

Y
4

B85/3
B85*

95th Congress }
1st Session }

COMMITTEE PRINT

DOCUMENTS

MAY 3 1977

GOVERNMENT
Storage

FARRELL LIBRARY
KANSAS STATE UNIVERSITY

VIEWS AND ESTIMATES OF THE COMMITTEE ON
INTERNATIONAL RELATIONS ON THE
BUDGET FOR FISCAL YEAR 1978

KSU LIBRARIES
ALL900 563218
0061TV

REPORT

SUBMITTED TO THE

HOUSE COMMITTEE ON THE BUDGET

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



MARCH 11, 1977

Printed for the use of the Committee on International Relations

U.S. GOVERNMENT PRINTING OFFICE

85-255

WASHINGTON : 1977

CIS not given

COMMITTEE ON INTERNATIONAL RELATIONS

CLEMENT J. ZABLOCKI, Wisconsin, *Chairman*

L. H. FOUNTAIN, North Carolina
DANTE B. FASCELL, Florida
CHARLES C. DIGGS, Jr., Michigan
ROBERT N. C. NIX, Pennsylvania
DONALD M. FRASER, Minnesota
BENJAMIN S. ROSENTHAL, New York
LEE H. HAMILTON, Indiana
LESTER L. WOLFF, New York
JONATHAN B. BINGHAM, New York
GUS YATRON, Pennsylvania
MICHAEL HARRINGTON, Massachusetts
LEO J. RYAN, California
CARDISS COLLINS, Illinois
STEPHEN J. SOLARZ, New York
HELEN S. MEYNER, New Jersey
DON BONKER, Washington
GERRY E. STUDDS, Massachusetts
ANDY IRELAND, Florida
DONALD J. PEASE, Ohio
ANTHONY C. BEILENSON, California
E (KIKI) DE LA GARZA, Texas
GEORGE E. DANIELSON, California
BERKLEY BEDELL, Iowa
JOHN J. CAVANAUGH, Nebraska

WILLIAM S. BROOMFIELD, Michigan
EDWARD J. DERWINSKI, Illinois
PAUL FINDLEY, Illinois
JOHN H. BUCHANAN, Jr., Alabama
J. HERBERT BURKE, Florida
CHARLES W. WHALEN, Jr., Ohio
LARRY WINN, Jr., Kansas
BENJAMIN A. GILMAN, New York
TENNYSON GUYER, Ohio
ROBERT J. LAGOMARSINO, California
WILLIAM F. GOODLING, Pennsylvania
SHIRLEY N. PETTIS, California

JOHN J. BRADY, Jr., *Chief of Staff*
ROBERT K. BOYER, *Staff Consultant*
JOHN CHAPMAN CHESTER, *Staff Consultant*
LEWIS GULICK, *Staff Consultant*
CHARLES PAOLILLO, *Staff Consultant*
GEORGE M. INGRAM, *Staff Consultant*
JAMES T. SCHOLLAERT, *Staff Consultant*
GEORGE R. BERDES, *Staff Consultant*
DONALD R. FORTIER, *Staff Consultant*
R. MICHAEL FINLEY, *Subcommittee Staff Consultant*
DIANE LYN STONER, *Staff Assistant*
ROXANNE PERUGINO, *Staff Assistant*
MOLLY HAMILTON, *Staff Assistant*

(II)

LETTER OF TRANSMITTAL

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, D.C., March 11, 1977.

Hon. ROBERT N. GIAIMO,
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 1978.

The report was considered by the committee in open session on March 2 and 3, 1977, and approved by voice vote.

In accordance with your instructions, the items in the President's fiscal year 1978 budget requests which come under the jurisdiction of the committee, have been subdivided as follows:

- (1) Requests for existing programs which require reenactment or modification of authorizing legislation;
- (2) Requests for new and expanded programs which require authorizing legislation;
- (3) Legislative initiatives of the Congress; and
- (4) Requests for existing programs which do not require authorizing legislation.

The fifth category listed in your instructions, i.e. Presidential requests for legislation to reduce existing programs, does not apply to any of the requests under the committee's jurisdiction.

The committee notes that it has either legislative or special oversight jurisdiction over all of the budget requests in the International Affairs function (150) except the Foreign Claims and Settlement Commission and the International Trade Commission. The committee recommends that the budget authority and the outlay levels requested by the President for these two agencies be included in the First Concurrent Resolution.

Sincerely yours,

CLEMENT J. ZABLOCKI, *Chairman.*

REPORT

Page

101

1. The first part of the report deals with the general situation of the country.

2. The second part deals with the economic situation of the country.

3. The third part deals with the social situation of the country.

4. The fourth part deals with the political situation of the country.

5. The fifth part deals with the cultural situation of the country.

6. The sixth part deals with the international situation of the country.

7. The seventh part deals with the future of the country.

8. The eighth part deals with the conclusion of the report.

9. The ninth part deals with the appendix of the report.

10. The tenth part deals with the bibliography of the report.

11. The eleventh part deals with the index of the report.

12. The twelfth part deals with the list of figures of the report.

13. The thirteenth part deals with the list of tables of the report.

14. The fourteenth part deals with the list of maps of the report.

15. The fifteenth part deals with the list of abbreviations of the report.

16. The sixteenth part deals with the list of symbols of the report.

17. The seventeenth part deals with the list of units of the report.

18. The eighteenth part deals with the list of formulas of the report.

19. The nineteenth part deals with the list of definitions of the report.

20. The twentieth part deals with the list of references of the report.

CONTENTS

	Page
Letter of transmittal.....	III
Key to budget functions.....	VII

Part I—Views and Estimates of the Committee Concerning the Budget for Fiscal Year 1978

President's Budget Requests for Existing Programs Which Require Re- enactment or Modification of Authorizing Legislation for Fiscal Year 1978:

International Security Assistance:

Grant Military Assistance.....	3
Foreign Military Education and Training.....	3
Foreign Military Sales Credits.....	4
Security Supporting Assistance.....	4
Middle East Special Requirements Fund.....	5
Contingency Fund.....	5
International Narcotics Control.....	6

International Development Assistance.....

