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COMMITTEE PRINT

FIRST CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 1977

VIEWS AND ESTIMATES REPORT

OF THE

COMMITTEE ON INTERNATIONAL RELATIONS

TOGETHER WITH

MINORITY VIEWS

TO THE

COMMITTEE ON THE BUDGET

CONCERNING THE

BUDGET FOR FISCAL YEAR 1977 AND FOR THE TRANSITION QUARTER

SUBMITTED PURSUANT TO SECTION 301(c) OF THE CONGRESSIONAL BUDGET ACT OF 1974

MARCH 15, 1976

Printed for the use of the Committee on International Relations

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LETTER OF TRANSMITTAL

U.S. House of Representatives,
Committee on International Relations,
Washington, March 15, 1976.

Hon. Brock Adams,
Chairman, Committee on the Budget,
U.S. House of Representatives,
Washington, D.C.

Dear Mr. Chairman: By direction of the Committee on International Relations, I submit herewith the views and estimates report required by section 301(c) of the Congressional Budget Act of 1974 in connection with the First Concurrent Resolution on the Budget, Fiscal Year 1977.

Sincerely yours,

Thomas E. Morgan, *Chairman.*

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PART I

VIEWS AND ESTIMATES OF THE COMMITTEE ON INTERNATIONAL RELATIONS CONCERNING THE BUDGET FOR FISCAL YEAR 1977

67-541—76——2

INTRODUCTION

The levels recommended in the following tables were agreed to by the Committee on International Relations in meetings held on March 9, 10, and 11, 1976. For the most part, they are based on (a) completed authorization action by the Congress or by the Committee on International Relations, (b) the President's budget requests which the Committee on International Relations supports, and (c) reductions or increases in the President's budget requests consistent with previous positions of the Committee on International Relations.

The Committee on International Relations wishes to point out that estimates of outlays for items which are contained in the Foreign Assistance and Related Programs Appropriation bill for fiscal year 1976 and the transition quarter are based on budget request levels. After final passage of fiscal year 1976 and transition quarter appropriation legislation, the fiscal year 1977 outlay levels for these items will have to be adjusted to reflect the actual appropriation amounts contained in that legislation.

The Committee on International Relations also wishes to note that while it does not have legislative jurisdiction over international financial institutions—such as the International Development Association (IDA), the Inter-American Development Bank (IDB), and the Asian Development Bank—it is interested in the budgetary aspects of these institutions for several reasons.

First, this committee has specific oversight responsibility with respect to these institutions.

Second, the committee has a strong interest in all facets of international development and relations with the developing countries.

Third, and most important from the standpoint of this report, the committee would like to assure that the ceilings and targets established in the congressional budget process take into account all the funds which are likely to be requested and appropriated for these institutions in fiscal year 1977. The committee expresses this concern because in fiscal year 1976 the first budget resolution did not reflect amounts which were requested but which were not appropriated for the previous fiscal year. As a result, items that slipped from fiscal year 1975 to fiscal year 1976 had to be accommodated in target and ceiling levels which were established without regard to those items.

Therefore, the committee strongly urges that, this year, the Committee on the Budget specifically take into account the probability that substantial portions of the amounts requested for international financial institutions for fiscal year 1976 will not be appropriated in this fiscal year and will, therefore, slip into fiscal year 1977. Unless the congressional budget process does take this probability into account in establishing targets and ceilings for fiscal year 1977, it will foster a perpetuation of the delays in appropriations which have in turn delayed the U.S. contributions to various international institutions, to the detriment of the foreign policy interests of the United States. It will, in addition, add to the pressure—already substantial—to reduce other items in the international affairs function.

PRESIDENT'S BUDGET REQUESTS FOR EXISTING PROGRAMS WHICH REQUIRE REENACTMENT OR MODIFICATION OF AUTHORIZING LEGISLATION FOR FISCAL YEAR 1977

INTERNATIONAL SECURITY ASSISTANCE

Grant Military Assistance

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
050	(1)	**294,000**	**222,500 (−71,500)**	**380,000**	**357,000 (−23,000)**

[1] Pending.

COMMITTEE COMMENT

The recommended levels for the grant military assistance program are consistent with both the House and Senate versions of fiscal year 1976 authorizing legislation for security assistance. Both bills contain provisions which terminate grant military assistance programs at the end of fiscal year 1977, except where specifically authorized by the Congress.

The recommended level for budget authority in fiscal year 1977 would provide $152.5 million for the eight countries specified in pending fiscal year 1976 authorizing legislation, $25 million for nine unspecified countries, and $45 million for support costs.

Foreign Military Education and Training

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
050	(1)	**32,900**	**28,200 (−4,700)**	**30,000**	**28,000 (−2,000)**

[1] Pending.

COMMITTEE COMMENT

Pending fiscal year 1976 authorizing legislation for security assistance retains the grant military education and training program as a separate authority. Because of the program's value to U.S. interests, it was decided by the committee that grant training should not be phased out in conjunction with the grant materiel assistance program.

The recommended reduction in the President's request would permit the grant training program to continue at the level approved by the House in the fiscal year 1976 authorization bill which deletes Brazil and Venezuela from the list of participating governments.

Foreign Military Sales Credits

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
050	(1)	**852,000**	**852,000**	**695,000**	**695,000**

[1] Pending.

COMMITTEE COMMENT

A major consideration involved in the committee's decision to terminate grant military assistance programs at the end of fiscal year 1977 was that, in lieu of this source of military equipment, recipient governments should have access to U.S. defense articles and services on a basis that will maintain a credible defense capability for our friends and allies while facilitating a smooth transition from grants to sales. The most equitable way to provide such access is through the military sales credit program.

The President's request for budget authority and outlays would support a total program of $2,179,600,000, as compared to a program level of $2,374,700,000 in fiscal year 1976. The largest single portion of the total program, $1 billion, is planned for Israel, for which repayment of $500 million would be forgiven.

Security Supporting Assistance

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150	(1)	**1,808,500**	**1,808,500**	**1,395,500**	**1,395,500**

[1] Pending.

COMMITTEE COMMENT

The bulk of the President's budget authority request, $1.7 billion, would go to the following Middle East countries: Israel, $785 million; Egypt, $750 million; Jordan, $77.5 million; and Syria, $90 million.

The committee believes this emphasis is justified in view of the relationship of such assistance to peace efforts in the Middle East, a region of vital importance to the United States.

The balance of the request is programed for Portugal, Cyprus, Bahrain, and Malta.

Middle East Special Requirements Fund

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150	(1)	**35,000**	**35,000**	**36,780**	**36,780**

[1] Pending.

COMMITTEE COMMENT

The committee, and Congress as a whole, have approved the full executive branch request for the Fund during its 2-year existence. The executive branch plans for the Fund in fiscal year 1977 are as follows: (1) $15 million is programed for the American Sinai Early Warning Support Mission; (2) $3 million will be used for development activities on the West Bank and in Gaza in accordance with the committee's report which accompanied the Foreign Assistance Act of 1974; (3) the remaining $17 million will be used on a contingency basis.

Contingency Fund

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150	(1)	**10,000**	**5,000 (−5,000)**	**8,651**	**6,651 (−2,000)**

[1] Pending.

COMMITTEE COMMENT

The recommended reduction in the President's request for the contingency fund is consistent with both the House and Senate versions of legislation authorizing security assistance for fiscal year 1976, which reduce the President's request for a $10 million revolving contingency fund by $5 million and keep the authorization on an annual basis.

According to AID, the Fund is being operated at a rate of $1.8 million under the Continuing Resolution for the current fiscal year. None of these funds have been obligated to date.

International Narcotics Control

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150	(1)	**34,000**	**34,000**	**38,000**	**38,000**

[1] Pending.

COMMITTEE COMMENT

The President's budget authority request of $34 million is $8.5 million below his request for fiscal year 1976. The reduction below the traditional request of $42.5 million is due to the availability of unobligated balances from prior year appropriations.

DEPARTMENT OF STATE

Based upon agreements between the Department of State and 24 other agencies operating overseas, the Department has instituted a Foreign Affairs Administrative Support system (FAAS) to replace the previous Shared Administrative Support system (SAS).

The Department provides a number of administrative support activities and facilities for these agencies overseas. Under the SAS the appropriations of each agency included a sum for such support. Under the new FAAS, reflected in the fiscal year 1977 budget, all of these administrative costs are included in the State Department budget and the budgets of the other agencies reduced in equivalent amounts.

The new system represents no increase in overall costs to the Government; it is a bookkeeping arrangement. This approach is supported by the GAO.

The introduction of this new system accounts for an increase of $69.9 million in the Department's fiscal year 1977 budget.

Administration of Foreign Affairs

[In thousands of dollars]

	Budget authority			Outlays	
Budget function	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150	(1)	**551,955**	**552,455 (+500)**	**[2] 509,320**	**[2] 509,820 (+500)**

[1] Pending.
[2] Outlays for payments to the Foreign Service retirement and disability fund are included in outlays shown on page 41.

