government, which we consider is authorized and is a legitimate purpose.

Mr. KOCH. I am interested in that. Your position is that if there is an internal threat, that that can be the basis for our providing military aid. That is to say, if there is some revolutionary force in Brazil, we will provide aid to the Government of Brazil to put down an internal insurgency?

Mr. WINSHIP. We provide security assistance as a factor in our bilateral relations with friendly foreign governments, friends and allies, and that is considered by the foreign governments a very essential element in their relationship with us.

Mr. KOCH. I will bet, for them, but how about for us? Didn't you agree with my statement that the U.S. would not intervene in the internal affairs of other countries, and yet didn't you also state that the U.S. considers a purely internal threat a legitimate reason for our providing military assistance?

Mr. WINSHIP. That is correct.

Mr. KOCH. How do you reconcile those two statements?

Mr. WINSHIP. I do not consider them contradictory.

Mr. KOCH. Explain that to me, please.

Mr. WINSHIP. Because the foreign government will be seeking its military equipment in any case, as pointed up by the Chairman at the beginning of the session.

It will—

Mr. KOCH. Wait a minute, if you will. That is another justification. The justification that you are raising now is that if we don't sell it, somebody else will. I haven't asked about that. What I'm asking is whether as one of the premises for providing military aid, you use the threat of a truly indigenous insurgency—good, bad, or indifferent—against a government? You've just told me on one occasion that we are not going to get involved in the internal affairs of another country, and then subsequently, you said yes, we are going to help governments put down insurgencies. Which is it?

Mr. WINSHIP. We are attempting to work with friendly governments to assist them in maintaining their security.

Mr. KOCH. Now Uruguay is now known as the torture house of Latin America. That is the judgement of Amnesty International after its investigations. Are you familiar with the fact that Uruguay now is alleged to surpass Chile in terms of torture?

Mr. WINSHIP. Mr. Williams from the Latin American Bureau is more familiar with that allegation.

Mr. KOCH. Is that a reasonable statement I just made?

Mr. WILLIAMS. That is Amnesty International's position.

Mr. KOCH. Would the State Department have a position?

Mr. WILLIAMS. I think it would be difficult to say.

Mr. KOCH. Which is worse?

Mr. WILLIAMS. Yes—

Mr. KOCH. They are both pretty bad.

Mr. WILLIAMS. I think that is a correct statement.

Mr. KOCH. Would you please tell me then why we should give to Uruguay, which is considered the charnal house of Latin America, \$3 million for its security forces? Doesn't that make us part and parcel of the torture operation?

General FISH. Sir, we are not giving them \$3 million. \$50,000 for grant assistance, \$500,000 for grant training: \$550,000 is the grant.

Mr. KOCH. I mean the request, isn't that \$3 million?

General FISH. \$2.5 million is for credit sales.

Mr. KOCH. Okay, when I say we give, I am not talking in terms of whether they pay for the military supplies. I suppose "furnish" is a more appropriate word. Why should we furnish \$3 million to a country that will use that aid against its people for terror purposes?

Mr. WILLIAMS. I don't think, Mr. Koch, you could equate our provision of security assistance with utilization of it to suppress its own population?

Mr. KOCH. Don't you agree there is no external threat to Uruguay? Is there any country that wants to take it over at the moment?

Mr. WILLIAMS. No.

Mr. KOCH. There isn't any.

Mr. WILLIAMS. That is correct.

Mr. KOCH. To give to the security forces it has when it has a reputation as the terror chamber of Latin America, do you suggest that those arms are then not going to be used against Uruguayans?

Mr. WILLIAMS. The obvious purpose of the threat is internal security, as I say.

Mr. KOCH. From Uruguayans?

Mr. WILLIAMS. Or Argentines, who have come across the border, but it is essentially an internal threat.

Mr. KOCH. Let me ask one more question. Didn't we pass legislation, not very long ago which bars our providing aid for internal police purposes?

Mr. WILLIAMS. Public Safety Programs.

Mr. KOCH. Public safety purposes.

Mr. WILLIAMS. That is correct.

Mr. KOCH. Do you distinguish between an internal situation as exists in Uruguay or Nicaragua or Guatemala from the armed forces we are funding? Are not those actually police functions that the army carries out?

Mr. WILLIAMS. The Defense Department has done a very, very careful study of the legislation, and with the police function in mind, and I think the record will show that there has been a scrupulous observation of the law in separating any police training from military security functions.

Mr. KOCH. Let me pursue that, if I may. Doesn't Nicaragua have only one force? As I recall, there is no police force per se, but the military carries out those functions.

Mr. WILLIAMS. It doesn't have an army as such it has a National Guard, but I am not certain about the police force.

Mr. KOCH. The single force is used for police purposes as well as armed services. Will you accept that as an accurate statement?

Mr. WILLIAMS. I can't answer that. I don't know.

Mr. KOCH. Well, if I am correct in that, aren't we then funding police functions? Are we not then funding police functions in a state that allegedly commits torture on its own citizens?

Mr. WILLIAMS. I can't accept the premise that the National Guard is involved in a police function.

Mr. KOCH. Okay, then, will you look into that?

Mr. WILLIAMS. I will look into it.

#### EXHIBIT 4.—THE POSITION OF THE CHURCHES IN URUGUAY

(From the Congressional Record, Apr. 5, 1976)

Mr. KOCH. Mr. Speaker, as the repression in Uruguay has intensified, many people there have turned to the Catholic and Protestant churches to voice their abhorrence of the torture and outrages which have become commonplace since the military took power in 1973. A report on the churches and the repression they are experiencing, prepared by Amnesty International, is appended for the information of my colleagues:

#### THE POSITION OF THE CHURCHES

The Uruguayan Bishops' Conference in 1969 condemned the use of violence and torture by the police and maintained that stand after the *autogolpe*, reaffirming that "it is not possible to hide death, physical punishment and torture" by the Government. With the growing restrictions in political life, and less participation on the part of political parties, a traditionally established institution such as the Church could become more a vehicle for the expression of opposition views. When important prelates, such as the Archbishop of Montevideo, Monsenor Carlos Partelli, showed an unwillingness to legitimize and cooperate, the military regime attempted to pressure the Church into adopting a docile attitude. General Forteza included the Church in Uruguay as one of the centers that had been subverted by international communism, "whose ruinous, villainous and treasonous actions must be once and forever expurgated. . . . Communism has reached the Church itself, violating in this institution the rights and obligations that the State has granted to the different religion." (La Opinion (Buenos Aires) 9/29/75).

The Protestant Church—which is even weaker than the Catholic Church in Uruguay—has also been a target of Government accusations. Evangelist publication Mensajero Valdense was closed in December '74.

A similar fate met the Catholic publication Vispera, closed by the Government on April 30, 1975, shortly after its editor, Hector Borrat, had been detained without charge for several days prior to his scheduled attendance of a world assembly of Catholic intellectuals, organized by Pax Romana.