Food and Nutrition.....	8
Population Planning and Health.....	9
Education and Human Resources Development.....	10
Technical Assistance, Energy, Research, Reconstruction, and Selected Development Problems.....	11
American Schools and Hospitals Abroad.....	11
International Organizations and Programs.....	12
International Disaster Assistance.....	13
Lebanon Relief and Rehabilitation.....	13
Sahel Development Program.....	14
Operating Expenses.....	15

Food for Peace Program (Public Law 480).....

15

Department of State, United States Information Agency, and Board for International Broadcasting:

Administration of Foreign Affairs.....	16
International Organizations and Conferences.....	17
Educational Exchange.....	17
Migration and Refugee Assistance.....	18
Soviet Refugee Assistance.....	18
Foreign Buildings Operations.....	19
International Commissions.....	19
USIA Salaries and Expenses.....	20
USIA Special International Exhibitions.....	20
USIA Radio Facilities.....	21
Board for International Broadcasting.....	21

Other Programs:

Arms Control and Disarmament Agency.....	22
Council on International Economic Policy.....	23
Export Administration.....	23
Overseas Private Investment Corporation.....	24
Peace Corps.....	24

Nuclear Nonproliferation and Export Controls:

ERDA (Program 6, Fuel Cycle R. & D.).....	25
ERDA (Program 7, Liquid Metal Fast Breeder Reactor)....	26
ERDA (Program 8, Nuclear Research and Applications)....	26
ERDA (Program 15, Nuclear Materials Security and Safe- guards).....	27
ERDA (Program 17, Nuclear Explosive Application).....	27
ERDA (Program 18, Uranium Enrichment).....	28
ERDA (Spent Fuel Storage Program).....	28
NRC (Nuclear Materials and Safeguards).....	29
NRC (International Programs Office).....	29

VI

President's Budget Request for New and Expanded Programs Which Require Authorizing Legislation for Fiscal Year 1978:	Page
Balance of Payments Loan to Portugal.....	31
Legislative Initiatives of Congress for Fiscal Year 1978:	
International Conference on NATO and Related Institutions.....	33
Africa Foundation.....	33
International Support for Nonnuclear Alternatives.....	34
President's Budget Requests for Existing Programs Which Do Not Require Authorizing Legislation for Fiscal Year 1978:	
International Security Assistance:	
Foreign Military Sales Credits, Proprietary Receipts.....	35
Advances, Foreign Military Sales.....	35
Liquidation of Foreign Military Sales Funds.....	36
International Development Assistance:	
Foreign Service Act Retirement Fund (AID Payment).....	37
Prototype Desalting Plant.....	37
Albert Schweitzer Hospital.....	38
Social Progress Trust Fund.....	38
Inter-American Foundation.....	38
International Fund for Agricultural Development.....	39
Darien Gap Highway.....	39
African Development Program (Sahel).....	40
Alliance for Progress Loans.....	40
Special Disaster Relief and Reconstruction.....	40
Italy Relief and Rehabilitation.....	41
Cyprus Relief and Rehabilitation.....	41
Guatemala Relief and Rehabilitation.....	41
Development Loan Fund.....	42
Portugal and Portuguese Colonies.....	42
Economic Assistance, Proprietary Loan Receipts.....	43
Department of State and United States Information Agency; Programs and Trust Funds:	
Gifts and Bequests, National Commission on Educational, Scientific, and Cultural Cooperation.....	43
Non-U.S. Government Contributions to Mutual Educational and Cultural Exchange Act Activities.....	44
International Center, District of Columbia.....	44
Panama Canal Payment.....	44
Gifts, Department of State.....	45
Foreign Service Act Retirement Fund Payments.....	45
Foreign Service Retirement and Disability Fund.....	46
State Department, Proprietary Receipts and Interfund Transactions.....	46
Non-U.S. Government Contributions to USIA Activities, USIA Trust Funds.....	47
United States Information Agency, Proprietary Receipts.....	47
Emergency Refugee and Migration Assistance.....	47
Export Promotion and Control:	
East-West Trade.....	48
International Trade and Development.....	48
Export-Import Bank.....	49
International Financial Institutions (IFI's):	
IFI Appropriations and Authorizations 1977.....	49
U.S. Customs Service.....	50
Other Trust Funds:	
Japan-United States Friendship Trust Fund.....	51
Peace Corps Miscellaneous Trust Funds.....	51
Technical Assistance (Highway) Trust Fund.....	52

Part II—Table of Estimates for Fiscal Year 1978

President's Budget Requests for Existing Programs Which Require Re-enactment or Modification of Authorizing Legislation for Fiscal Year 1978.....	55
President's Budget Request for New and Expanded Programs Which Require Authorizing Legislation for Fiscal Year 1978.....	56
Legislative Initiatives of Congress for Fiscal Year 1978.....	56
President's Budget Requests for Existing Programs Which Do Not Require Authorizing Legislation for Fiscal Year 1978.....	56
Totals by Budget Function.....	57

KEY TO BUDGET FUNCTIONS

- 050—National Defense
- 150—International Affairs
- 300—Natural Resources, Environment, and Energy
- 400—Commerce and Transportation
- 600—Income Security
- 750—Law Enforcement and Justice
- 800—General Government
- 900—Interest

KEY TO BUDGET FUNCTIONS

050--National Defense
100--International Affairs
200--Internal Security
300--Commerce and Transportation
400--Public Health, Education, and Welfare
500--Law, Enforcement, and Justice
600--General Government
900--Interest

(VII)

PART I

**VIEWS AND ESTIMATES OF THE COMMITTEE ON
INTERNATIONAL RELATIONS CONCERNING THE
BUDGET FOR FISCAL YEAR 1978**

PART I
VIEWS AND ESTIMATES OF THE COMMITTEE ON
INTERNATIONAL RELATIONS CONCERNING THE
BUDGET FOR FISCAL YEAR 1978

PRESIDENT'S BUDGET REQUESTS FOR EXIST- ING PROGRAMS WHICH REQUIRE REENACT- MENT OR MODIFICATION OF AUTHORIZING LEGISLATION FOR FISCAL YEAR 1978

INTERNATIONAL SECURITY ASSISTANCE

Grant Military Assistance

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
050-----	230, 000	230, 000	300, 000	300, 000

COMMITTEE COMMENT

The President's request for fiscal year 1978 would provide grant military assistance to 16 countries—4 countries fewer than last year. The request is consistent with the congressional mandate to phase out grant military assistance by the end of fiscal year 1977 except in individual cases where such assistance is related to the interests of the United States and specifically approved by Congress.