COMMITTEE COMMENT

This sum covers salaries, expenses, and allowances of the officers and employees of the Department, both in the United States and abroad; representation allowances abroad, to which the committee added $500,000; emergencies in the Diplomatic and Consular Service; executive direction and policy formulation; administrative and staff activities; and a payment of $8,055,000 to the Foreign Service retirement and disability fund for the unfunded liability created by new statutes which liberalize benefits or increase salaries on which benefits are computed.

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International Organizations and Conferences

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150	(1)	**338,875**	**363,925 (+25,050)**	**322,217**	**347,267 (+25,050)**

[1] Pending.

COMMITTEE COMMENT

This sum defrays the assessments of the United States in international organizations and pays the costs of U.S. participation in international conferences. It includes the U.S. share of the cost of the United Nations and its specialized agencies as well as 12 regional organizations and 17 smaller international organizations. From it are paid the expenses of seven missions which represent the United States at the headquarters of certain of these organizations. Included is $45 million for Middle East peacekeeping activities. It will also defray expenses of the U.S. delegation which will host the annual meeting this year of the North Atlantic Assembly, for which an additional $50,000 has been included. The additional $25 million for UNESCO recommended by the committee is strictly a contingency fund to provide for the U.S. share of its regular assessment to UNESCO should the situation change to the point where the U.S. desires to resume its participation in this agency. That sum includes a residual payment due for its 1974 assessment as well as its assessment for calendar year 1975. Unless there is a change in the current situation within UNESCO, it is most unlikely that the Congress would authorize any funds for further participation.

Educational Exchange

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150	(1)	**68,500**	**68,500**	[2] **60,681**	[2] **60,681**

[1] Pending.
[2] Includes $15,000,000 for preservation of ancient Nubian monuments (special foreign currency programs).

COMMITTEE COMMENT

This sum will enable the Secretary of State to carry out his functions under the provisions of the Mutual Educational and Cultural Exchange Act as well as provide support to the East-West Center associated with the University of Hawaii.

Migration and Refugee Assistance

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150	(1)	**10,000**	**10,000**	**10,693**	**10,693**

[1] Pending

COMMITTEE COMMENT

This sum provides for U.S. assistance to migrants and refugees through contributions to the Intergovernmental Committee for European Migration, the United Nations High Commissioner for Refugees, the International Committee for the Red Cross and direct assistance to or on behalf of refugees from various countries through voluntary agencies.

Foreign Buildings Operations

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150	[1] **55,202**	[2] **72,735**	[2] **72,735**	**50,644**	**50,644**

[1] Supplemental authorization request of $31,458,000 is pending.
[2] Of which $5,535,000 is for the purchase of foreign currencies from the U.S. Treasury which are considered excess to U.S. needs.

COMMITTEE COMMENT

A small portion of this sum will permit the acquisition, development, and construction of office buildings abroad used by many civilian agencies of the United States as well as residences for diplomatic and consular personnel. The principal portion is for the operation and maintenance of these properties. The program is authorized at 2-year intervals. Last year Congress authorized $55,202,000 for fiscal year 1977. The Executive has requested a supplemental authorization of $31,458,000, most of which is to start work on a new embassy complex in Moscow. Under existing law the authorized but unappropriated sum for 1977 may be carried over to future fiscal years until appropriated.

Passport Office

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150	([1])	----------	**2,000** (**+2,000**)	----------	**2,000** (**+2,000**)

[1] Under committee consideration.

COMMITTEE COMMENT

This sum will permit the Passport Office to miniaturize its voluminous files thus reducing the need for additional filing cabinets and office space. It will also enable the Office to continue its study and development of the Travel Document and Issuance System to expedite the issuance and use of passports in international travel.

Foreign Service Retirement Amendments

[In thousands of dollars]

Budget function	Budget authority: Authorization	Budget authority: President's request	Budget authority: Committee recommendation (difference)	Outlays: President's request	Outlays: Committee recommendation (difference)
150	(1)	----------	14,000 (+14,000)	---------	14,000 (+14,000)

[1] Under committee consideration.

COMMITTEE COMMENT

Amendments to the Foreign Service Retirement and Disability System under committee consideration would bring that system into line with benefits available to personnel covered by the Civil Service retirement system. They were submitted by the Executive in 1975. The sum would provide for a payment of $2 million per year for 30 years to the Foreign Service retirement fund to amortize the anticipated increase in the unfunded liability of the fund arising from the changes made in the retirement system by these amendments. About $10.6 million would also be paid into the fund to finance the portion of Foreign Service normal cost not now being met from the employee-employer contributions. Thus almost $13 million will be deposited with the Foreign Service retirement fund, where it will draw interest. Readjustment of annuities of certain alien retirees, reduced by dollar devaluation, will also be funded from this item.

Soviet Refugee Assistance

[In thousands of dollars]

Budget function	Budget authority: Authorization	Budget authority: President's request	Budget authority: Committee recommendation (difference)	Outlays: President's request	Outlays: Committee recommendation (difference)
150	(1)	----------	20,000 (+20,000)	2,416	22,416 (+20,000)

[1] Under committee consideration.

COMMITTEE COMMENT

This sum will continue to assist Israel in the settlement of Jewish refugees from the Soviet Union.

UNITED STATES INFORMATION AGENCY

USIA Salaries and Expenses

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150	(1)	**256,925**	[2] **256,925**	**260,382**	**260,382**

[1] Pending.
[2] Of which $8,600,000 is for the purchase of foreign currencies from the U.S. Treasury which are considered excess to U.S. needs.

COMMITTEE COMMENT

This sum is used by USIA to conduct cultural and informational programs on a world-wide basis. Among the activities funded are press, radio, TV, motion pictures, publications, information center, libraries, lectures, seminars, book publications, and support for the Department of State's educational and cultural exchange programs.

USIA Special International Exhibitions

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150	(1)	**4,841**	**4,841**	**7,113**	**7,113**

[1] Pending.

COMMITTEE COMMENT

Programs funded from this account are focused on East Europe, the Soviet Union, and Berlin. Emphasis is on topical rather than purely commercial exhibitions and is intended to portray various aspects of American life and culture presented in American environments. It also includes support for seminars conducted by American specialists eminent in the particular exhibition's theme as well as related support such as bilingual guides and publications relating to the exhibition.

USIA Radio Facilities

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150	(1)	**2,142**	**2,142**	**2,202**	**2,202**

[1] Pending.

COMMITTEE COMMENT

This sum is necessary to permit the continuing program of major improvements, replacements and repairs to maintain and improve the efficiency of existing facilities as well as engineering research for the improvement of broadcasting techniques and components.

OTHER PROGRAMS

Peace Corps

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150	[1] **81,000**	**67,155**	**81,000 (+13,845)**	**65,315**	**76,400 (+11,085)**

[1] Authorization level reported by International Relations Committee.

COMMITTEE COMMENT

The committee increased the authorization for the Peace Corps for two reasons: First, it increased the readjustment allowance paid to volunteers upon their termination based on months of service. Since 1961, the amount has been $75 per month. The committee increased the figure to $125. Second, its oversight of Peace Corps operations had made it clear that past reductions in the Peace Corps budget had cut support of volunteers in the field to the point where the effectiveness of programs was in jeopardy. In restoring some funds, the committee does not intend that the Peace Corps increase the size of the volunteer corps, but rather enhance the quality of their activities.

Board for International Broadcasting

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150	[1] **58,385**	**53,385**	**58,385 (+5,000)**	**54,383**	**54,383**

[1] Authorization level reported by International Relations Committee.

COMMITTEE COMMENT

H.R. 12262 authorizes a total of $58,385,000 for the Board for International Broadcasting both to make grants to support 100 percent of the operation of Radio Free Europe and Radio Liberty, which broadcast to the Soviet Union and Eastern Europe, and also to support the policymaking and supervisory role of the Board and its small staff. The total includes $5 million to protect the proposed level of operations of the radios, 84 percent expended in foreign currency, against unanticipated fluctuations in foreign currency exchange rates.

International Commissions

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
300	([1])	**17,069**	**17,069**	**19,620**	**19,620**

[1] Pending.

COMMITTEE COMMENT

These funds will permit the United States to fulfill its treaty obligations in the activities of international boundary commissions with Mexico and Canada. They are also used to pay the U.S. share of nine international fisheries commissions in which the United States participates, the International Council for the Exploration of the Sea, and the expenses of the U.S. Commissioners.

LEGISLATIVE INITIATIVES OF CONGRESS FOR FISCAL YEAR 1977

Angola Disaster Aid

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150			10,000 (+10,000)		10,000 +$10,000

COMMITTEE COMMENT

As a result of the recent civil war in Angola, an estimated 10,000–15,000 people have been killed, more than 600,000 have fled their homes, and the disruptions have resulted in food shortages in many parts of the country. Both the International Red Cross and the United Nations High Commissioner for Refugees are working in the country. To date the United States has provided $675,000 for war disaster relief in Angola, through the Red Cross. As a result of lengthy hearings by the Subcommittee on International Food, Resources, and Energy, it appears that extensive outside relief assistance will be necessary. At present the subcommittee is considering legislation which would provide U.S. disaster relief aid in the amount of $10 million. It would be used to (a) provide food and medical supplies, (b) assist in the relocation and resettlement of refugees, (c) provide some assistance to rebuilding homes, and (d) repair damaged rail bridges on the Benguela Railroad.