As trade union and student movements became systematically persecuted and more and more bans were placed on political activities, the Church became the sole voice against violations of human rights.

Conscious of their unique role, the Catholic Church prelates have tried to use the Church as a means of mass communication to stress the public condemnation of the flagrant violations of human rights in Uruguay. A recent example was the pastoral letter, signed by the 15 bishops of the Uruguayan Episcopal Conference, which was to be read in all churches on October 12, 1975. The text included an appeal for "the widest possible amnesty" and a "withdrawal from the philosophy of hatred and violence." At the last moment, the Government banned its publication and the Church withdrew the letter from circulation to parishes and media.

The former Auxiliary Bishop of Montevideo, Andres Rubio, summed up the situation as follows: "The Uruguayan police tentatively watches the Catholic Church, controls the material circulated; several parishes and houses of clergymen have been subjected to searches and some priests have been arrested." (Excelsor, Mexico, 6/21/75).

Arrested priests have not been spared the treatment reserved for political prisoners. In 1970, Father Pier Luigi Mugioni, a Jesuit priest, was arrested and severely tortured. He later testified: "They gave me so much pimana (electric prod) that when I was transferred to Punta Carretas (the Montevideo prison), I still had the marks." The report of the World Council of Churches' mission in 1972 mentioned among the prisoners held incommunicado and without trial "three Methodist pastors and Many Roman Catholic Priests." Many of the thousands of political prisoners currently held in the Uruguayan prisons belong to organizations that have strong Christian traditions, such as Christian Democrats Ruben Laxalde, Victor Cayota, Daniel Sosa Diaz, Miguel Vasello, the representative of the World Student Christian Federation Juan Artola; a former Dominican nun, Maria Teresa Alessandro (accused of having links with the guerrilla movement); members of MAPU (Christian University student movement); Christian trade unionists; and Christian members of the banned Grupos de Accion Unificadora (GAU). Among the imprisoned, there are also a number of young Jews, such as Miguel Volinsky Schwarz and Jorge Mazzarovich.

## ADDITIONAL VIEWS OF HON. CLARENCE D. LONG

NEW STRATEGIES ARE NEEDED TO ACHIEVE EFFECTIVE POPULATION CONTROL

I am concerned about AID's population control programs and urge that new directions be sought.

Most of AID's efforts in previous years have been concentrated on family planning programs, as distinguished from national population planning. Family planning, while having some effect on birth rates, does not necessarily coincide with sound population policies. The families which people plan to have may still proliferate so as to cause overcrowding, food shortages, environmental degradation, economic misery, and social strife.

To be effective, population control strategies must go beyond the mass distribution of birth control devices and the abdication of population planning responsibilities to millions of individual couples. In order to avoid doubling the world's population within a few decades, population control must be the subject of national and international policies and programs.

As a matter of policy, nations can bring to bear legal, social, and economic pressures.

Marital age can be postponed by raising the minimum legal age for marriage, by family education programs and resulting peer and social pressure, by economic support for students, and by a widened role in society for women (emphasizing less traditional, nonfamily roles).

Within marriage, incentives for limiting births may be explored (e.g. stop taxing single people at higher rates than married persons, or end tax policies which discriminate against couples where both husband and wife work). Government programs which "reward" larger families, such as housing or education subsidies, could be modified. Laws regarding sterilization and pregnancy termination could be newly assessed. There have been experiments involving cash rewards for voluntary sterilization.

Research on these and other methods of population planning and control may be undertaken in order to achieve an appropriate population slowdown. Such research would also provide a rational basis for determining how much population control assistance the United States ought to channel to each country in the developing world.

CLARENCE D. LONG.

## ADDITIONAL VIEWS OF HON. CLARENCE D. LONG

### HELPING THE POOR HELP THEMSELVES—NEW DIRECTIONS IN ECONOMIC DEVELOPMENT

A generation ago the earth was inhabited by about 2.5 billion people, of whom almost a billion were the poor of the underdeveloped lands. Partly in pity, partly in alarm, and imagining that a lesson could be learned from the swift success of the Marshall Plan in Europe, the United States launched a foreign aid program for the underdeveloped nations.

In the years since, \$200 billion have been given, loaned and re-loaned for economic aid and military aid. Counting the interest paid on what we borrowed to give and lend, the cost of foreign aid to the United States has totaled more than a quarter of a trillion dollars.

The results of this massive outlay are sufficiently known: there are now four billion people, of which about one and one-half billion are poor. Although per capita income has risen here and there, frequently quite apart from foreign aid, any journey into the villages and the countryside will reveal that the poor are not only still with us but have grown with the population, which itself is proliferating to the extent that another century may see the earth so crowded, so depleted of minerals and fossil fuels, so fouled in its water and air, so torn with misery and hatred that the present may well be looked back upon as the good old days.

What to do? There is much urging that our foreign aid has failed because we have not spent nearly enough. Yet a little scribbling on an envelope can demonstrate that no scale of conventional aid could be sufficient to raise the world's poor by a quantum margin. One development project, proudly aimed at raising the income level of 11,000 poor families, is scheduled to cost \$1,000 per family. At this rate, it would cost \$300 billion—a hundred times what could be realistically forthcoming—to reach the majority of poor in the non-communist developing world.

At the same that many are realizing that foreign aid has not fulfilled its promise, so are they beginning to see the limits on the ability to continue foreign aid. The huge deficits, the inflation of prices and interest, the shortages of energy, the destruction of nature's heritage are all evidence that the shortage of capital in the developed nations must inevitably lead to a new and more restrictive philosophy of foreign aid.

Sooner or later a choice must be made—and better that it be sooner! On the one hand, we can let foreign aid continue to discredit itself through its failures and its inequities. On the other hand, we can try something new, or almost new—actually something so old that it has

been rediscovered and given a new name: "Intermediate technology," or "appropriate technology"; or, as I call it, "light capital technology."

Light capital technology consists of inexpensive tools and simple techniques which make use of the abundant resource of idle labor time in poor countries. These tools and techniques 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 earthmoving and mini-compaction devices) instead of large bulldozers, graders, and earth movers.

Heavy capital aid has heretofore been stressed partly out of sophistry and inertia, but also because it is profitable to politically influential firms. It is also enticing for the ruling elites in the recipient nations because of the money to be made on port developments, airport construction, dams, steel mills and similar projects; and partly for this, U.S. government officials have found it a useful diplomatic tool. To large numbers of the aid bureaucracy and the professors in the growth field, it has been the only kind of technology in which they had any expertise. You teach what you know!