Foreign Military Education and Training

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
050-----	35, 000	35, 000	30, 500	30, 500

COMMITTEE COMMENT

The fiscal year 1976-77 authorization legislation for International Security Assistance created a separate authority for the grant military

education and training program. The program was separated from the authorization for grant material aid on the grounds that the training program is important to U.S. interests and should be continued. (The fiscal year 1976-77 authorization legislation mandates the phasing out of grant material aid except in individually specified cases by the end of fiscal year 1977.)

For fiscal year 1978, the executive branch has programed 46 countries to receive grant training.

Foreign Military Sales Credits

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
050-----	707, 750	707, 750	560, 000	560, 000

COMMITTEE COMMENT

The President's budget request for fiscal year 1978 for foreign military sales credits would support a total sales program of \$2,217,500,000 as compared to a program level of \$2,022,100,000 in fiscal year 1977.

The largest single portion of the program—\$1 billion—is planned for Israel for which repayment of \$500 million would be forgiven as it was forgiven in fiscal year 1977.

Security Supporting Assistance

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	1, 887, 200	1, 887, 200	1, 785, 632	1, 785, 632

COMMITTEE COMMENT

Over 90 percent of the President's budget request for security supporting assistance, or \$1,730,200,000, is related to U.S. peace initiatives

in the Middle East. The following amounts are slated for the following Middle East countries and programs: Israel, \$785 million; Egypt, \$750 million; Jordan, \$93 million, Syria, \$90 million; and the Sinai Support Mission, \$12.2 million. The balance of the request is programmed for countries in southern Africa as well as Spain, Malta, and Bahrain.

Middle East Special Requirements Fund

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	25, 000	25, 000	38, 049	38, 049

COMMITTEE COMMENT

The committee, and Congress as a whole, have approved the full executive branch authorization request for the Fund during its 3-year existence. The executive branch plans for the fund in fiscal year 1978 are as follows: (1) \$3 million will be used for development activities on the West Bank and in Gaza; and (2) \$22 million remaining will be used for other special needs arising from U.S. peace efforts in the Middle East. This constitutes an increase of \$5 million for contingency purposes over fiscal year 1977.

Contingency Fund

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	5, 000	5, 000	4, 617	4, 617

COMMITTEE COMMENT

The President's request is consistent with last year's legislation which authorized \$5 million for a contingency fund. Such fund requires annual authorization.

International Narcotics Control

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	39, 000	39, 000	36, 100	36, 100

COMMITTEE COMMENT

The President's budget authority request of \$39 million for fiscal year 1978 is \$5 million above the request for fiscal year 1977. The recommendation reflects the Committee's increased concern with the drug abuse problem in the United States and the need to intensify the international effort to control the illegal production of and trafficking in narcotics and dangerous drugs. The increase applies particularly to a major escalation in narcotics control programs with Pakistan, Afghanistan, Peru, and the United Nations Fund for Drug Abuse Control.

INTERNATIONAL DEVELOPMENT ASSISTANCE

The Committee on International Relations urges the Committee on the Budget to provide for the full amount recommended in this report for fiscal year 1978 for international development assistance. 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 poor are far from met.

In 1976, with an estimated 0.27 percent of our GNP devoted to Official Development Assistance (ODA), the United States ranked 12th out of 17 industrialized countries, on the basis of ODA compared to GNP; only Japan, Finland, Austria, Switzerland, and Italy had lower ratios.

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

- Half a billion people in the developing world suffer from malnutrition;
- People in poor countries can expect to die 20 years sooner than people 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; and
- 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.

It is important that congressional action this year assure 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.

Accordingly, the Agency for International Development has directed its energies to changing the focus of its programs to respond to this congressional initiative.

The levels for development aid recommended by the Committee on International Relations 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.

Therefore, 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	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	550, 000	611, 200 (+ 61, 200)	435, 314	457, 914 (+ 22, 600)

COMMITTEE COMMENT

The funds in this account are used for agriculture, rural development and nutrition in developing countries, with special attention to increasing agricultural output in the poorest countries with per capita incomes of under \$300 per year. The account finances the most important bilateral assistance program of the United States for attacking the basic causes of hunger and malnutrition abroad, the long-term solution to which lies in raising food production in poor countries and the means of the needy to purchase food. The emphasis is on self-help and particularly on increasing the productivity of small farmers, who comprise the bulk of the population in the Third World. The U.S. assistance is extended in various ways including through the new Title XII "Famine Prevention" program in which U.S. land grant and other American agricultural universities are participating.

The desire of Congress to press forward vigorously and to increase U.S. efforts in the global campaign against hunger was reaffirmed most recently in the Right to Food Resolutions which passed the House and Senate last fall. In its resolution, approved by a large vote, the House noted the malnourishment suffered by hundreds of millions of persons and the accelerating demand for food. It stated that "the United States should increase substantially its assistance for self-help development among the world's poorest people, especially in countries seriously affected by hunger and malnutrition, with particular emphasis on increasing food production . . ."

The committee notes that both President Carter and the Ford administration requested an increase in this account over the fiscal 1977 budget authority and outlays. The committee recommends this increase plus an additional \$61.2 million in budget authority and \$22.6 million in outlays for food and nutrition assistance to India. An identical amount was programmed for India in the fiscal 1977 budget but was not used. The committee recommends provision of this sum for India in fiscal 1978 so that the United States will be in a position to resume a bilateral aid relationship with the largest of the developing countries.