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Lebanon Disaster Aid

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150			**10,000 (+10,000)**		**10,000 (+10,000)**

COMMITTEE COMMENT

This allocation of $10 million is for war disaster relief assistance in Lebanon. As a result of the recent conflict there 10,000 people have been killed, 20,000 hurt or wounded, and 40,000 rendered homeless. An estimated one-half million persons in Lebanon are in need of some kind of assistance, according to the U.N. High Commissioner for Refugees. Thus far the United States has provided only $900,000 in medical supplies. A number of bills have been introduced into Congress providing for relief aid to Lebanon. Because of the current political situation in Lebanon, the administration has not yet made its own request for funds, but such a request is expected to be forthcoming in the near future.

Atlantic Convention

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150	[1] **200**		**200 (+200)**		**200 (+200)**

[1] Amount contained in legislation reported by the House International Relations Committee on Mar. 2, 1976.

COMMITTEE COMMENT

The Atlantic Convention would be a convention of delegates from the North Atlantic Treaty parliamentary democracies, and other parliamentary democracies the convention may invite, to explore the possibility of agreement on a declaration that it is the goal of their peoples to transform their present relationship into a more effective unity based on federal or other democratic principles.

PRESIDENT'S BUDGET REQUESTS FOR EXISTING PROGRAMS WHICH DO NOT REQUIRE AUTHORIZING LEGISLATION FOR FISCAL YEAR 1977

MILITARY ASSISTANCE

Foreign Military Sales Credits, Proprietary Receipts

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
050		**—364,583**	**—364,583**	**—364,583**	**—364,583**

COMMITTEE COMMENT

This item represents repayments of credits extended under the foreign military sales program.

Advances, Foreign Military Sales

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
050	(1)	**115,700**	**115,700**	**—200,000**	**—200,000**

[1] Permanent authority.

COMMITTEE COMMENT

The President, under sections 22 and 23 of the Foreign Military Sales Act, has permanent authority to finance procurement of defense articles and services to be sold on cash or credit terms to foreign countries. The revolving fund, from which these advances are made, is replenished by payments from the purchasing government. According to the OMB, the most recent revised budget estimate for this account shows a net budget authority requirement for fiscal year 1977 of $115.7 million and a negative outlay impact of $200 million.

Liquidation of Foreign Military Sales Fund

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
050				—11,900	—11,900

COMMITTEE COMMENT

This budget account was created by section 524(b)(2) of the Foreign Assistance Act which requires that any moneys paid into the special foreign military sales fund which was terminated on June 30, 1968, shall be transferred to the general fund of the Treasury.

Indochina Postwar Reconstruction Funds

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150				5,978	5,978

COMMITTEE COMMENT

In his fiscal year 1976 security assistance request, the President asked for authority to use remaining Indochina Postwar Reconstruction funds to assume the liabilities of the South Vietnamese, Cambodian, and Laotian Governments under any contract of such government which was financed or approved for financing by AID. Such authority is contained in pending fiscal year 1976 security assistance authorizing legislation. The outlays estimated above would be used to pay such liabilities and to pay closing costs for direct U.S. Government contracts with firms which operated in Indochina.

INTERNATIONAL DEVELOPMENT ASSISTANCE

The Committee on International Relations urges the Committee on the Budget to provide for the full amount authorized for fiscal year 1977 for international development assistance. In some cases, the President has requested less than the amount authorized. There is no indication that these reductions are attributable to any lessening of need for this type of assistance. On the contrary, the requirements of the poor countries for outside help remains high, worldwide inflation continues to reduce the impact of the foreign aid dollar, and the needs of the world's desperately poor people are far from met.

Even if the full amounts authorized for international development assistance are appropriated, these amounts, together with food aid under Public Law 480, contributions to international agencies, and other economic assistance funds, commonly referred to as Official Development Assistance, would amount to only 0.23 percent of the U.S. gross national product. In 1974 with 0.25 percent of our GNP devoted to Official Development Assistance (ODA), the United States ranked 13th out of 17 industrialized countries, based on the ODA/GNP ratio; only Austria, Finland, Italy, and Switzerland had lower ratios.

The levels of funding for development assistance contained in H.R. 9005 (the International Development and Food Assistance Act of 1975) have very good support in the House. The bill passed by an 89-vote margin, and the conference report by a 115-vote margin. This bill represents at least a beginning of a U.S. response—financially, not just rhetorically—to the vast needs acknowledged at the World Food Conference, over a year ago, and in Secretary Kissinger's statement to the Seventh Special Session of the U.N. General Assembly this past fall.

The problem of development is a human problem and is best seen in the perspective of human beings:

> An estimated 800 million persons in the developing world suffer from malnutrition.
>
> For the poorest, life expectancy is almost 30 years less than in the United States.
>
> Infant mortality is nearly four times higher than in the United States. One of every five children dies before the age of 5.
>
> There is no regular access to health services for 85 percent of the people in less-developed nations.
>
> Current world population of 4 billion will double in 40 years if present growth rates continue. Population growth in the less-developed countries will account for 85 percent of that growth.

Through development assistance, the United States seeks to help solve those most pressing problems of poor people in poor countries.

The human perspective is most important in assessing the impact of congressional action on the attitudes of the Third World countries. Given the human perspective described above, we should be mindful of the way the world's poorest countries view this action of the representatives of the people of the world's richest country. If we do not increase, however slightly, our level of development assistance, other donors will be discouraged, and inevitable consequences will follow:

> Without an increase in United States and other donor official assistance, economic stagnation will characterize the 2d Development Decade.

Without an increase in U.S. official development assistance our rhetorical commitment to development, expressed by the Secretary of State at the U.N. 7th Special Session and more recently in Latin America and by our delegation to the World Food Conference, will be running several percentage points ahead of our actual disbursements of Official Development Assistance.

The present and impending gap between our pronouncements and our performance in the economic assistance area cannot help but exacerbate the North-South split between the rich and poor nations.

U.S. efforts to persuade OPEC countries to increase their assistance flows are not likely to meet with much success as long as U.S. assistance flows remain constant or actually decline.

The timing of this year's congressional action is critical toward assuring a continuation of the momentum of congressional initiatives to reform and reshape the development assistance program. Beginning in 1973 the House initiated and the Congress supported legislation to overhaul development aid:

Specifically, the legislation of 1973 and 1975 focused our development assistance on the most basic and pervasive problems of the poor, and narrowed our priorities to areas of critical importance:

Food production and nutrition,
Family planning and health, and
Education and human resources development.

The Agency for International Development is responding to this congressional initiative and has directed its energies to changing the focus of the program to meet the congressional mandate.

In Public Law 94–161 (H.R. 9005) the Congress approved levels higher than the budget request for new development assistance programs consistent with these reforms.

Unfortunately, the fiscal year 1976 economic assistance program under title I of the foreign assistance appropriation bill, now pending before the Senate, is $206 million below the President's budget request and over $318 million below the level authorized by the House.

It is, therefore, imperative, given the anticipated reductions in the fiscal year 1976 foreign assistance appropriation and the already disproportionately small share of our GNP devoted to ODA, that the House budget resolution level recommended by the Committee on the Budget be sufficiently high to accommodate the fiscal year 1977 levels contained in Public Law 94–161 (H.R. 9005).

That AID could wisely program and obligate funds at the authorized level in fiscal year 1977 is without question for the following reasons:

The President's fiscal year 1977 budget request necessarily assumed full appropriation of the administration's fiscal year 1976 request. It now appears that this fiscal year 1976 economic assistance appropriation will be in the range of $200 million below the President's request.

This $200 million shortfall will necessarily have to be deferred and incorporated into fiscal year 1977 and future year appropriations.

Since the President's fiscal year 1977 budget request is $175.7 million below the authorized level, a large portion (approximately 85 percent) of the fiscal year 1976 shortfall in program requirements could be funded in fiscal year 1977 without exceeding the authorized levels.

H.R. 9005 represents congressional affirmation of the minimum amounts required for investment in development assistance to bring the economies of the developing countries to the point where they can provide on their own essential goods and services for their citizens.

The levels contained in H.R. 9005 also represent the minimum amounts necessary for investment in developing countries so they can bring their economies up to the level where they can trade and work with us. In an interdependent world our future prosperity is hinged in no small measure to the prosperity and purchasing power of over half of the world's population residing in developing countries.

For all these reasons we must continue the congressionally initiated "New Directions" in development aid—and must provide adequate funds for that purpose.

Food and Nutrition

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150	745,000	633,600	745,000 (+111,400)	588,880	610,900 (+22,020)

COMMITTEE COMMENT

The funds provided for this account are used for agricultural development, rural development, and nutrition programs in the developing countries. They are not used to ship U.S. agricultural commodities, which are furnished under the Food for Peace Program (Public Law 480), but to provide assistance so that developing countries can improve their own agricultural production, increase economic activity in rural areas to support agricultural production and benefit the rural poor, and attack the malnutrition which afflicts so many millions in the poor countries.