The United States' philosophy of growth, thus oversold to the developing world, is one of bigness, speed, complexity, and disregard for what it is doing to the earth, the water and the air. It is beginning to dawn on thoughtful people—even Presidential candidates and Congressmen—that a new philosophy of growth is needed. Leaders of developing countries, of course, will be slow to welcome the proposition that now the United States and Western Europe have achieved industrial greatness, the latecomers should accept a permanent role of inferiority. No role, however, need be permanent. Whatever the ultimate goal, it is plain common sense that before the developing countries can run, they must walk. And to get from a crawl to a walk, they must first try light capital technologies.

### CONGRESSIONAL ACTION ON LIGHT CAPITAL TECHNOLOGY

The Congress has made clear, through authorizing legislation and through Appropriations Committee Report language, that it views light capital technology as a new and important focus of U.S. foreign aid and development policy.

In section 107 of the Foreign Assistance Act, Congress has authorized the allocation of \$20 million for a private sector effort in the development and dissemination of light capital technologies, and the FY 76 Appropriations Committee Report on foreign aid directs AID to move rapidly to implement this program with the aid of small, innovative organizations and without dissipating the \$20 million on overhead of contracting organizations or of AID. The FY 1977 Appropriations Committee Report on foreign aid appropriations states that light capital technology activities are expected eventually to expand beyond the \$20 million under Section 107 and that the ultimate goal should be endogenous development in poor nations.

An amendment to the Inter-American Development Bank authorization bill (now law) and Appropriations Committee language direct the U.S. Representatives to the multilateral development banks to take leadership in making light capital technologies a focus of the multilateral banks' development activities and in allocating a steadily increasing share of the banks' resources to light capital activities.

The Energy Research and Development Administration authorization bill (as reported to the House) urges ERDA to focus on intermediate energy technologies, and language in the Interior Appropriations bill report (FY 1977) directs ERDA to relate this program to the needs of developing countries.

Other Appropriations Committee report language and views go on to direct that innovative credit institutions be created to provide small loans to large numbers of small farmers and craftsmen. "AID should focus on generating attitudes, abilities, and institutions in poor countries to make appropriate technologies 'home-grown' with 'home-created' capital, and thus with the aim of making economic development endogenous rather than exogenous."

Light capital technologies "should be produced within the poor countries, 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 (cotton gin), Isaac Singer (sewing machine), Cyrus McCormick (reaper), and John Deere (steel plow)."

AID must confer prestige on those who work in light capital technologies so that those involved will have a career interest in promoting this approach.

National appropriate technology institutes in developing countries should be encouraged to help institutionalize the development of appropriate technologies in poor nations. Regional appropriate technology institutes should be developed to encourage quicker communication between and among developing countries with similar soil, climatic, and other conditions.

So far as multilateral banks are concerned, the FY 77 Appropriations Committee Report on foreign aid states that "the Committee strongly reiterates its view that activities in the field of intermediate or appropriate or light capital technology be a focus of activities in all sectors by the multilateral development banks. Further, the Committee expects to receive responses from the U.S. Representatives to these institutions regarding the banks' activities to date and their program for the future in light capital technology. These responses are expected to include a policy declaration on light capital technology, details on past and proposed activities and pilot projects, and a timetable according to which a steadily increasing share of the institutions' resources will be directed toward light capital activities."

#### A PROGRAM IN LIGHT CAPITAL TECHNOLOGY

These are broad outlines but the extent and success of the program will depend on the answers to a number of questions.

(1) What kind of organization will be set up to carry out the Section 107 Intermediate Technology program?

(2) How will the multilateral banks respond to the directions given to our United States Representatives to take leadership in making light capital technology a focus of the banks' activities and to allocate increasing shares of banks' resources to light capital technology?

(3) How can political leaders, entrepreneurs, and tillers of the soil in developing countries be induced to embrace light capital technology?

(4) What credit institutions can be set up to provide the small loans and the appropriate technological guidance?

(5) What should the role of developed nations be in providing ideas, materials, and equipment, without, at the same time, stifling efforts of the developing nations gradually to make light capital technology home grown?

(6) Are developing nations capable of home-grown technologies?

(7) How can various technology programs in different industries and nations be coordinated and cross-fertilized?

(8) How big a program should be envisioned? Is bigness a threat to a program whose philosophy is "small is beautiful"?

(9) What is the role of sophisticated capital infrastructure in a growing light capital technology? Complementary or competitive? Which comes first?

Can this new approach be expected to succeed? Who can say, after so many past hopes and promises have left us with little besides the hope that the promises will be forgotten?

But this much can be said.

The resources to be committed are small.

Light capital technology supplements, rather than displaces, the approaches of the past.

Light capital technology builds on what we have learned about human nature—that the human spirit thrives on its own accomplishments, and shrivels when it must live at the indulgence of others, however wise or well-meaning.

There are vast, untapped resources of ingenuity and effort in the lesser developed world ready to be tapped.

Light capital technology offers a new hope at a time of despair.

And if ever mankind needed hope, it is now.

CLARENCE D. LONG.

## SUPPLEMENTAL VIEWS OF HON. DAVID R. OBEY

This bill contains money for agricultural development, population control, health care, disaster relief and other humanitarian programs which represent the kind of foreign aid most Americans can support. Congress began to make changes in the international economic assistance program several years ago, and as a result many of the projects funded by this bill will now be directed toward the neediest people in the poorest countries of the world. The supporting assistance for the Middle East is also an important part of this foreign aid appropriations bill which contributes to the over-all foreign policy objectives of the United States in that crucial area of the world.

Despite these positive elements, I have strong reservations about several aspects of this bill:

1. It keeps economic and military assistance in one piece of legislation, although these programs represent two very different kinds of foreign aid and should be voted on separately.

2. The Committee increased grant military assistance (MAP) above last year's level at a time when Congress has decided that the program should be terminated, except on a country-by-country basis. The excessive amounts of money for MAP, Foreign Military Credit Sales and Military Training in this bill are used for programs which in most cases do not contribute one bit to the national security of the United States, but play an important part in maintaining the United States as the number one arms merchant in the world.

3. The Committee Report presents another problem when it attempts to defend the repressive policies of the South Korean government. This position is offensive and contrary to the basic principles for which this country is supposed to stand.

I am pleased, however, that the Committee Report on pages 6 and 7 includes language I proposed which directs that effective procedures be developed to notify prospective bidders that secondary boycott restrictions—primarily the Arab boycott—will not apply to any contracts funded under this bill.

### SEPARATE ECONOMIC AND MILITARY APPROPRIATIONS

Since I first came to Congress, I have opposed a foreign aid program which contains both economic assistance and military aid in one bill. Last year Congress passed a two-year economic assistance authorization which provided funds for agriculture, health, and other people-oriented development programs. Congress also has passed a separate military assistance authorization which deals with security and political issues. These two pieces of legislation reflect the growing recognition that economic and military foreign aid programs which contain such diverse elements and goals should be acted upon separately. It is disappointing that the Committee did not follow this approach and

(66)

provide Congress with a similar opportunity to vote on separate foreign aid appropriations bills.