Population Planning and Health

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	271, 903	271, 903	200, 784	200, 784

COMMITTEE COMMENT

Funds for both population planning and health are included here in one account, as in past years, despite executive branch proposals to split the account, because the International Relations Committee has not yet had an opportunity to review the operational impact of separate funding.

The executive branch proposes fiscal year 1978 budget authority of \$167 million for population planning and \$105 million for health.

Whether in one account or two, these funds are authorized for 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 1 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; and
- 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.

Education and Human Resources Development

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	84, 430	84, 930 (+500)	81, 169	81, 369 (+200)

COMMITTEE COMMENT

Funds in this account are needed to help the poor in 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 even less. The number of children age 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. They will also help developing countries make their education systems, both formal and nonformal, more relevant to the needs of their people.

The committee increased the President's request by \$500,000 in budget authority and \$200,000 in outlays in order to provide for resumption of a program in India. The additional amount is equal to the funds for education and human resource development which were included in AID's proposed program, but not used, for India in fiscal year 1977.

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

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	99, 950	99, 950	¹ 84, 210	¹ 84, 210

¹ Includes outlays from prior-year funding of predecessor accounts ("Selected Development Problems" and "Selected Countries and Organizations") which were subsumed under this account in fiscal year 1976.

COMMITTEE COMMENT

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

The full amount recommended for these programs is needed to provide sufficient funds for voluntary agency programs, including ocean freight costs of these agencies, and for congressionally encouraged programs in the field of appropriate technology.

American Schools and Hospitals Abroad

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	7, 500	25, 000 (+17, 500)	13, 576	21, 538 (+7, 962)

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 in each of the last 2 fiscal years, \$25 million, continues to be 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. The Congress in the past has provided substantially more funds than the

Executive requested for this program, and the committee believes that Congress will support increases again in fiscal year 1978.

International Organizations and Programs

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	256, 000	281, 750 (+25, 750)	247, 550	265, 650 (+18, 100)

COMMITTEE COMMENT

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

The committee recommendation would increase the President's fiscal year 1978 request for budget authority by \$25.75 million. This budget authority would be split amongst the following programs in the following amounts:

[In millions of dollars]

Program	Committee recommendation	Amount over President's request
U.N. Development Program-----	140	10
U.N. Relief and Works Agency-----	52	
UNICEF-----	25	5
Organization of American States-----	20	2.5
IAEA-----	10	
U.N. University-----	10	
U.N. Environmental Program Fund-----	10	
U.N. Decade for Women-----	3	3
U.N. Capitol Development Fund-----	2	2
U.N. Revolving Fund for National Resource Exploration-----	2	
U.N. Associates Expert Program-----	2	2
U.N. World Meteorological Organization-----	2	
U.N. Food and Agricultural Organization-----	1.5	
U.N. Year of the Child-----	.75	.75
U.N. Namibia Institute-----	.50	.50
U.N. Institute for Training and Research-----	.50	
U.N. Educational and Training Program for Southern Africa-----	.50	

International Disaster Assistance

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	25, 000	25, 000	24, 758	24, 758

COMMITTEE COMMENT

This account provides funds for the United States response to natural and manmade disasters around the world. The level of \$25 million a year was set by Congress in 1975 on the basis of past experience to provide funding for "routine" disasters.

The committee recommends continuation of this funding at \$25 million for fiscal 1978, which is the amount requested by the President.

Inasmuch as the relatively small amount in this account frequently is insufficient to cover U.S. assistance in large disasters, the committee favors continuation of the policy of separate, special authorizations in extraordinary disaster situations where necessary. Such situations have occurred in recent times in the Sahel, Cyprus, Guatemala, Italy, and Lebanon.

Lebanon Relief and Rehabilitation

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	20, 000	20, 000	20, 000	20, 000

COMMITTEE COMMENT

The Congress in 1976 authorized \$20 million for relief and rehabilitation in Lebanon as section 495C of the Foreign Assistance Act. It did so after finding that "prompt United States assistance is necessary to alleviate the human suffering arising from the civil strife in Lebanon."

Further testimony received by the committee this year indicates the need for disaster assistance for Lebanon is still great. Projects of an emergency nature requiring another \$20 million in U.S. assistance have been identified. The President has requested another \$20 million in budget authority for further Lebanon disaster assistance in fiscal 1978, and the committee recommends this amount.

The Presidential request is contained in the executive branch budget as an add-on to the general disaster assistance fund of \$25 million, to make that item \$45 million for fiscal 1978. However, the committee recommends continuation of separate line items for extraordinary disaster assistance authorizations, as noted in its comment on the "International Disaster Assistance" account. Therefore, in this estimates report the committee is listing Lebanon relief and rehabilitation as a separate account.

Sahel Development Program

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	50, 000	50, 000	5, 000	5, 000

COMMITTEE COMMENT

Following the great drought in the Sahel region of Africa 4 years ago, the Congress expressed its support for international consultations and planning for a comprehensive, long-term development program for that region.

In late 1975, the Congress provided \$5 million for planning, consultation, and program development, and called on the President to develop a proposal for long-term development of the Sahel and other drought stricken areas of Africa.

Consistent with that legislation, the United States has been participating in a unique multilateral planning effort involving both the Sahelian countries themselves (which have formed a planning and coordinating body known as the Interstate Committee for Drought Control in the Sahel (CILSS)), and the donor community (operating together with the Sahelian countries as the Club des Amis du Sahel).

The development program which is now emerging from these multilateral discussions and studies rests on two basic premises: (1) that without fundamental alteration of the system of food production, the people of the Sahel will need even greater international food aid to survive; and (2) that transforming the area's productive capacity is desirable and possible with adequate international development assistance.

The \$50 million requested for fiscal year 1978 is intended as the first U.S. contribution to implementation of this multilateral effort to help develop one of the poorest regions of the world. Additional amounts are contemplated for future fiscal years.

Because disbursements in this type of development undertaking normally lags well behind commitments, the outlay estimate for fiscal 1978 is only \$5 million.