The amount recommended by the committee is the level which the Congress approved in authorizing legislation passed in December 1975. Despite the subsequent reduction of that level in the President's budget for fiscal year 1977, the full amount is needed and can be well used. The President requested $628.8 million for food and nutrition for fiscal year 1976, and identified additional program requirements amounting to $136 million for that fiscal year. Yet the appropriation bill passed by the House on March 4 contained only $487.5 million for this purpose. The shortfall caused by such appropriation cuts in fiscal year 1976, as well as the additional program requirements of nearly $100 million identified by the administration for fiscal year 1977, can be funded only in part, even if the full $745 million authorized is provided for fiscal year 1977.

Moreover, the higher the appropriation for section 103 of the Foreign Assistance Act, "Food and Nutrition", the more funds there will be available to increase agricultural research and training programs carried out by U.S. land grant and other universities under the new "Title XII" of the recent development aid authorization bill.

The committee is of the opinion that this U.S. assistance to developing countries to help them grow more of their own food, to improve their agricultural policies and practices, to increase the productive capacity of their rural areas, and to raise their nutrition levels, constitutes a modest response to the great needs which were so widely acknowledged at the World Food Conference.

It is not enough for the United States and other wealthy countries to provide food aid for developing countries that may need it. Nearly as urgent—and much more important in the long run—is helping countries to boost their own food production and create opportunities for the poor to earn at least enough to buy the food they need to stay alive.

Population Planning and Health

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150	**275,600**	**275,600**	**275,600**	**211,670**	**211,670**

COMMITTEE COMMENT

The funds requested by the President for this account are needed to support programs in three basic areas: (1) Low-cost-integrated health and population planning delivery systems; (2) Preventive health programs; and (3) Population planning programs which include education in responsible parenthood and motivational programs as well as delivery of family planning services.

Development efforts over the past 20 years have helped improve the health and reduce the fertility of the millions of poor people in the developing countries. Death and disease rates have declined rapidly but they are still considerably above those found in the United States and other industrialized nations. While birth rates have begun to fall in some areas, death rates have dropped more rapidly. As a result, the population of many countries has increased rapidly and is likely to double before the end of this century.

Given current, modest economic growth rates, the quality of life in most developing countries shows little improvement and may even deteriorate if their populations continue to grow. Most of the 2.5 billion people who live in the developing countries continue to face hunger, malnutrition and disease with little or no access to productive services needed to ease their plight.

—In Africa, 1 in 7 or 15 percent of all children die before their first birthday as compared with only 1 in 50 or about 2 percent in the United States.

—Children under the age of 5 years still pay the highest price in terms of sickness and death, primarily from malnutrition and a combination of respiratory and gastro-intestinal disease that would be routinely controlled in the United States.

—Half of the people in the developing countries are children under the age of 15 who must rely largely on others to meet their needs.

—Life expectancy in developing countries is still only 50 years or less compared to 71 years in the United States.

Today, some 85 percent of the people in developing countries still lack adequate access to basic health, family planning and nutrition services. These funds are an important means of providing such access to millions in the poor countries and, at the same time, attacking the problem of rapid population growth, which remains crucial to the future of the developing countries, and indeed to the future of all mankind.

67-541—76——5

Education and Human Resources Development

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150	**101,800**	**101,800**	**101,800**	**80,799**	**80,799**

COMMITTEE COMMENT

The funds requested for this account are needed to help the poor in the developing countries gain skills and knowledge to improve their lives.

The average literacy rate in the developing countries is about 40 percent; in many countries where these funds will be used the rate is as low as 10 percent or less. The number of children aged 5 to 14 who are in school in the developing countries has risen from under 100 million in 1950 to over 200 million today. But the number not in school has also risen during the same period, so that there are still more school-age children not in school than there are in school.

These funds will help provide some basic education to millions of children who would otherwise have none at all, and will help developing countries make their education systems, both formal and non-formal, more relevant to the needs of their people.

Technical Assistance, Energy, Research, Reconstruction, and Selected Development Problems

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150	**104,500**	**83,200**	**104,500 (+21,300)**	**37,427**	**47,000 (+9,573)**

COMMITTEE COMMENT

The funds provided for this account are to go for several important purposes which do not fit within the three major aid categories. Among them are technical assistance through U.S. private voluntary agencies; programs to help developing countries cope with their energy problems; research; reconstruction following natural disasters; special development problems faced by the poorest countries; programs to help the urban poor; and ocean freight costs paid by U.S. voluntary agencies for overseas shipments of commodities.

The full amount authorized is required to provide sufficient funds for voluntary agency programs, as well as to cover increased costs of ocean freight shipments by these agencies. The level recommended by the President would cut back on these programs at a time when the Congress has called for increased emphasis on private agencies to assist in carrying out our development aid programs.

Selected Development Problems

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150				**70,903**	**70,903**

COMMITTEE COMMENT

This item represents outlays from prior year funding for this account, which in fiscal year 1976 was subsumed under "Technical Assistance, Energy, Research, Reconstruction, and Selected Development Problems."

Selected Countries and Organizations

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150				15,972	15,972

COMMITTEE COMMENT

This item represents outlays from prior year funding for this account, which in fiscal year 1976 was subsumed under "Technical Assistance, Energy, Research, Reconstruction, and Selected Development Programs."

American Schools and Hospitals Abroad

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150	25,000	7,500	25,000 (+17,500)	13,397	21,300 (+7,903)

COMMITTEE COMMENT

This program provides grants to American-sponsored private institutions in foreign countries to help demonstrate American ideas, practices, and recent progress in education and medicine.

The full amount authorized is needed to carry out this worthwhile program. The President's request represents a sharp reduction in the level of funding provided for this program over the past several years.

International Organizations and Programs

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150	**219,900**	**172,650**	**219,900 (+47,250)**	**171,954**	**209,900 (+37,946)**

COMMITTEE COMMENT

The funds in this account are for voluntary contributions by the United States to various international organizations and programs.

The difference between the committee's recommendation (which increased the administration's original request by $5 million) and the administration's revised request for fiscal year 1977 is $47.25 million. The difference involves four programs which the administration's revised request would cut:

The United Nations Development Program (UNDP) would be cut from $130 million to $100 million. The UNDP is the primary U.N. agency providing technical assistance to developing countries, and is currently providing some $500 million worth of assistance a year. U.S. contributions have fallen from 37 percent of total contributions in 1966 to 19 percent in 1976. The recommended level of $130 million would raise U.S. participation to 23 percent. For the 5-year country programing cycle 1972–76 total voluntary contributions were $1.5 billion, and recipient countries provided another $2 billion. In the next 5-year program cycle (1977–81), 80 percent of the program will be directed to countries with per capita incomes of $500 or less.

The United Nations Children's Fund (UNICEF) would be cut from $20 million to $17 million. UNICEF's purpose is to improve the long-range and immediate welfare to children through providing services to both children and mothers. The total funding level for 1976 was approximately $70.5 million. UNICEF is supported solely by voluntary contributions from governments and individuals. It emphasizes self-help programs, the scope of which includes improved nutrition, maternal and child health, basic education, emergency aid, and basic services such as clean water. UNICEF's role has become increasing crucial with the deterioration that has been taking place in the situation of children in many of the poorest developing countries.

U.N. Relief and Works Agency for Palestine Refugees (UNRWA) would be reduced from $30.7 million to $26.7 million. The relief services include shelter, food, camp improvements, and education. UNRWA's 1976 budget totaled $139.7 million.

Organization of American States (OAS) would be reduced from $25.2 million to $15.05 million. The funds are used to support four voluntary programs: regional development activities in education, science, and technology; joint projects dealing with educational, scientific, and technological problems; technical cooperation for economic and social development programs; and export promotion.

Voluntary contributions to international organizations and programs

[In thousands of dollars]

	Committee recommendations		Revised administration request fiscal year 1977
	Fiscal year 1976	Fiscal year 1977	
United Nations	173,700	194,650	157,650
UN Development Program	120,000	130,000	100,000
UN Children's Fund	20,000	20,000	17,000
International Atomic Energy Operational Fund	3,500	5,000	5,000
World Meteorological Organization Voluntary Assistance Program	1,500	2,000	2,000
UN/Food and Agriculture Organization: World Food Program	1,500	1,500	1,500
UN Institute for Training and Research	400	400	400
UN Relief and Works Agency for Palestine Refugees	26,700	30,700	26,700
UN Educational and Training Program for Southern Africa	50	50	50
World Heritage Fund	50		
UN Revolving Fund for Natural Resources Exploration		5,000	5,000
Organization of American States	20,800	25,200	15,050
Total: International organizations and programs	194,500	219,900	172,700

United Nations Environment Fund

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150	**5,000**		**10,000 (+5,000)**	**5,000**	**10,000 (+5,000)**

COMMITTEE COMMENT

The administration's request of $5 million for fiscal year 1977 would bring the total U.S. contribution to the U.N. Environment Fund to $25 million for the 5-year period 1973–77—$15 million below its original pledge of $40 million for the 5-year period. The committee feels that this is an important program and that the United States should go at least some distance in making up its shortfall.

The U.N. Environment Program (UNEP) was established in 1973, pursuant to the Stockholm Conference on the Human Environment.

The purpose of UNEP is to coordinate and support international environmental programs, particularly in the fields of identification and control of pollutants, monitoring, conservation, human settlements, information exchange, education, training, and research. UNEP functions include the Global Environmental Monitoring System, the International Referral System, the development of environmental management and assessment capabilities, and education, information, technical assistance, and training.