### MILITARY ASSISTANCE

The Committee decided to fund the grant military assistance program (MAP) at a higher level than it did last year. In FY 1976, the Committee gave \$225 million. This bill increases it to \$270 million for FY 1977. This Committee action is unfortunate in light of the fact that many observers, including Administration officials, have concluded that the program is both wasteful and inefficient. Congress has recently decided to terminate MAP as it now exists.

In hearings on last year's bill, Administration witnesses admitted that our government could not name one external security threat for many of the countries receiving military equipment under this program. They could not name one Latin American country which we perceived to be facing across-border military threat.

Now the argument is made that the existence of external threats is often perceived quite differently by the recipient country and that every country is entitled to a sense of security. I grant that, but in instances where recipient countries see threats that we do not believe are there, wouldn't it be better to react to those illusions with the use of somebody else's money—through sales programs, for instance, rather than credits and grants? An increase cannot be justified for a military grant aid program which contributes so little to the security of the United States and can only be defended in the most vague and general terms by its supporters.

MAP, along with the Military Training program, is provided to 44 countries around the world. The Foreign Military Credit Sales program, which is also funded in this bill, will distribute more than \$2 billion in military equipment to 33 countries, including several of the very poorest. These programs, together with cash government-to-government and commercial sales, which are unaffected by this appropriations bill, make the United States by far the leading arms merchant in the world. Instead of contributing to the security of the United States, our arms sales and military assistance policies often associate us with the most repressive regimes, increase regional instability and work against the *long-range* interests as opposed to the *short-run* convenience of our country. Congress recently passed legislation which attempts to bring the total, massive arms transfer policy under control. It would have been appropriate for the Committee to help in this effort by making cuts in the military programs which are found in this bill.

### Korea

The Committee Report attempts to defend the repressive policies of the South Korean regime. The Report states on page 31 that—

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 as offensive and repugnant as I did when the Committee Report used the same excuse in the FY 1976 Report. If there are strategic interests which make it necessary for the United States to maintain ties with nondemocratic governments, and there often are, it does not follow that we have to excuse or condone the antidemocratic features of those governments. Just because we have a commitment to a country does not mean we have a commitment to policies of that country which are immoral, stupid, and shortsighted. 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?

Indeed not only idealism but self-interest may dictate that we not excuse violations of human rights in countries which are important to our interests. The Diem Government of South Vietnam, the Greek Military Junta, and the Portuguese dictatorship demonstrated governments which become repressive usually do so to cover-up internal weaknesses. As they become more and more detached from their own people, repressive regimes tend to create destabilizing situations which can eventually be detrimental to U.S. strategic interests.

#### Conclusion

While I may vote for this bill in the end, I cannot commend it to anyone because much of it represents poor public policy. Perhaps the best that can be said for it is that it is better than most foreign aid bills of the past. The economic assistance for the world's neediest, disaster assistance, and other similar provisions may warrant our support out of humanitarian concern and concern for our own national interest. But lumping it together with other programs of a far different nature and purpose make it awfully difficult to swallow. That is why I hope the Congress will insist that next year the bill be separated into its constituent parts—as was the case with the authorizing legislation earlier this year.

DAVID R. OBEY.

### COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1976 AND BUDGET ESTIMATES FOR 1977

#### 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]

Agency and item (1)	New budget (obligational) authority, 1976 (2)	Budget estimate of new (obligational) authority, 1977 (3)	Increase (+) or decrease (-) (4)
Economic assistance: Technical assistance: U.S. dollars advanced from foreign governments.....	\$6,000,000	\$6,000,000	0
Military assistance: Advances, foreign military sales (contract authorization).....	9,772,205,000	8,930,375,000	-\$841,830,000
Action: Miscellaneous trust funds.....	245,000	245,000	0
Total, permanent new budget (obligational) authority, trust funds.....	9,778,450,000	8,936,620,000	-\$841,830,000

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1976 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1977**

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

Agency and item  (1)	New budget (obligational) authority, fiscal year 1976. <sup>1</sup>  (2)	Budget estimates of new (obligational) authority, fiscal year 1977  (3)	New budget (obligational) authority recommended in bill  (4)	Bill compared with—	
				New budget (obligational) authority, fiscal year 1976  (5)	Budget estimates of new (obliga- tional) authority, fiscal year 1977  (6)
<b>TITLE I</b>					
<b>FOREIGN ASSISTANCE ACT ACTIVITIES</b>					
<b>Funds Appropriated to the President</b>					
<b>Economic Assistance</b>					
Food and nutrition, development assistance.....	\$ 426,600,000	\$ 537,900,000	\$ 475,000,000	\$ 48,400,000	\$ -62,900,000
Population planning and health, development assistance.....	<sup>1</sup> 146,400,000	229,900,000	200,000,000	53,600,000	-29,900,000
Education and human resources development, development assistance.....	60,800,000	79,100,000	70,000,000	9,200,000	-9,100,000
Technical assistance, energy, research, reconstruction and selected development programs, development assistance.....	57,400,000	74,000,000	70,000,000	12,600,000	-4,000,000
Subtotal.....	691,200,000	920,900,000	815,000,000	123,800,000	-105,900,000
Loans.....(	300,000,000)(	462,500,000)(	300,000,000)(	—)(	-162,500,000)
Grants.....(	391,200,000)(	458,400,000)(	515,000,000)(	123,800,000)(	56,600,000)
International organizations and programs.....	<sup>2</sup> 175,250,000	<sup>13</sup> 173,650,000	<sup>17</sup> 170,000,000	-5,250,000	-3,650,000
United Nations Environment Fund.....	7,500,000	5,000,000	5,000,000	-2,500,000	—
American schools and hospitals abroad.....	19,800,000	7,300,000	19,800,000	—	12,500,000
American schools and hospitals abroad (special foreign currency program).....(	7,000,000)(	7,000,000)(	7,000,000)(	—)(	—)
John McCormack center, St. John's Medical College (Special foreign currency program).....(	13,650,000)(	—)(	—)(	-13,650,000)(	—)
Indus Basin Development Fund, grants.....	9,000,000	—	—	-9,000,000	—
Indus Basin Development Fund, loans.....	10,000,000	—	—	-10,000,000	—
Contingency fund.....	5,000,000	10,000,000	5,000,000	—	-5,000,000
International disaster assistance.....	<sup>3</sup> 45,000,000	25,000,000	25,000,000	-20,000,000	—
African development program.....	5,000,000	—	—	-5,000,000	—
Cyprus relief and rehabilitation.....	25,000,000	—	—	-25,000,000	—
International narcotics control.....	37,500,000	34,000,000	34,000,000	-3,500,000	—
Payment to the Foreign Service Retirement and Disability Fund.....	16,680,000	16,680,000	16,680,000	—	—
Overseas training (special foreign currency program).....(	200,000)(	400,000)(	400,000)(	200,000)(	—)
Subtotal.....	1,046,930,000	1,192,530,000	1,090,400,000	43,550,000	-102,050,000
<b>Middle East Special Requirements Fund</b>					
Middle East special requirements fund.....	<sup>4</sup> 50,000,000	35,000,000	<sup>18</sup> 35,000,000	-15,000,000	—
<b>Security Supporting Assistance</b>					
Security supporting assistance.....	<sup>5</sup> 1,689,900,000	1,781,900,000	<sup>19</sup> 1,664,400,000	-25,500,000	-117,500,000
<b>Operating Expenses of the Agency for International Development</b>					
A.I.D. operating expenses.....	194,600,000	193,100,000	193,000,000	-1,600,000	-100,000
Total.....	2,981,430,000	3,202,530,000	2,982,880,000	1,450,000	-219,650,000