Operating Expenses

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	220, 200	220, 200	218, 665	218, 665

COMMITTEE COMMENT

This account covers the cost of all operating expenses of the Agency for International Development. Operating costs include not only the traditional "administrative expenses", but also the substantial cost of support and management of program and projects (such as technical planning and management of specific projects, contracting, procurement of commodities, engineering services, and handling of trainees from abroad).

In fiscal years 1976 and 1977, operating expenses were included within the various program accounts (e.g., Food and Nutrition, Security Supporting Assistance). However, the appropriations acts for those fiscal years broke out operating expenses from each program account and aggregated the funds for these expenses into a single line item. AID is now proposing such a line-item authorization and appropriation for this account.

Increases in operating expenses over fiscal year 1977 are due largely to a projected increase of about 250 in understaffed missions overseas.¹ as well as to inflation both here and abroad.

FOOD FOR PEACE (PUBLIC LAW 480)

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	922, 885	922, 885	1, 094, 160	1, 094, 160

COMMITTEE COMMENT

The Food-for-Peace program (Public Law 480) ranks among America's most significant undertakings abroad. Under this program, the

¹AID personnel are down from a peak of 17,600 in 1968 to a level of 5,751 at the end of 1976—a reduction of some 67 percent. The Agency is now attempting to fill critical vacancies, primarily abroad, in order to reach a level of 6,150 by the beginning of fiscal year 1978.

United States carries forward its humanitarian tradition of helping to feed hungry people. The program encourages agricultural and economic development in poor countries, with emphasis on self-help. It promotes American farm exports. It serves foreign policy interests with regard to friendly countries.

The U.S. agricultural commodities available for Public Law 480 are those determined by the Secretary of Agriculture to be available after meeting domestic requirements, adequate carryover, and anticipating commercial exports. Within this constraint, the volume shipped is determined by budgetary limits.

American wheat, corn, soy, and rice crops currently are at record or near record levels. Crops in a number of the largest developing countries also are in comparative abundance at this time. However, the needs for food aid globally are still large and are likely to grow in the future, and the vagaries of weather can cause sudden changes in the world food situation.

The \$923 million in budget authority requested by the President for fiscal 1978, plus the sums available from prior appropriations and from reflows, will provide for a slight increase in the Public Law 480 program, from \$1.38 billion in fiscal 1977 to \$1.4 billion in the coming year. The committee recommends the proposed budgetary level, which is designed to finance Public Law 480 shipments of some 6.3 million tons in fiscal 1978, up from around 6 million tons this year.

DEPARTMENT OF STATE, UNITED STATES INFORMATION AGENCY, AND BOARD FOR INTERNATIONAL BROADCASTING

Administration of Foreign Affairs

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	631, 199	631, 199	627, 425	627, 425

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; emergencies in the Diplomatic and Consular Service; executive direction and policy formulation; administrative and staff activities; and a payment of \$26,599,000 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. This figure does not include monies for the Foreign Buildings Office.

International Organizations and Conferences

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	400, 537	431, 537 (+31, 000)	375, 740	406, 740 (+31, 000)

COMMITTEE COMMENT

The purpose of this item is to defray 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. The fiscal year 1977 budget authority request includes \$74 million for UNESCO and the U.N.

The increase represents \$30 million for 1977 dues and assessments for UNESCO which the President has requested as a supplemental for fiscal year 1977 but the committee expects it to be provided in fiscal year 1978. In addition, the increase includes \$1 million as a contingency for additional international conferences not presently scheduled to be held in fiscal year 1978.

Educational Exchange

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	83, 100	88, 100 (+5, 000)	76, 415	81, 415 (+5, 000)

COMMITTEE COMMENT

This item represents the costs of activities of the Bureau of Educational and Cultural Activities. The purpose of the committee's recommended increase is to permit further expansion of programs related to the Helsinki accords.

Migration and Refugee Assistance

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	30, 054	¹ 33, 054 (+ 3, 000)	28, 944	¹ 31, 944 (+ 3, 000)

¹ The recommendation incorporates authority requested by the President for \$13,699,000 for Soviet refugees not settling in Israel in the Migration and Refugee Assistance program and adds \$3 million for both budget authority and outlays for additional costs related to the settlement of refugees in the United States.

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. This figure includes the \$24,554,000 request for U.S. contributions to the overall Migration and Refugee Assistance program. The remaining \$5,500,000 is the sum of a supplemental request for increased U.S. contributions to the U.N. High Commissioner for Refugees (UNHCR). This will provide sufficient funding for the UNHCR Indochinese refugee program in Thailand and elsewhere in Asia for calendar 1978.

Soviet Refugee Assistance

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----		20, 000 (+ 20, 000)	450	20, 000 (+ 19, 550)

COMMITTEE COMMENT

The President made no separate request for Soviet Refugee Assistance for settlement in Israel but incorporated \$13,699,000 in budget authority and \$12,825,000 in outlay authority in the request for Migration and Refugee Assistance for settlement outside of Israel. This sum of \$20 million will continue to assist in the settlement in Israel of Jewish refugees from the Soviet Union and eastern Europe.

Foreign Buildings Operations

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	110, 621	130, 621 (+ 20, 000)	88, 874	93, 874 (+ 5, 000)

COMMITTEE COMMENT

This sum will provide \$45 million for construction of a new U.S. Embassy in Moscow, and approximately \$19 million for construction elsewhere. The remainder will be used for operation and maintenance of U.S. facilities.

The committee's recommended increase would permit acquisition of properties to minimize expenses for leases in subsequent years.

International Commissions

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
300-----	31, 278	31, 278	32, 460	32, 460

COMMITTEE COMMENT

This item includes construction of the Amistad Dam powerplant on the Rio Grande and a flood control project on the Tijuana River in California.

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.

USIA Salaries and Expenses

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	269, 286	269, 286	270, 069	270, 069

COMMITTEE COMMENT

This sum is used by USIA to conduct cultural and informational programs on a worldwide basis. Among the activities funded are press, radio, TV, motion pictures, publications, information centers, 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	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	4, 360	4, 360	6, 557	6, 557

COMMITTEE COMMENT

Programs funded from this account are focused on Eastern 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	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	2, 952	¹ 16, 152 (+13, 200)	² 5, 643	³ 10, 119 (+4, 476)

¹ Committee recommendation includes authorization of \$13.2 million for further modernization of VOA facilities.