The creation of the United Nations Environment Fund was largely the result of U.S. efforts, and the United Nations Environment Program Participation Act of 1973 (H.R. 6788) authorized a U.S. contribution of up to $40 million (40 percent) of a total fund of $100 million.

The U.S. contribution was to be paid in four installments over the 5-year period 1973–77. The U.S. share has been and is budgeted to be funded at the following levels:

Fiscal year:	*Amount*
1974	$7.5
1975	5.0
1976 request	7.5
1977 request	5.0
Total	25.0

As of October 31, 1975, pledges from 61 countries totaled $109.4 million for the 5-year period 1973–77.

International Disaster Assistance

[In thousands of dollars]

Budget function	Budget authority: Authorization	Budget authority: President's request	Budget authority: Committee recommendation (difference)	Outlays: President's request	Outlays: Committee recommendation (difference)
150	**25,000**	**25,000**	**25,000**	**24,024**	**24,024**

COMMITTEE COMMENT

This account provides funds for the United States response to natural and manmade disasters around the world. The level of $25 million was set by the Congress on the basis of past experience to provide funding for "routine" disasters. The relatively small amount provided in this account frequently is insufficient to cover the need for disaster relief funds.

In 1975 the administration sought approval of a standing disaster relief fund of up to $20 million in permanent authorization which could be replenished through the appropriation process as funds were required to be used. Because of the loss of authorizing committee controls implicit in such a scheme, the committee rejected the idea and instead authorized a firm annual amount. At the same time, it noted that extraordinary disaster situations would be met by separate, special authorizations as necessary. In recent months three such situations have occurred: the Guatemala earthquake, civil war in Lebanon, and civil war in Angola. The committee has reacted to these disasters by establishing a budget allocation for each.

Special Disaster Relief and Reconstruction

[In thousands of dollars]

Budget function	Budget authority: Authorization	Budget authority: President's request	Budget authority: Committee recommendation (difference)	Outlays: President's request	Outlays: Committee recommendation (difference)
150				**29,561**	**29,561**

COMMITTEE COMMENT

This account represents outlays from funds provided pursuant to the Foreign Disaster Assistance Act of 1974, which provided funds for Nicaragua, Pakistan, and drought areas in Africa.

Guatemala Disaster Relief

[In thousands of dollars]

Budget function	Budget authority: Authorization	Budget authority: President's request	Budget authority: Committee recommendation (difference)	Outlays: President's request	Outlays: Committee recommendation (difference)
150				6,000	6,000

COMMITTEE COMMENT

This account represents outlays estimated in the Guatemala disaster assistance bill currently under consideration.

Foreign Service Retirement Fund

[In thousands of dollars]

Budget function	Budget authority: Authorization	Budget authority: President's request	Budget authority: Committee recommendation (difference)	Outlays: President's request	Outlays: Committee recommendation (difference)
150	(1)	16,680	16,680	16,680	16,680

[1] Permanent authority.

COMMITTEE COMMENT

This amount is required to pay for the fiscal year 1977 annual installment needed to cover the unfunded liability of Agency for International Development foreign service employees who are now included in the Foreign Service Retirement and Disability System.

Portugal and Portuguese Colonies

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150				**3,996**	**3,996**

COMMITTEE COMMENT

This account represents the fiscal year 1977 outlays from prior year appropriations for assistance to Portugal and the former Portuguese colonies.

Prototype Desalting Plant

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150				**4,000**	**4,000**

COMMITTEE COMMENT

This account represents the fiscal year 1977 outlays from assistance provided in prior years to assist Israel in constructing a prototype desalting plant.

Albert Schweitzer Hospital

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150				**700**	**700**

COMMITTEE COMMENT

This item represents fiscal year 1977 outlays from prior-year funds provided for the Albert Schweitzer Hospital in Gabon.

Social Progress Trust Fund

[In thousands of dollars]

Budget function	Budget authority: Authorization	Budget authority: President's request	Budget authority: Committee recommendation (difference)	Outlays: President's request	Outlays: Committee recommendation (difference)
150				**3,014**	**3,014**

COMMITTEE COMMENT

This item represents fiscal year 1977 outlays from funds previously provided to the Social Progress Trust Fund.

Inter-American Foundation

[In thousands of dollars]

Budget function	Budget authority: Authorization	Budget authority: President's request	Budget authority: Committee recommendation (difference)	Outlays: President's request	Outlays: Committee recommendation (difference)
150				**8,144**	**8,144**

COMMITTEE COMMENT

This item represents fiscal year 1977 outlays of funds previously provided to the Inter-American Foundation, which carries out programs of social development in Latin America and the Caribbean.

Overseas Private Investment Corporation

[In thousands of dollars]

Budget function	Budget authority: Authorization	Budget authority: President's request	Budget authority: Committee recommendation (difference)	Outlays: President's request	Outlays: Committee recommendation (difference)
150				**—35,690**	**—35,690**

COMMITTEE COMMENT

This figure represents the estimated net between OPIC's revenues from fees and interest and its operating expenses.

International Fund for Agricultural Development

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150				30,000	30,000

COMMITTEE COMMENT

This item represents estimated fiscal year 1977 outlays from prior-year funds to be provided to the International Fund for Agricultural Development, a multilateral fund currently under negotiation, to be established for the purpose of furnishing assistance to developing countries for agricultural development. The fund is expected to total $1 billion, of which the U.S. share would be 20 percent, or $200 million.

An authorization of $200 million without fiscal year limitation has been enacted for this purpose in the International Development and Food Assistance Act of 1975.

Darien Gap Highway

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150				7,000	7,000

COMMITTEE COMMENT

This account represents fiscal year 1977 outlays from prior-year funds provided for completion of the Inter-American Highway.

Economic Assistance, Proprietary Loan Receipts

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150	[1]—446,123	[1]—446,123	[1]—446,123	[1]—446,123	

[1] Of this amount, $255,158,000 for repayment of principal is included in budget function 150, "International Affairs". The balance of $190,965,000 represents interest payments which are technically included in budget function 900, "Interest".

COMMITTEE COMMENT

This item represents payments of interest and repayments of principal from foreign countries on loans and credits provided under U.S. economic assistance programs.

These funds are deposited in the U.S. Treasury.

FOOD FOR PEACE (PUBLIC LAW 480)

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150	([1])	**1,169,255**	**1,382,845 (+213,590)**	**995,910**	**1,202,000 (+206,090)**

[1] Such amounts as may be necessary.

COMMITTEE COMMENT

Public Law 480—the food-for-peace program—is of great value to the United States in a number of ways. It carries forward the humanitarian tradition of America in helping to feed hungry people. It promotes American farm exports. It aids in the implementation of U.S. foreign policy objectives with regard to friendly countries. It accomplishes these purposes through disposal of U.S. farm products deemed by the Secretary of Agriculture to be excess to commercial demand, and which are desired by the recipient countries.

The President's request for $1,169,255,000 in budget authority for Public Law 480 for fiscal year 1977 would provide for a program of $1,286,310,000 for the year—a reduction of more than $200 million from the fiscal year 1976 program of approximately $1.5 billion for Public Law 480.

The executive branch's planned Public Law 480 program level for fiscal year 1977, in terms of commodity volume, is about 6.2 million tons. This volume is only slightly below that estimated for this year, reflecting calculations that Public Law 480 commodity prices will be lower in fiscal year 1977. However, the committee also has received expert opinion indicating that the executive estimates on expected commodity costs are too low. In that event an increase in the budget levels would be required in order to maintain the volume planned for fiscal year 1977.

In view of these circumstances, and because of the importance the committee attaches to the food-for-peace program, it opposes the reduction made by the President and strongly recommends restoration of the program in fiscal year 1977 to the $1.5 billion level which applies to the current year. In budget authority, the committee's recommendation would place the fiscal year 1977 figure at $1,382,845,000. Estimated outlays for fiscal year 1977 would be $1,202 million.

The committee believes it is in the national interest of the United States to maintain its leadership in the international campaign to alleviate hunger, a position which would be weakened by a reduction of its food aid budget at this time. The requests of countries for Public Law 480 assistance are in excess of the $1.5 billion recommended by the committee. Private voluntary agencies have testified to a need for increased supplies for their humanitarian grant programs carried out under Public Law 480. There is continuing value from Public Law 480 in promoting our farm sales abroad, and continuing foreign policy interests to be served. For these reasons the committee is against cutting the food-for-peace budget and recommends continuing in fiscal year 1977 at this year's program level.

ARMS CONTROL AND DISARMAMENT AGENCY

[In thousands of dollars]

	Budget authority			Outlays	
Budget function	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150	**[1] 12,200**	**[1] 12,200**	**[1] 12,200**	**11,550**	**11,550**

[1] $11,530,000 (plus $325,000 for nondiscretionary pay act costs) under Public Law 94–141, and the balance of $345,000 out of the $1,408,000 remaining under the Agency's original authorization.