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1976 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1977**

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

Agency and item  (1)	New budget (obligational) authority, fiscal year 1976 <sup>1</sup>  (2)	Budget estimates of new (obligational) authority, fiscal year 1977  (3)	New budget (obligational) authority recommended in bill  (4)	Bill compared with—	
				New budget (obligational) authority, fiscal year 1976  (5)	Budget estimates of new (obliga- tional) authority, fiscal year 1977  (6)
<b>Military Assistance</b>					
<b>Military assistance:</b>					
Regular appropriation.....	225,000,000	279,000,000	<sup>20</sup> 270,000,000	45,000,000	-9,000,000
Appropriation to liquidate contract authority.....(	275,000,000)(	—)(	—)(	-275,000,000)(	—)
<b>International Military Education and Training</b>					
International military education and training.....	23,000,000	30,900,000	<sup>20</sup> 25,000,000	2,000,000	-5,900,000
<b>Inter-American Foundation</b>					
Inter-American Foundation (limitation on obligations).....(	7,500,000)(	7,018,000)(	7,000,000)(	-500,000)(	-18,000)
<b>Total, TITLE I.....</b>	<b><sup>6</sup>3,229,430,000</b>	<b><sup>14</sup>3,512,430,000</b>	<b>3,277,880,000</b>	<b>48,450,000</b>	<b>-234,550,000</b>
<b>TITLE II</b>					
<b>FOREIGN MILITARY CREDIT SALES</b>					
Foreign military credit sales.....	<sup>7</sup> 1,065,000,000	<sup>15</sup> 840,000,000	<sup>20</sup> 840,000,000	-225,000,000	—
<b>Total, titles I and II, new budget (obligational) authority.....</b>	<b>4,294,430,000</b>	<b>4,352,430,000</b>	<b>4,117,880,000</b>	<b>-176,550,000</b>	<b>-234,550,000</b>

72

**TITLE III  
FOREIGN ASSISTANCE (OTHER)**

**Independent Agency**

**Action - International Programs**

Peace Corps..... <sup>8</sup>81,266,000      67,155,000      <sup>22</sup>71,000,000      -10,266,000      3,845,000

**Department of Health,  
Education, and Welfare**

Cuban refugee assistance..... 85,000,000      82,000,000      82,000,000      -3,000,000      —  
Special assistance to refugees from Cambodia,  
Vietnam, and Laos in the United States..... (9)      50,000,000      50,000,000      50,000,000      —

**Department of State**

Migration and refugee assistance..... <sup>10</sup>9,023,000      10,000,000      10,000,000      977,000      —  
Assistance to refugees from the Soviet Union..... 15,000,000      —      15,000,000      —      15,000,000  
United states emergency refugee and migration  
assistance fund..... <sup>11</sup>15,000,000      —      —      -15,000,000      —

**Funds Appropriated to the  
President**

**International Financial Institutions**

**Asian Development Bank:**

Paid-in capital..... 24,126,982      24,127,000      12,064,000      -12,062,982      -12,063,000  
Callable capital..... 96,507,927      96,508,000      48,254,000      -48,253,927      -48,254,000  
Special funds..... 25,000,000      —      —      -25,000,000      —

**Total.....** 145,634,909      120,635,000      60,318,000      -85,316,909      -60,317,000

**Inter-American Development Bank:**

Paid-in capital..... —      1640,000,000      20,000,000      20,000,000      -20,000,000  
Callable capital..... —      16200,000,000      100,000,000      100,000,000      -100,000,000  
Fund for special operations..... 225,000,000      16200,000,000      100,000,000      -125,000,000      -100,000,000

**Total.....** 225,000,000      440,000,000      220,000,000      -5,000,000      -220,000,000

73

**COMPARATIVE STATEMENT OF NEW BUDGET (OBIGATIONAL) AUTHORITY FOR FISCAL YEAR 1976 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1977**

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

(1) Agency and item	(2) New budget (obligational) authority, fiscal year 1976	(3) Budget estimates of new (obligational) authority, fiscal year 1977	(4) New budget (obligational) authority recommended in bill	Bill compared with—	
				(5) New budget (obligational) authority, fiscal year 1976	(6) Budget estimates of new (obligational) authority, fiscal year 1977
International Development Association.....	320,000,000	375,000,000	320,000,000	---	-55,000,000
<b>Total, TITLE III.....</b>	<b>895,923,909</b>	<b>1,144,790,000</b>	<b>828,318,000</b>	<b>-67,605,909</b>	<b>-316,472,000</b>
TITLE IV EXPORT-IMPORT BANK OF THE UNITED STATES					
Limitation on program activity.....	( 5,619,945,000)	( 6,334,443,000)	( 6,334,443,000)	( 714,498,000)	( ---)
Limitation on administrative expenses..... <sup>12</sup>	( 11,682,000)	( 12,081,000)	( 12,081,000)	( 399,000)	( ---)
<b>Total.....</b>	<b>( 5,631,627,000)</b>	<b>( 6,346,524,000)</b>	<b>( 6,346,524,000)</b>	<b>( 714,897,000)</b>	<b>( ---)</b>
Grand total, new budget (obligational) authority, titles I, II, and III.....	5,190,353,909	5,497,220,000	4,946,198,000	-244,155,909	-551,022,000
<b>Total, TITLE IV.....</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>
<b>Total, HB(O)A.....</b>	<b>5,190,353,909</b>	<b>5,497,220,000</b>	<b>4,946,198,000</b>	<b>-244,155,909</b>	<b>-551,022,000</b>