² Includes \$1.954 million in outlays for Philippines station.

³ Includes \$4,476 million in outlays for further modernization.

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.

Board for International Broadcasting

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	58, 730	67, 425 (+8, 695)	58, 738	63, 493 (+4, 755)

COMMITTEE COMMENT

This item provides for operating expenses abroad of Radio Free Europe/Radio Liberty.

The purpose of the committee's recommended increase is to provide funds for further modernization of broadcast facilities of Radio Free Europe and Radio Liberty.

OTHER PROGRAMS

Arms Control and Disarmament Agency

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	13, 255	13, 255	12, 595	12, 595

COMMITTEE COMMENT

The Arms Control and Disarmament Agency's primary activity involves participation in and support of a variety of arms control negotiations. In addition, the Agency is responsible generally for the formulation, coordination, direction, and implementation of U.S. arms control and disarmament policy. Finally, ACDA conducts internal analysis and evaluation of its own research and that carried out by other U.S. Government organizations in the area of arms control and disarmament.

In terms of time, manpower, and budget resources required, the chief negotiations which ACDA supports and in which it participates are SALT, the Strategic Arms Limitation Talks. Beyond that, the Agency provides research and other backup support for numerous other conventional and regional arms control efforts. Included in this latter category are the Mutual Balanced Force Reductions (MBFR), the Conference Committee on Disarmament (CCD), the Standing Consultative Commission (SCC), Conference on Security and Cooperation in Europe (CSCE), conventional arms control and arms transfers, chemical weapons, and nuclear proliferation.

To carry out this program ADCA is requesting a fiscal year 1978 authorization of \$13,255,000 which represents an increase of \$1,055,000 over fiscal year 1977. The fiscal year 1978 total consists of \$865,000 more for program operations and \$190,000 additional for external research. The increase in program funds is partly to cover the cost of the SALT negotiations for a more protracted period than is anticipated in fiscal year 1977. This is based on the assumption that there will be a break in the negotiations during fiscal year 1977 between the conclusion of SALT II and the beginning of SALT III, but that SALT III will proceed on a full-time basis through most of fiscal year 1978.

The balance of the increase is for more complete staffing of existing positions, to provide needed office space, and to cover normal cost increases both in Washington and at the SALT site in Geneva.

Council on International Economic Policy

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
800-----	1,450	0 (-1,450)	1,440	100 (-1,340)

COMMITTEE COMMENT

The Council on International Economic Policy (CIEP) was established by the International Economic Policy Act of 1972, which expires on September 30, 1977. CIEP provides advice to the President on international economic issues; it was created to provide coordination between domestic and international economic policy and between the various departments and agencies with responsibility for conducting foreign economic policy. CIEP has the responsibility for writing the annual International Economic Report of the President.

In recent years, CIEP has not been fully utilized to carry out its intended responsibility to coordinate foreign economic policy, and the new administration is likely to recommend that it be terminated.

Export Administration

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
400-----	5,726	7,226 (+1,500)	5,726.	7,226 (+1,500)

COMMITTEE COMMENT

Funds required to carry out the export control functions authorized by the Export Administration Act of 1969, which authorizes the control of exports for purposes of national security, foreign policy, and domestic short supply. The authorization has been open-ended to date, but, under H.R. 1561 (which will be before the committee in March 1977) and S. 6992, a specific authorization for the appropriations of funds will be required.

The difference between the President's fiscal year 1978 request and the committee recommendation is the Department of Commerce estimate of the funds required to implement the antiboycott provision of H.R. 1561.

Overseas Private Investment Corporation

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	150, 000	0 (-150, 000)	-7, 833	-7, 833

COMMITTEE COMMENT

The Overseas Private Investment Corporation (OPIC) is the quasi-governmental corporation which provides political risk insurance for U.S. investments in developing countries in order to promote those countries development.

OPIC's financial requirements are met out of the fees it charges for its insurance. However, the U.S. Treasury does back OPIC against potential claims, and in 1974 the Congress authorized OPIC to borrow up to \$100 million if necessary to pay such claims (OPIC has reserves of some \$350 million). OPIC has not had to use the borrowing authority. It is requesting that this authority be increased by \$150 million in order to make its program more salable to the private insurance companies, to which OPIC is mandated to turn over its activities by 1980-81.

Based on the amount of reserves available to OPIC, the committee is not convinced the \$150 million increase requested by the executive branch is justified.

The minus \$7.883 million figure represents the estimated net between OPIC's revenues from fees and interest and its operating expenses for fiscal year 1978.

Peace Corps

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	74, 800	81, 000 (+6, 200)	76, 194	81, 794 (+5, 600)

COMMITTEE COMMENT

The fiscal year 1978 request is for \$74.8 million, which is \$5.2 million less than the amount appropriated for fiscal year 1977. This request figure is designed to support 5,392 volunteers (i.e. "volunteer-years") in 63 countries and 2,883 trainees. Also included is a projected

increase of 2 percent or \$634,000 for program support in fiscal year 1978—resulting from anticipated inflation. No increase in personnel is contemplated.

Factors which affect the authorization level are: (1) number of volunteers and trainees recruited and placed in the field in a given year and (2) possible reorganization of ACTION agency under a new Director. In the light of these variables, the \$74.8 million request figure represents a somewhat arbitrary ceiling imposed by the Office of Management and Budget (before the new Director and his staff have had an opportunity to study and project actual Peace Corps requirements).

It was the strong bipartisan consensus of the Subcommittee on International Development, which has been assigned primary jurisdiction over the Peace Corps authorization, that the fiscal year 1977 authorization level (\$81 million) should constitute the basis for recommendation to the Committee on the Budget. The subcommittee intends to hold hearings on this matter in the near future to ascertain and recommend the appropriate authorization level for fiscal year 1978.

This recommendation of the Subcommittee on International Development was adopted by the full committee on March 3, 1977.