COMMITTEE COMMENT

The dominant activity of the Arms Control and Disarmament Agency is participation in or support of a variety of arms control negotiations. Chief among these negotiations in terms of time, manpower, and budget resources required is SALT, the Strategic Arms Limitation Talks. In addition, the Agency provides research and other backup support in such conventional and regional arms control efforts

as MBFR, chemical and biological weapons, and nuclear nonproliferation. The balance of the Agency's manpower and funds are used for administrative support, liaison with other government entities, and public information. Under the provisions of Public Law 94–141, the Agency has most recently been mandated to participate in the formulation of arms control impact statements on proposed weapons systems.

Section 141 of Public Law 94–141 authorized to be appropriated for the U.S. Arms Control and Disarmament Agency "for fiscal years 1976 and 1977 the sum of $23,440,000 (and such additional amounts as may be necessary for increases in salary, pay, retirement, other employee benefits authorized by law, and other nondiscretionary costs)". Of the $23,440,000 authorized, the Agency had identified $10,690,000 for fiscal year 1976 and $11,310,000 for fiscal year 1977 and the Congress added $1,000,000 for a "study of the impact upon military expenditures of arms control measures mutually agreed to by the United States and the Soviet Union" and $440,000 "for the purpose of conducting research, in consultation with the International Atomic Energy Agency, with respect to the development of nuclear safeguard techniques." The Agency is applying $220,000 of the $440,000 authorized for increased safeguards research to fiscal year 1977. When this $220,000 is added to the $11,310,000 which the Agency had previously identified for fiscal year 1977, the result is a total authorization for the Agency of $11,530,000 for fiscal year 1977 currently available under Public Law 94–141.

The Agency has submitted a fiscal year 1977 budget of $12,200,000 consisting of an initial $11,800,000 budget estimate plus a $400,000 budget amendment. Included in the total appropriation request of $12,200,000 is $325,000 attributable to nondiscretionary 1975 pay act costs. (In accordance with standard procedures, no amount has been included for possible 1976 pay act costs.) Because this $325,000 is covered by the above quoted language authorizing appropriations for such nondiscretionary costs, only $11,875,000 of the requested appropriation requires specific authorization. Since an authorization of only $11,530,000 for fiscal year 1977 is currently available under Public Law 94–141, the Agency will be drawing on part of the remaining $1,408,000 balance of its original $10,000,000 "no-year" authorization of appropriations for the $345,000 difference between this $11,530,000 and the $11,875,000 portion of the requested appropriation which requires specific authorization.

DEPARTMENT OF STATE

United Nations University

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150	10,000	----------	10,000 (+10,000)	----------	10,000 (+10,000)

COMMITTEE COMMENT

This sum is to be used as a U.S. contribution to the endowment fund of the U.N. University in Tokyo, approved by the General Assembly of the United Nations in December 1973. In no case may the U.S. contribution exceed 25 percent of the total amount actually contributed to the endowment fund by other members of the United Nations. The rector of the university is a U.S. educator. It is expected that the total U.S. contribution will be about $50 million.

In fiscal year 1976, $10 million was authorized to be appropriated in fiscal year 1977 "upon request of the President." No request has been made for fiscal year 1977.

Gifts and Bequests, National Commission on Educational, Scientific, and Cultural Cooperation

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150	(1)	50	50	50	50

[1] Permanent authority.

COMMITTEE COMMENT

The National Commission on Educational, Scientific, and Cultural Cooperation, the national body of UNESCO, is authorized to receive gifts and bequests which it may use to further its activities.

(Authority: 22 U.S.C. 287(q).)

Educational Exchange Fund, Finland

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150	(1)	**352**	**352**	**375**	**375**

[1] Permanent authority.

COMMITTEE COMMENT

The educational exchange fund is derived from payments by Finland for debts incurred by that country during World War I.

(Authority: Public Law 87–256, sec. 105(e).)

Non-U.S. Government Contributions to Mutual Educational and Cultural Exchange Act Activities

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150	(1)	**225**	**225**	**251**	**251**

[1] Permanent authority.

COMMITTEE COMMENT

Funds contributed by foreign governments, international organizations, and private individuals, firms, associations, agencies, and other groups are used to meet the expenses of carrying out the authorized activities and purposes of the Mutual Educational and Cultural Exchange Act.

(Authority: Public Law 80–402.)

International Center, District of Columbia

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150	(1)	**2,780**	**2,780**	**2,304**	**2,304**

[1] Permanent authority.

COMMITTEE COMMENT

Property owned by the United States in the District of Columbia will be sold or leased to foreign governments for use as embassies. Proceeds will finance the costs of site preparation.

(Authority: Public Law 90–533.)

Panama Canal Payment

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150	(1)	**2,328**	**2,328**	**2,328**	**2,328**

[1] Permanent authority.

COMMITTEE COMMENT

Annual payment is made to the Government of Panama in consideration of rights granted in perpetuity with regard to the construction of the Panama Canal.

(Authority: Treaty of 1903, 33 Stat. 2238; 53 Stat. 1818.)

Gifts, Department of State

[In thousands of dollars]

Budget function	Budget authority: Authorization	Budget authority: President's request	Budget authority: Committee recommendation (difference)	Outlays: President's request	Outlays: Committee recommendation (difference)
150	(1)	**647**	**647**	**576**	**576**

[1] Permanent authority.

COMMITTEE COMMENT

The Secretary of State has authority to accept on behalf of the United States unconditional and conditional gifts for the benefit of the Department to carry out the functions of the Department. Any gifts of money are deposited in the Treasury to be held in trust for the benefit of the Department and the Foreign Service and need not be appropriated.

(Authority: Public Law 79–724, sec. 1021.)

Foreign Service Act Retirement Fund Payments

[In thousands of dollars]

Budget function	Budget authority: Authorization	Budget authority: President's request	Budget authority: Committee recommendation (difference)	Outlays: President's request	Outlays: Committee recommendation (difference)
150	(1)	**39,800**	**39,800**	[2] **47,855**	[2] **47,855**

[1] Permanent authority.
[2] Includes $8,055,000 carried in "Administration of Foreign Affairs," page 7.

COMMITTEE COMMENT

The Foreign Service Act requires the Secretary of the Treasury, beginning in 1971, to make annual payments to the retirement fund on a sliding percentage scale of an amount equal to: (1) interest on the unfunded liability, and (2) annuity disbursements attributable to military service.

(Authority: Public Law 79–724, sec. 866.)

State Department, Proprietary Receipts and Interfund Transactions

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150		**−74,485**	**−74,485**	**−74,485**	**−74,485**

COMMITTEE COMMENT

This item represents collection of loans made from the diplomatic and consular emergency fund; collection of loans made to the United Nations; payment by Finland of World War I debt; receipts of sale of real property at the International Center, D.C.; Federal contributions to the Foreign Service fund; and receipts from sale and transmission of electricity at Falcon Dam.

UNITED STATES INFORMATION AGENCY

Non-U.S. Government Contributions to USIA Activities

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150	(1)	**31**	**31**	**31**	**31**

[1] Permanent authority.

COMMITTEE COMMENT

U.S. dollars advanced by foreign governments and/or private organizations for Agency use and contributions from non-Federal sources for the procurement and shipping of books to overseas missions.

(Authority: Public Law 80–402; sec. 701; 902; Public Law 87–256, sec. 105(f).)

United States Information Agency, Proprietary Receipts

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150		**−541**	**−541**	**−541**	**−541**

COMMITTEE COMMENT

This item represents income from sale of periodicals, sale of obsolete equipment, scrap and salvage proceeds, library fines, and repayment of loans to binational centers.

OTHER TRUST FUNDS

Japan-United States Friendship Trust Fund

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150	[1] **7,400**	----------	[1] **7,400 (+7,400)**	----------	**1,400 (+1,400)**

[1] Of which $6 million represents the unappropriated balance of the $36 million authorized by Public Law 94–118 and $1.4 million represents the estimated Trust Fund interest to be appropriated pursuant to permanent authority contained in that act.

COMMITTEE COMMENT

The Japan-United States Friendship Act (Public Act 94–118), which became law on October 20, 1975, created a Trust Fund for cultural, scholarly and artistic purposes. The Fund consists of the remaining GARIOA funds ($12 million in Japanese yen), as well as 7½ percent of the funds being paid to the United States by Japan in connection with the reversion of Okinawa to Japanese administration. Of the total of $36 million authorized under the Trust Fund, a total of $30 million has actually been appropriated. The remaining $6 million of the authorized capital should be appropriated in fiscal year 1977.

In addition, the interest which accrues to the Commission administering the Trust Fund, and which comprises the bulk of its operating funds, is authorized but also requires appropriation. It is estimated that the accrued interest requiring appropriation in fiscal year 1977 is approximately $1.4 million.

Peace Corps, Miscellaneous Trust Funds

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150	(1)	**245**	**245**	**245**	**245**

[1] Permanent authority.

COMMITTEE COMMENT

These funds are derived from host country contributions and donations by private groups in the United States and are used to support Peace Corps projects abroad.

EXPORT PROMOTION AND CONTROL

International Economic Policy and Research

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
400	(1)	**7,262**	**7,262**	**7,262**	**7,262**

[1] Permanent authority.