- <sup>1</sup>Includes amounts in Second Supplemental Appropriation Bill (H.R. 13172) as passed by House.
- <sup>1a</sup>Placed a floor of \$103,000,000 on funds which could be used for population planning.
- <sup>2</sup>Placed a limitation of \$20,000,000 on the UNICEF program and earmarked not less than \$1,000,000 for the International Atomic Energy Agency to strengthen safeguards and inspections.
- <sup>3</sup>Earmarked \$25,000,000 only for Guatemala disaster relief.
- <sup>4</sup>Contained a provision prohibiting the use of these funds for the UN Relief and Works Agency.
- <sup>5</sup>Earmarked \$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.
- <sup>6</sup>Except for the contingency fund, prior year unobligated balances reappropriated.
- <sup>7</sup>Earmarked not less than \$1,500,000,000 for Israel out of the aggregate credit sale ceiling of \$2,374,700,000. The authorization bill only authorized appropriations of \$1,039,000,000 for this item and released Israel from repayment of one-half of her contractual liability (\$750,000,000).
- <sup>8</sup>Includes \$440,000 as provided in the 2d supplemental, fiscal year 1976, as passed the House. Earmarks \$7,995,000 for an increase in readjustment allowances (\$125).
- <sup>9</sup>\$100,000,000 was appropriated for this item in fiscal year 1975 and was made available until June 30, 1976. In addition, \$25,000,000 will be transferred into this account from the Department of State account.
- <sup>10</sup>Includes \$23,000 as provided in the 2d supplemental, fiscal year 1976, as passed the House. Placed a limitation of \$3,054,390 on funds available for the U.S. Refugee Program.
- <sup>11</sup>Includes \$10,000,000 as provided in the 2d supplemental, fiscal year 1976, as passed the House.
- <sup>12</sup>Includes an increase in limitation of \$270,000 as provided in the 2d supplemental, fiscal year 1976, as passed the House.
- <sup>13</sup>Includes a \$1,000,000 budget amendment for the International Atomic Energy Agency submitted in H. Doc. 94-477.
- <sup>14</sup>Prior year unobligated balances requested to be reappropriated.
- <sup>15</sup>This amount would be used to finance a credit sales program of \$2,059,600,000 of which \$1,000,000,000 would be for Israel. Administration has requested authority

to forgive Israel from repayment of \$500,000,000 of credit sales and to provide credit sales on a concessionary basis.

<sup>16</sup>Submitted as a budget amendment in S. Doc. 94-163.

<sup>17</sup>Placed a limitation of \$20,000,000 on the UNICEF program and earmarked not less than \$1,000,000 for the International Atomic Energy Agency to strengthen safeguards and inspections.

<sup>18</sup>Contained a provision prohibiting the use of these funds for the UN Relief and Works Agency.

<sup>19</sup>Earmarked \$735,000,000 for Israel, \$700,000,000 for Egypt, \$70,000,000 for Jordan and \$80,000,000 for Syria.

<sup>20</sup>No funds to be used to provide assistance to the Government of Uruguay.

<sup>21</sup>Earmarked not less than \$1,000,000,000 for Israel out of the aggregate credit sales ceiling of \$2,059,600,000. Authorization requested to forgive \$500,000,000 to Israel.

<sup>22</sup>Of this amount, \$10,058,000 shall be for ~~PLACE CORPS~~ volunteer readjustment allowance.

# Ninety-fourth Congress of the United States of America

## AT THE SECOND SESSION

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

### An Act

Making appropriations for Foreign Assistance and related programs for the fiscal year ending September 30, 1977, 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 Foreign Assistance and related programs for the fiscal year ending September 30, 1977, and for other purposes, namely:*

#### TITLE I—FOREIGN ASSISTANCE ACT ACTIVITIES

##### FUNDS APPROPRIATED TO THE PRESIDENT

For expenses necessary to enable the President to carry out the provisions of the Foreign Assistance Act of 1961, as amended, and for other purposes, to remain available until September 30, 1977, unless otherwise specified herein, as follows:

##### ECONOMIC ASSISTANCE

Food and nutrition, Development Assistance: For necessary expenses to carry out the provisions of section 103, \$505,000,000: *Provided*, That the amounts provided for loans to carry out the purposes of this paragraph shall remain available until expended.

Population planning and health, Development Assistance: For necessary expenses to carry out the provisions of section 104, \$214,000,000: *Provided*, That the amounts provided for loans to carry out the purposes of this paragraph shall remain available until expended: *Provided further*, That of the funds made available for population planning and health, not less than \$15,000,000 shall be only available for programs providing training to auxiliary or paramedical personnel who will be engaged in the delivery of health and family planning services to rural areas.

Education and human resources development, Development Assistance: For necessary expenses to carry out the provisions of section 105, \$70,000,000: *Provided*, That the amounts provided for loans to carry out the purposes of this paragraph shall remain available until expended.

Technical assistance, energy, research, reconstruction, and selected development problems, Development Assistance: For necessary expenses to carry out the provisions of section 106, \$67,000,000: *Provided*, That the amounts provided for loans to carry out the purposes of this paragraph shall remain available until expended.

Loan allocation, Development Assistance: Of the new obligational authority appropriated under this Act to carry out the provisions of sections 103–106, not less than \$300,000,000 shall be available for loans for fiscal year 1977: *Provided*, That of the amount made available for loans, not to exceed \$210,000,000 of such amount shall be available for loans repayable within forty years following the date on which the funds were initially made available under the loan: *Provided*

*further*, That not to exceed \$60,000,000 of such amount shall be available for loans repayable within thirty years following such date: *Provided further*, That not to exceed \$30,000,000 of such amount shall be available for loans repayable within twenty years following such date.

International organizations and programs: For necessary expenses to carry out the provisions of section 301, \$187,000,000: *Provided*, That not 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 for a contribution to the International Atomic Energy Agency to strengthen the Agency's safeguards program: *Provided further*, That not less than \$100,000,000 shall be available only for the United Nations Development Program: *Provided further*, That none of the funds appropriated or made available pursuant to this Act shall be used to supplement the funds provided to the United Nations Development Program in fiscal year 1976.

United Nations Environment Fund: For necessary expenses to carry out the provisions of section 2 of the United Nations Environment Program Participation Act of 1973, \$10,000,000.

American schools and hospitals abroad: For necessary expenses to carry out the provisions of section 214, \$19,800,000.

American schools and hospitals abroad (special foreign currency program): For necessary expenses to carry out the provisions of section 214, \$7,000,000 in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States, to remain available until expended.

Indus Basin Development Fund, grants: For necessary expenses to carry out the provisions of section 302(b)(2) with respect to Indus Basin Development Fund, grants, \$15,750,000.

Contingency fund: For necessary expenses, \$5,000,000, to be used for the purposes set forth in section 451.

International disaster assistance: For necessary expenses to carry out the provisions of section 491, \$25,000,000.

International narcotics control: For necessary expenses to carry out the provisions of section 481, \$34,000,000.

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.

Overseas training (special foreign currency program): For necessary expenses to carry out the provisions of section 612, \$400,000 in foreign currencies which the Treasury Department declares to be excess to the normal requirements of the United States.