Nuclear Nonproliferation and Export Controls

ERDA (PROGRAM 6, FUEL CYCLE R. & D.) (URANIUM RESOURCE ASSESSMENT, FUEL CYCLE SUPPORT, AND WASTE MANAGEMENT)

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
300-----	¹ 379, 800	379, 800	¹ 290, 300	¹ 290, 300

¹ Only gross totals are currently available for fuel cycle R. & D.; no public information on subprograms at this time. ERDA itself is unable to project the conclusions of the on-going proliferation policy review.

COMMITTEE COMMENT

The Fuel Cycle R. & D. program category has been the locus of the bulk of ERDA's work on reprocessing and plutonium recycle. The committee has expressed its concern about these programs in last year's nuclear proliferation work and the executive branch has itself declared that resources must be devoted to alternatives to reprocessing. The existing budget, however, is still weighted heavily in favor of reprocessing research and development. Fledgling alternatives need to receive serious support, and this in turn may mean substantial cutbacks in advanced R. & D. for reprocessing. Such issues will be considered in detail during the committee's subsequent reviews.

**ERDA (PROGRAM 7, LIQUID METAL FAST BREEDER REACTOR)
(CLINCH RIVER AND OTHER)**

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
300-----	656, 000	656, 000	651, 000	651, 000

COMMITTEE COMMENT

The breeder reactor has profound implications for U.S. nonproliferation policy. As the breeder spreads, so too will large quantities of plutonium. Stockpiles of readily fissionable material, such as plutonium in either its separated or readily separable cold state, cannot be "safeguarded" in any meaningful sense of that term.

Commercialization of the breeder is, as the GAO notes, taking place prematurely and this is indeed characteristic of nuclear power technologies generally. In short, commercial development proceeds, while an assessment of proliferation risks lags. Meanwhile, other countries interpret heavy U.S. budget support for the breeder as an indication of its near-term inevitability and this in turn drives their own desires and expectations and stiffens their resistance to U.S. initiatives on plutonium control.

The committee is skeptical about the desirability of such heavy funding in the breeder area and will look seriously at such funding in hearings following the Presidential nonproliferation review.

ERDA (PROGRAM 8, NUCLEAR RESEARCH AND APPLICATIONS)

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
300-----	165, 400	255, 400 (+90, 000)	192, 200	272, 200 (+80, 000)

COMMITTEE COMMENT

In the last year a major redirection of U.S. declaratory policy has occurred. The essence of this shift has been to redirect attention from nuclear reprocessing, with its major proliferation risks, and toward the development and promotion of safer alternatives. This change, which will no doubt be reinforced by the Carter administration, must be reflected in the relevant sections of the ERDA budget. Currently it is not.

The committee hopes to support this change of policy by encouraging more serious budgetary support for alternatives to reprocessing—e.g., the tandem cycle, heavy water reactors, redesign of light water reactors, and so forth. The recommended increase in funding would enable these new technologies to gain a respectable start.

ERDA (PROGRAM 15, NUCLEAR MATERIALS SECURITY AND SAFEGUARDS)

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
300-----	40, 700	40, 700	36, 700	36, 700

COMMITTEE COMMENT

The committee is strongly supportive of the safeguard's work being done by ERDA. It expects, however, to look seriously at the general character and progress of ongoing programs.

ERDA (PROGRAM 17, NUCLEAR EXPLOSIVE APPLICATION)

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
300-----	1, 000	1, 000	1, 000	1, 000

COMMITTEE COMMENT

The purpose of this program is to continue research and to make available to other countries feasibility studies on so-called "peaceful" nuclear explosives. Since U.S. Agreements for Cooperation expressly forbid the use of U.S.-supplied material for such explosions and, since our national policy generally is to discourage and to deny the suitability of "peaceful" explosive applications, the continuation of this program seems plainly unwarranted. The minimal gains that might arguably be derived from this program must be traded off against the unfortunate symbolic implications for nonproliferation policy. Here again the committee will wish to review the program.

ERDA (PROGRAM 18, URANIUM ENRICHMENT)

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
300-----	857, 900	857, 900	551, 000	551, 000

COMMITTEE COMMENT

The committee is supportive of efforts that assure foreign countries of the adequacy of U.S. low-enriched fuel supplies.

ERDA (SPENT FUEL STORAGE PROGRAM)

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
300-----		100, 000 (+100, 000)		100, 000 (+100, 000)

COMMITTEE COMMENT

Virtually no funding was dedicated to spent fuel storage work in fiscal year 1977. It is anticipated that President Carter will recommend strong new efforts in this area and the committee will wish to be in a position to be able to support that request. In light of the deferral of reprocessing (and, indeed, its possible termination) it is essential that work begin immediately on short- and long-term spent fuel storage. Moreover, funds should be allocated to cover the cost of reacquiring U.S. spent reactor fuel now in critical foreign repositories.

NUCLEAR REGULATORY COMMISSION (NUCLEAR MATERIALS AND SAFEGUARDS)

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
300-----	22, 090	22, 090	20, 800	20, 800

COMMITTEE COMMENT

The above figures reflect both domestic and international safeguard activities. NRC has been asked to do a breakout on exclusively international activities, but such a study will take some time, given the complex interrelationship of the two categories.

NUCLEAR REGULATORY COMMISSION (INTERNATIONAL PROGRAMS OFFICE)

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
300-----	815	895 (+80)	805	885 (+80)

COMMITTEE COMMENT

The International Programs Office is one of several functions subsumed under the general category of Program Technical Support. It should be noted that the office has an important role to play in supporting the Nuclear Regulatory Commissioners in interagency non-proliferation policy assessments and in providing background and documentation relevant to complex international licensing decisions. While the NRC has rightfully avoided transforming the office into a "mini" State Department, there is clearly a need for some additional professional staff support.