COMMITTEE COMMENT

The program provides the U.S. Government with economic analyses, policy recommendations and negotiating strategies for the successful implementation of international economic policies. The program's role in the development of U.S. international commercial policy is focused principally on promoting U.S. international commerce to insure commercial interest in the development of trade and investment policies. The 1977 request reflects the elimination of the competitive assessment program.

International Trade and Development

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
400	(1)	**19,991**	**19,991**	**19,991**	**19,991**

[1] Permanent authority.

COMMITTEE COMMENT

Encourages and assists U.S. businesses to export by conducting market research and trade promotion events overseas, such as trade fairs, trade center shows, trade missions, seminars, and department store promotions of U.S. consumer goods in both developed and emergent markets; by assisting U.S. companies to compete for foreign capital projects and product purchases; and by providing foreign marketing information and "early warnings" of overseas sales leads. Increased resources will provide for the establishment of a trade center in Sao Paulo, Brazil. The 1977 request reflects the elimination of the commercial presence fairs, the closing of two developed market trade centers which are of lower priority than other export promotion activities, and a reduction in the scope of activities at the Frankfurt Trade Center for which other events in the German market will be substituted.

East-West Trade

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
400	(1)	**4,227**	**4,227**	**4,227**	**4,227**

[1] Permanent authority.

COMMITTEE COMMENT

Implements the national program to expand the U.S. trade with the centrally planned markets of the U.S.S.R., Eastern Europe, and the People's Republic of China, and to maintain and normalize commercial and economic relationships with these countries.

Export Administration

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
400	(1)	**5,500**	**5,500**	**5,500**	**5,500**

[1] Permanent authority.

COMMITTEE COMMENT

Administers the Export Administration Act of 1969, as amended, to assure that the national security is not compromised by items exported, that foreign policy objectives are furthered, that the domestic economy is protected from the excessive drain of scarce materials and commodities, that the inflationary impact of foreign demand is reduced, and that restrictions on access to foreign supplies that have or may have a serious domestic inflationary impact, have caused or may cause a serious domestic shortage, or have been imposed for purposes of influencing the foreign policy of the United States are removed.

OTHER PROGRAMS

Foreign Service Retirement and Disability Fund

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
600	(1)	**106,249**	**106,249**	**79,644**	**79,644**

[1] Permanent authority.

COMMITTEE COMMENT

The Foreign Service retirement and disability fund is used primarily for the payment of annuities to Foreign Service personnel. The fund is maintained through (1) contributions of employers and employees; (2) investment income; and (3) appropriated funds.

(Authority: Public Law 79–724, sec. 802; 811.)

Council on International Economy Policy

[In thousands of dollars]

Budget function	Budget authority			Outlays	
	Authorization	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
800	1,670	1,466	1,670 (+204)	1,248	1,452 (+204)

COMMITTEE COMMENT

On March 20, 1975, the President requested authorization for CIEP of $1.657 million for fiscal year 1976 and of $1.67 million for fiscal year 1977. After hearings, the committee approved the recommended levels, and the Congress endorsed the committee action. Now, however, in order to meet its spending ceiling, the administration wants to cut CIEP by $204,000 (thereby reducing its permanent positions from 29 to 21). Given the rising importance of economic issues in international relations and the continued controversy over U.S. foreign economic policy, the committee recommends that CIEP be maintained at the level of 29 staff positions.

PART II

VIEWS OF THE COMMITTEE ON INTERNATIONAL RELATIONS CONCERNING THE BUDGET FOR THE TRANSITION QUARTER

INTERNATIONAL DEVELOPMENT AND HUMANITARIAN ASSISTANCE PROGRAMS

There are certain development and humanitarian assistance activities under the jurisdiction of the Committee on International Relations which are authorized for fiscal year 1976 or subsequent fiscal years, but which are unlikely to be fully funded during fiscal year 1976. Some of these items are likely to be funded instead, in whole or in part, during the transition quarter.

International Fund for Agricultural Development (IFAD)

The International Fund for Agricultural Development is a multilateral fund to help developing countries in the field of agriculture. Under an agreement recently negotiated among potential donor countries, the Secretary General of the United Nations is to convene a meeting for the purpose of signing Articles of Agreement after he is notified of pledges to the Fund amounting to at least $1 billion. The notifications are hoped for by mid-April, with a signing meeting to be called in May.

The United States expects to pledge $200 million, as authorized in the International Development and Food Assistance Act of 1975.

Following the signing, the Articles of Agreement will come into force (and the Fund will be established) upon deposit of instruments of ratification totaling at least $750 million. The instruments of ratification must be deposited within 18 months of signing.

The administration expects to request appropriation of the U.S. contribution following the signing of the Articles of Agreement and to have the funds in hand before depositing an instrument of ratification.

Under these circumstances, while the need for a U.S. contribution within several months after a signing meeting seems likely, it appears entirely probable that the contribution will not be both requested by the President and appropriated by the Congress before the end of fiscal year 1976. Yet the President's fiscal year 1977 budget shows $200 million of budget authority for the Fund in fiscal year 1976, rather than in the transition quarter.

Therefore, the committee urges the Committee on the Budget to include the $200 million U.S. contribution to the Fund within the ceiling established for the transition quarter.

Indus Basin Development, Loans and Grants

The Indus Basin project, begun in 1960 and scheduled for completion in 1976, is a construction program to insure an equitable disivion of the waters of the Indus Basin between India and Pakistan. It will help provide arable land for over 50 million people in those countries.

The United States participates in this project as part of a multilateral consortium administered by the World Bank. Under the international agreements through which the project is financed and implemented, the United States and the other donor countries have pledged to contribute funds as needed to carry out the project.

The final U.S. contribution of loans—amounting to $10 million—was requested in fiscal year 1976. However, the Foreign Assistance and Related Programs Appropriations Bill passed by the House on March 4 contains $5 million for Indus Basin loans.

If the final appropriation for fiscal year 1976 is less than $10 million, the balance will be needed during the transition quarter and should be included in the ceiling.

With respect to grants, the President requested and the Congress passed an authorization of $27 million for the final U.S. contribution of grants for Indus Basin development. Of that amount, the President requested appropriation of $22.5 million in fiscal year 1976 and the remaining $4.5 million in the transition quarter. Instead, the House-passed appropriation bill contains $9 million for fiscal year 1976 and $2.25 million for the transition quarter.

If the final appropriation for fiscal year 1976 is less than $22.5 million, the balance will be needed during the transition quarter and should be included in the ceiling.

Cyprus Relief and Rehabilitation

According to AID, approximately 200,000 Cypriots remain dependent on relief funds for their subsistence.

Accordingly, the President requested $25 million for relief and rehabilitation aid for Cyprus. The foreign assistance appropriation bill passed by the House contained $25 million for fiscal year 1976 and $5 million for the transition quarter for this purpose.

However, this committee, believing the need for this type of assistance on Cyprus to be considerably greater, included an authorization of $50 million in the International Security Assistance Act of 1976, which passed the House on March 3. This authorization was not restricted to fiscal year 1976.

Therefore, if the final authorization for Cyprus relief and rehabilitation exceeds the final amount appropriated for that purpose for fiscal year 1976, the remaining amount authorized but unappropriated should be included in the ceiling for the transition quarter.

INTERNATIONAL SECURITY ASSISTANCE PROGRAMS

Both House and Senate versions of the fiscal year 1976 authorization for security assistance programs contain an authorization ceiling for the transition quarter of "not to exceed" one-fourth of the amounts authorized for each program and activity in fiscal year 1976. If fully appropriated, the one-fourth formula would permit an appropriation of $864.74 million for the transition quarter.

The committee recommends, therefore, that the transition quarter budget authority ceiling for the international affairs function (150) be raised from the current target of $1 billion to $1.25 billion, with an appropriate increase in the outlay ceiling. The increase would be applied to security supporting assistance programs.

PART III

TABLE OF ESTIMATES FOR FISCAL YEAR 1977

TABLE OF ESTIMATES FOR FISCAL YEAR 1977

[In thousands of dollars]