Lebanon Relief and Rehabilitation assistance: For necessary expenses to carry out the provisions of section 495C, \$20,000,000.

Except for the Contingency Fund, unobligated balances as of September 30, 1976, of funds heretofore made available under the authority of the Foreign Assistance Act of 1961, as amended, except as otherwise provided by law, are hereby continued available for the fiscal year 1977, for the same purposes for which appropriated and amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made under the authority of the Foreign Assistance Act of 1961, as amended, for the same purpose as any of the subparagraphs under "Economic Assistance," "Middle East Special Requirements Fund," "Security Supporting Assistance," "Operating Expenses

of the Agency for International Development," "International Military Education and Training," and "Indochina Postwar Reconstruction Assistance," are hereby continued available for the same period as the respective appropriations in such subparagraphs for the same purpose: *Provided*, That such purpose relates to a project or program previously justified to Congress, and the Committees on Appropriations of the House of Representatives and the Senate are notified prior to the reobligation of funds for such projects or programs.

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, grants," "International narcotics control," "Middle East special requirements fund," "Security supporting assistance," "Operating Expenses of the Agency for International Development," "Military assistance," "International military education and training," "Inter-American Foundation," "Peace Corps," "Cuban refugee assistance," "Special assistance to refugees from Cambodia, Vietnam, and Laos in the United States," "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 fiscal year 1977 unless the Appropriations Committees of both Houses of the Congress are previously notified fifteen days in advance.

#### MIDDLE EAST SPECIAL REQUIREMENTS FUND

Middle East special requirements fund: For necessary expenses to carry out the provisions of section 901 and section 903 of the Foreign Assistance Act of 1961, as amended, \$23,000,000: *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.

#### SECURITY SUPPORTING ASSISTANCE

Security supporting assistance: For necessary expenses to carry out the provisions of section 531 of the Foreign Assistance Act of 1961, as amended, \$1,734,700,000: *Provided*, That of the funds appropriated under this paragraph, \$735,000,000 shall be allocated to Israel, \$700,000,000 shall be allocated to Egypt, \$70,000,000 shall be allocated to Jordan, \$17,500,000 shall be allocated for Cyprus, \$55,000,000 shall be allocated for Portugal, \$80,000,000 shall be allocated to Syria, \$14,000,000 shall be allocated for Botswana and for regional training programs, not to exceed \$20,000,000 shall be allocated to Zaire, and not to exceed \$20,000,000 shall be allocated to Zambia: *Provided, further*, That \$7,000,000 of this appropriation shall be available only upon ratification of the Treaty of Friendship and Cooperation Between Spain and the United States of America.

H. R. 14260—4

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT

For "Operating Expenses of the Agency for International Development", \$192,000,000.

MILITARY ASSISTANCE

Military assistance: For necessary expenses to carry out the provisions of section 503 of the Foreign Assistance Act of 1961, as amended, including administrative expenses and purchase of passenger motor vehicles for replacement only for use outside of the United States, \$247,300,000: *Provided*, That none of the funds contained in this paragraph shall be available for the purchase of new automotive vehicles outside of the United States: *Provided further*, That \$15,000,000 of this appropriation shall be available only upon ratification of the Treaty of Friendship and Cooperation Between Spain and the United States of America.

INTERNATIONAL MILITARY EDUCATION AND TRAINING

International military education and training: For necessary expenses for "International military education and training," \$25,000,000: *Provided*, That \$2,000,000 of this appropriation shall be available only upon ratification of the Treaty of Friendship and Cooperation Between Spain and the United States of America.

OVERSEAS PRIVATE INVESTMENT CORPORATION

The Overseas Private Investment Corporation is authorized to make such expenditures within the limits of funds available to it and in accordance with law (including not to exceed \$10,000 for entertainment allowances), and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended (31 U.S.C. 849), as may be necessary in carrying out the program set forth in the budget for the current fiscal year.

INTER-AMERICAN FOUNDATION

The Inter-American Foundation is authorized to make such expenditures within the limits of funds available to it and in accordance with the law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended (31 U.S.C. 849), as may be necessary in carrying out its authorized programs during the current fiscal year: *Provided*, That not to exceed \$7,000,000 shall be available to carry out the authorized programs during the current fiscal year.

GENERAL PROVISIONS

SEC. 101. None of the funds herein appropriated (other than funds appropriated for "International organizations and programs") shall be used to finance the construction of any new flood control, reclamation, or other water or related land resource project or program which has not met the standards and criteria used in determining the feasibility of flood control, reclamation, and other water and related land resource programs and projects proposed for construction within the United States of America as per memorandum of the President dated May 15, 1962.

SEC. 102. Except for the appropriations entitled "Contingency fund", "International disaster assistance", and appropriations of funds to be used for loans, not more than 20 per centum of any appropriation item made available by this title for fiscal year 1977 shall be obligated and/or reserved during the last month of availability.

SEC. 103. None of the funds herein appropriated nor any of the counterpart funds generated as a result of assistance hereunder or any prior Act shall be used to pay pensions, annuities, retirement pay, or adjusted service compensation for any persons heretofore or hereafter serving in the armed forces of any recipient country.

SEC. 104. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used for making payments on any contract for procurement to which the United States is a party entered into after the date of enactment of this Act which does not contain a provision authorizing the termination of such contract for the convenience of the United States.

SEC. 105. Of the funds appropriated or made available pursuant to this Act, not more than \$12,000,000 may be used during the current fiscal year in carrying out centrally funded research under sections 105 and 106 of the Foreign Assistance Act of 1961, as amended.

SEC. 106. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used to pay in whole or in part any assessments, arrearages, or dues of any member of the United Nations.

SEC. 107. None of the funds contained in title I of this Act may be used to carry out the provisions of sections 209(d) and 251(h) of the Foreign Assistance Act of 1961, as amended.

SEC. 108. None of the funds appropriated or made available pursuant to this Act shall be used to provide assistance to the Democratic Republic of Vietnam (North Vietnam), South Vietnam, Cambodia, or Laos.

SEC. 109. Of the funds appropriated or made available pursuant to this Act, not to exceed \$108,000 shall be for official residence expenses of the Agency for International Development during the fiscal year ending September 30, 1977.

SEC. 110. Of the funds appropriated or made available pursuant to this Act, not to exceed \$20,000 shall be for entertainment expenses of the Agency for International Development during the fiscal year ending September 30, 1977.

SEC. 111. Of the funds appropriated or made available pursuant to this Act, not to exceed \$96,000 shall be for representation allowances of the Agency for International Development during the fiscal year ending September 30, 1977.

SEC. 112. Of the funds appropriated or made available pursuant to this Act, not to exceed \$75,000 shall be for entertainment expenses relating to the Military Assistance Program, International Military Education and Training, and Foreign Military Credit Sales during the fiscal year ending September 30, 1977.