Program and budget function	Budget authority				Outlays		
	Authorization	President's request	Committee recommendation	Difference	President's request	Committee recommendation	Difference
PRESIDENT'S BUDGET REQUESTS FOR EXISTING PROGRAMS WHICH REQUIRE REENACTMENT OR MODIFICATION OF AUTHORIZING LEGISLATION FOR FISCAL YEAR 1977							
International Security Assistance:							
Grant military assistance (050)	(1)	294,000	222,500	−71,500	380,000	357,000	−23,000
Foreign military education and training (050)	(1)	32,900	28,200	−4,700	30,000	28,000	−2,000
Foreign military sales credits (050)	(1)	852,000	852,000	0	695,000	695,000	0
Security supporting assistance (150)	(1)	1,808,500	1,808,500	0	1,395,500	1,395,500	0
Middle East Special Requirements Fund (150)	(1)	35,000	35,000	0	36,780	36,780	0
Contingency fund (150)	(1)	10,000	5,000	−5,000	8,651	6,651	−2,000
International narcotics control (150)	(1)	34,000	34,000	0	38,000	38,000	0
Department of State:							
Administration of foreign affairs (150)	(1)	551,955	552,455	+500	509,320	509,820	+500
International organizations and conferences (150)	(1)	338,875	363,925	+25,050	322,217	347,267	+25,050
Educational exchange (150)	(1)	68,500	68,500	0	60,681	60,681	0
Migration and refugee assistance (150)	(1)	10,000	10,000	0	10,693	10,693	0
Foreign buildings operations (150)	[2] 55,202	72,735	72,735	0	50,644	50,644	0
Passport Office (150)	(3)	----------	2,000	+2,000	----------	2,000	+2,000
Foreign service retirement amendments (150)	(3)	----------	14,000	+14,000	----------	14,000	+14,000
Soviet refugee assistance (150)	[f] (3)	----------	20,000	+20,000	2,416	22,416	+20,000
United States Information Agency:							
USIA salaries and expenses (150)	(1)	256,925	256,925	0	260,382	260,382	0
USIA special international exhibitions (150)	(1)	4,841	4,841	0	7,113	7,113	0
USIA radio facilities (150)	(1)	2,142	2,142	0	2,202	2,202	0
Other Programs:							
Peace Corps (150)	[4] 81,000	67,155	81,000	+13,845	65,315	76,400	+11,085
Board for International Broadcasting (150)	[4] 58,385	53,385	58,385	+5,000	54,383	54,383	0
International commissions (300)	(1)	17,069	17,069	0	19,620	19,620	0
LEGISLATIVE INITIATIVES OF CONGRESS FOR FISCAL YEAR 1977							
Angola disaster aid (150)	----------	----------	10,000	+10,000	----------	10,000	+10,000
Lebanon disaster aid (150)	----------	----------	10,000	+10,000	----------	10,000	+10,000
Atlantic convention (150)	[5] 200	----------	200	+200	----------	200	+200

TABLE OF ESTIMATES FOR FISCAL YEAR 1977—Continued

[In thousands of dollars]

Program and budget function	Budget authority				Outlays		
	Authorization	President's request	Committee recommendation	Difference	President's request	Committee recommendation	Difference
PRESIDENT'S BUDGET REQUESTS FOR EXISTING PROGRAMS WHICH DO NOT REQUIRE AUTHORIZING LEGISLATION FOR FISCAL YEAR 1977							
Military Assistance:							
Foreign military sales credits, proprietary receipts (050)		−364,583	−364,583	0	−364,583	−364,583	0
Advances, foreign military sales (050)	(6)	115,700	115,700	0	−200,000	−200,000	0
Liquidation of foreign military sales fund (050)				0	−11,900	−11,900	0
Indochina postwar reconstruction funds (150)				0	5,978	5,978	0
International Development Assistance:							
Food and nutrition (150)	745,000	633,600	745,000	+111,400	588,880	610,900	+22,020
Population planning and health (150)	275,600	275,600	275,600	0	211,670	211,670	0
Education and human resources development (150)	101,800	101,800	101,800	0	80,799	80,799	0
Technical assistance, energy, research, reconstruction, and selected development problems (150)	104,500	83,200	104,500	+21,300	37,427	47,000	+9,573
Selected development problems (150)				0	70,903	70,903	0
Selected countries and organizations (150)				0	15,972	15,972	0
American schools and hospitals abroad (150)	25,000	7,500	25,000	+17,500	13,397	21,300	+7,903
International organizations and programs (150)	219,900	172,650	219,900	+47,250	171,954	209,900	+37,946
United Nations Environment Fund (150)		5,000	10,000	+5,000	5,000	10,000	+5,000
International disaster assistance (150)	25,000	25,000	25,000	0	24,024	24,024	0
Special disaster relief and reconstruction (150)				0	29,561	29,561	0
Guatemala disaster relief (150)				0	6,000	6,000	0
Foreign Service retirement fund (150)	(6)	16,680	16,680	0	16,680	16,680	0
Portugal and Portuguese colonies (150)				0	3,996	3,996	0
Prototype desalting plant (150)				0	4,000	4,000	0
Albert Schweitzer Hospital (150)				0	700	700	0
Social progress trust fund (150)				0	3,014	3,014	0
Inter-American Foundation (150)				0	8,144	8,144	0
Overseas Private Investment Corporation (150)				0	−35,690	−35,690	0
International fund for agricultural development (150)				0	30,000	30,000	0
Darien Gap highway (150)				0	7,000	7,000	0
Economic assistance, proprietary loan receipts (150)(900)		−446,123	−446,123	0	−446,123	−446,123	0

Food for Peace (Public Law 480) (150)	(7)	1,169,255	1,382,845	+213,590	995,910	1,202,000	+206,090
Arms Control and Disarmament Agency (150)	12,200	12,200	12,200	0	11,550	11,550	0
Department of State:							
United Nations University (150)	10,000		10,000	+10,000		10,000	+10,000
Gifts and bequests, National Commission on Educational, Scientific, and Cultural Cooperation (150)	(6)	50	50	0	50	50	0
Educational Exchange Fund, Finland (150)		352	352	0	375	375	0
Non-U.S. Government contributions to Mutual Educational and Cultural Exchange Act Activities (150)	(6)	225	225	0	251	251	0
International Center, District of Columbia (150)	(6)	2,780	2,780	0	2,304	2,304	0
Panama Canal payment (150)	(6)	2,328	2,328	0	2,328	2,328	0
Gifts, Department of State (150)	(6)	647	647	0	576	576	0
Foreign Service Act retirement fund payments (150)	(6)	39,800	39,800	0	47,855	47,855	0
State Department, proprietary receipts and interfund transactions (150)		−74,485	−74,485	0	−74,485	−74,485	0
United States Information Agency:							
Non-U.S. Government contributions to USIA activities (150)	(6)	31	31	0	31	31	0
United States Information Agency, proprietary receipts (150)		−541	−541	0	−541	−541	0
Other Trust Funds:							
Japan-U.S. friendship trust fund (150)	[8] 7,400		[7] 7,400	+7,400		1,400	+1,400
Peace Corps, miscellaneous trust funds (150)	(6)	245	245	0	245	245	0
Export Promotion and Control:							
International economic policy and research (400)	(6)	7,262	7,262	0	7,262	7,262	0
International trade and development (400)	(6)	19,991	19,991	0	19,991	19,991	0
East-West trade (400)	(6)	4,227	4,227	0	4,227	4,227	0
Export administration (400)	(6)	5,500	5,500	0	5,500	5,500	0
Other programs:							
Foreign service retirement and disability fund (150)	(6)	106,249	106,249	0	79,644	79,644	0
Council on International Economic Policy (800)	1,670	1,466	1,670	+204	1,248	1,452	+204

TOTALS BY BUDGET FUNCTIONS

National Defense (050)	930,017	853,817	−76,200	528,517	503,517	−25,000
International Affairs (150)	5,532,772	6,061,807	+529,035	4,854,997	5,245,764	+390,767
Natural Resources, Environment, and Energy (300)	17,069	17,069		19,620	19,620	
Commerce and Transportation (400)	36,980	36,980		36,980	36,980	
Income Security (600)	106,249	106,249		79,644	79,644	
General Government (800)	1,466	1,670	+204	1,248	1,452	+204
Interest (900)	−190,965	−190,965		−190,965	−190,965	
Total, all programs	6,433,588	6,886,627	+453,039	5,330,041	5,696,012	+365,971

[1] Pending.
[2] Supplemental authorization request of $31,458,000 is pending.
[3] Under committee consideration.
[4] Authorization level reported by the International Relations Committee.
[5] Amount contained in legislation reported by the House International Relations Committee on Mar. 2, 1976.
[6] Permanent authority.
[7] Such amounts as may be necessary.
[8] Of which $6,000,000 represents the unappropriated balance of $36,000,000 authorized by Public Law 94-118 and $1,400,000 represents the estimated trust fund interest to be appropriated pursuant to permanent authority contained in the act.

MINORITY VIEWS

We consider that the committee's action in reducing the fiscal year 1977 military assistance program is unwarranted. This action was taken without adequate analysis and without the opportunity to examine the matter with the administration. The administration-submitted request for fiscal year 1977 is already 28 percent below the fiscal year 1976 request, which indicates a general disposition toward a phase-out direction. A more precipitous reduction may have consequences that the committee should weigh carefully before reaching any conclusions. It is quite possible that the funds recommended by the committee will inhibit the achievement of our foreign policy and national security objectives in such countries as the Philippines, Jordan, Greece, and Turkey. Furthermore, the committee's reduced level for Korea clearly indicates the desirability of formal hearings, in which the administration would have indicated that the program requested was for fixed supply operations costs, not subject to "belt-tightening."

We have similar reservations concerning the reductions recommended by the committee for administrative costs. On the one hand Congress legislates that additional costs are to be charged to the MAP appropriation and on the other reduces the administration's request to accommodate the new legislation. This is double jeopardy which should not be taken lightly.

We note that the administration's training request has also been reduced. Although the amount is not substantial, the committee did not take into account that the cost of training per student has risen substantially since January 1, 1976, at the direction of Congress.

While we endorse the thrust of the International Relations Committee's report in other areas, we believe it to be neither wise nor just to deny the administration its day in court by setting a ceiling below authorization requests prior to hearing on its merits the case for such requests. We, therefore, urge the Budget Committee to take this into account in its disposition of the International Relations Committee's projections.

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