## TITLE II—FOREIGN MILITARY CREDIT SALES

### FOREIGN MILITARY CREDIT SALES

For expenses not otherwise provided for, necessary to enable the President to carry out the provisions of the Foreign Military Sales Act, \$740,000,000: *Provided*, That of the amount provided for the total

H. R. 14260—6

aggregate credit sale ceiling during the current fiscal year, not less than \$1,000,000,000 shall be allocated to Israel.

TITLE III—FOREIGN ASSISTANCE (OTHER)

INDEPENDENT AGENCY

ACTION—INTERNATIONAL PROGRAMS

PEACE CORPS

For expenses necessary for Action to carry out the provisions of the Peace Corps Act, as amended (22 U.S.C. 2501 et seq.), \$80,000,000: *Provided*, That of this amount \$49,563,000 shall be available for the direct support of volunteers: *Provided further*, That no less than \$3,600,000 of this amount shall be available only for the overseas technical support of volunteers.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

CUBAN REFUGEE ASSISTANCE

For expenses necessary to carry out the provisions of the Migration and Refugee Assistance Act of 1962 (Public Law 87-510), relating to aid to Cuban refugees within the United States, including hire of passenger motor vehicles, and services as authorized by 5 U.S.C. 3109, \$82,000,000.

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

For assistance to refugees from Cambodia, Vietnam, and Laos in the United States, \$50,000,000: *Provided*, That all funds in this account shall remain available through September 30, 1977.

DEPARTMENT OF STATE

MIGRATION AND REFUGEE ASSISTANCE

For expenses, not otherwise provided for, necessary to enable the Secretary of State to provide, as authorized by law, a contribution to the International Committee of the Red Cross and assistance to refugees, including contributions to the Intergovernmental Committee for European Migration and the United Nations High Commissioner for Refugees; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801-1158); allowances as authorized by 5 U.S.C. 5921-5925; hire of passenger motor vehicles; and services as authorized by 5 U.S.C. 3109; \$10,000,000 of which not to exceed \$8,171,000 shall remain available until December 31, 1977: *Provided*, That no funds herein appropriated shall be used to assist directly in the migration to any nation in the Western Hemisphere of any person not having a security clearance based on reasonable standards to insure against Communist infiltration in the Western Hemisphere.

H. R. 14260—7

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

For necessary expenses to carry out the provisions of section 101(b) of the Foreign Relations Authorization Act of 1972 and the provisions of section 105 of the Foreign Relations Authorization Act, Fiscal Year 1977, \$15,000,000.

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL FINANCIAL INSTITUTIONS

INVESTMENT IN ASIAN DEVELOPMENT BANK

For payment by the Secretary of the Treasury of the third and final installment of the United States subscription to the paid-in capital stock and the callable capital stock of the Asian Development Bank, authorized by the Asian Development Bank Act of December 22, 1974 (Public Law 93-537), \$90,477,000, to remain available until expended.

INVESTMENT IN INTER-AMERICAN DEVELOPMENT BANK

For payment to the Inter-American Development Bank by the Secretary of the Treasury for the United States share of the increase in subscription to (1) paid-in capital stock, (2) callable capital stock, and (3) the United States share of the increase in the resources of the Fund for Special Operations, \$270,000,000, to remain available until expended.

INVESTMENT IN INTERNATIONAL DEVELOPMENT ASSOCIATION

For payment by the Secretary of the Treasury of the second installment of the United States contribution to the fourth replenishment of the resources of the International Development Association as authorized by the International Development Association Act of August 14, 1974 (Public Law 93-373), \$375,000,000, to remain available until expended.

INVESTMENT IN AFRICAN DEVELOPMENT FUND

For payment by the Secretary of the Treasury of a United States contribution to the African Development Fund as authorized by the Act of May 31, 1976 (Public Law 94-302), \$10,000,000, to remain available until expended.

TITLE IV—EXPORT-IMPORT BANK OF THE  
UNITED STATES

The Export-Import Bank of the United States is hereby authorized to make such expenditures within the limits of funds and borrowing authority available to such corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the program set forth in the budget for the current fiscal year for such corporation, except as hereinafter provided.

LIMITATION ON PROGRAM ACTIVITY

Not to exceed \$6,334,443,000 (of which not to exceed \$3,875,000,000 shall be for equipment and services loans) shall be authorized during the current fiscal year for other than administrative expenses.

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed \$12,081,000 (to be computed on an accrual basis) shall be available during the current fiscal year for administrative expenses, including hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109, and not to exceed \$24,000 for entertainment allowances for members of the Board of Directors: *Provided*, That (1) fees or dues to international organizations of credit institutions engaged in financing foreign trade, (2) necessary expenses (including special services performed on a contract or a fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Bank or in which it has an interest, including expenses of collections of pledged collateral, or the investigation or appraisal of any property in respect to which an application for a loan has been made, and (3) expenses (other than internal expenses of the Bank) incurred in connection with the issuance and servicing of guarantees, insurance, and reinsurance, shall be considered as nonadministrative expenses for the purposes hereof.

TITLE V—GENERAL PROVISIONS

SEC. 501. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes within the United States not heretofore authorized by the Congress.

SEC. 502. No part of any appropriation contained in this Act shall be used for expenses of the Inspector General, Foreign Assistance, after the expiration of the thirty-five day period which begins on the date the General Accounting Office or any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering foreign assistance legislation, appropriations, or expenditures, has delivered to the Office of the Inspector General, Foreign Assistance, a written request that it be furnished any document, paper, communication, audit, review, finding, recommendation, report, or other material in the custody or control of the Inspector General, Foreign Assistance, relating to any review, inspection or audit arranged for, directed, or conducted by him, unless and until there has been furnished to the General Accounting Office or to such committee or subcommittee, as the case may be, (A) the document, paper, communication, audit, review, finding, recommendation, report, or other material so requested or (B) a certification by the President, personally, that he has forbidden the furnishing thereof pursuant to such request and his reason for so doing.

SEC. 503. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 504. 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.

Sec. 505. None of the funds appropriated or made available pursuant to this Act shall be used to provide military assistance, international military education and training, or foreign military credit sales to the Government of Uruguay.

Sec. 505A. Not to exceed \$1,626,000 of the funds appropriated or made available pursuant to this Act for fiscal year 1977 shall be made available to the Office of the Inspector General of Foreign Assistance.

Sec. 506. None of the funds appropriated or made available pursuant to this Act shall be available to any international financial institution whose United States' representative cannot upon request obtain the amounts and the names of borrowers for all loans of the international financial institution, including loans to employees of the institution or the compensation and related benefits of employees of the institution.

This Act may be cited as the "Foreign Assistance and Related Programs Appropriations Act, 1977".

*Speaker of the House of Representatives.*

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