**PRESIDENT'S BUDGET REQUEST FOR NEW AND
EXPANDED PROGRAMS WHICH REQUIRE
AUTHORIZING LEGISLATION FOR FISCAL
YEAR 1978**

Balance of Payments Loan to Portugal

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	300, 000	300, 000	300, 000	300, 000

COMMITTEE COMMENT

Because of unique political and economic problems, the United States and other Western European nations are attempting to put together a \$1.5 billion balance-of-payments loan to meet Portugal's medium-term financing needs. The U.S. portion of the 3-year package would be about 40 percent: \$300 million in 1977, \$130 million in 1978, and \$120 million in 1979. The interest rate on the loans would at least cover the cost of money to the U.S. Treasury. The Department of State is still negotiating the details of the package with various European governments.

The U.S. loans will be made on a bilateral basis between the United States and Portugal.

PRESIDENT'S BUDGET REQUEST FOR NEW AND EXTENDED PROGRAMS WHICH REQUIRE AUTHORIZING LEGISLATION FOR FISCAL YEAR 1978

Balance of Payments Loan to Portugal

(in thousands of dollars)

Funds Available		Funds Obligated	
Commitment	Availability	Commitment	Availability
200,000	200,000	200,000	200,000

COMMITTEE COMMENT

The President's request for funding of the balance of payments loan to Portugal is a continuation of the program established in 1976. The loan is a part of the President's effort to provide economic assistance to Portugal, which is a member of the European Community. The loan is a part of the President's effort to provide economic assistance to Portugal, which is a member of the European Community. The loan is a part of the President's effort to provide economic assistance to Portugal, which is a member of the European Community.

LEGISLATIVE INITIATIVES OF CONGRESS FOR FISCAL YEAR 1978

International Conference on NATO and Related Institutions

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----		500 (+500)	-----	225 (+225)

COMMITTEE COMMENT

The purpose of the recommendation is to establish a commission to organize and participate in an international conference on NATO and other institutions serving the industrialized nations.

Africa Foundation

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----		30, 000 (+30, 000)	-----	2, 000 (+2, 000)

COMMITTEE COMMENT

The purpose of the committee's recommendation is to establish an African Foundation which would have as its purpose the expansion of economic and social development through the funding of projects growing out of local private initiatives. Designed to stimulate individual participation in the development process, these funds would underwrite those efforts too small for AID funding. The outlays for fiscal 1978 would be used principally for planning and startup costs.

International Support for Nonnuclear Alternatives

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
300-----		15, 000 (+15, 000)	-----	8, 000 (+8, 000)

COMMITTEE COMMENT

The committee's recommendation is based on the demonstrated need for more substantial support for the exploration and promotion of alternatives to nuclear energy in developing countries. The proposed program would be funded within AID, but coordinated with ERDA.

PRESIDENT'S BUDGET REQUESTS FOR EXIST- ING PROGRAMS WHICH DO NOT REQUIRE AU- THORIZING LEGISLATION FOR FISCAL YEAR 1978

INTERNATIONAL SECURITY ASSISTANCE

Foreign Military Sales Credit, Proprietary Receipts

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
050-----	—309, 600	—309, 600	—309, 600	—309, 600

COMMITTEE COMMENT

This item represents repayments of credits extended under the foreign military sales program as authorized by the Arms Export Control Act.

Advances, Foreign Military Sales

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
	6, 916, 499	6, 916, 499	8, 800, 000	8, 800, 000
	—8, 800, 000	—8, 800, 000	—8, 800, 000	—8, 800, 000
050----	—1, 883, 501	—1, 883, 501	0	0

COMMITTEE COMMENT

The trust fund for foreign military sales advances was established to facilitate government-to-government sales of defense articles and services as authorized by sections 21 and 22 of the Arms Export Control Act, including those sales financed with foreign military sales

credits in accordance with section 23 of that act. Orders placed by foreign governments through the trust fund can be combined with procurement for U.S. Armed Forces resulting in savings shared both by the United States and foreign governments.

All payments into this fund are received from foreign governments for the sole purpose of making progress payments on their military sales contracts. The fund is used for no other purposes.

The President's gross budget authority request of \$6,916,499,000 for fiscal year 1978 represents the Department of Defense estimate of actual obligations (contracts made with American suppliers on behalf of foreign governments) which will be incurred by this program during the coming fiscal year. The minus \$8,800 million figure represents the amounts which foreign governments will pay into the fund in the coming year.

This approach represents a change from last year's budget presentation which included in the gross budget authority estimate a total level of orders estimated to be received from foreign governments within that time frame. Under the former method of estimating budget authority and outlay requirements for the fund, updated estimates would fluctuate radically as the fiscal year progressed. The new method of using only obligations in the estimate should resolve this problem.

Liquidation of Foreign Military Sales Fund

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
050-----			-4,500	-4,500

COMMITTEE COMMENT

This liquidation account was established as of June 30, by section 524(b) (2) of the Foreign Assistance Act. The section terminated the Special Foreign Military Sales Fund and required that the Fund's assets be transferred to the liquidation account to be available solely for the purpose of settling outstanding liabilities and obligations arising from credit agreements and guaranties issued prior to June 30, 1968. To date all such liabilities and obligations have been satisfied. Excess funds are transferred to the General Fund of the Treasury.

INTERNATIONAL DEVELOPMENT ASSISTANCE
Foreign Service Act Retirement Fund (Aid Payment)

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	21, 450	21, 450	21, 450	21, 450

COMMITTEE COMMENT

This amount is required to pay for the fiscal year 1978 annual installment needed to cover the unfunded liability resulting from increases in benefits or participation of Agency for International Development career foreign service employees in the Foreign Service Retirement and Disability System. (Fiscal year 1978 will be the last year this item will be included in the budget in its present form; beginning in fiscal year 1979, it is expected that funds for this liability will be included in the Department of State budget.)

Prototype Desalting Plant

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----			7, 423	7, 423

COMMITTEE COMMENT

This account represents the fiscal year 1978 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	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----			500	500

COMMITTEE COMMENT

This item represents fiscal year 1978 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		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----			4, 300	4, 300

COMMITTEE COMMENT

This item represents fiscal year 1978 outlays from funds previously provided to the Social Progress Trust Fund.

Inter-American Foundation

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----			8, 280	8, 280

COMMITTEE COMMENT

This item represents fiscal year 1978 outlays of funds previously provided to the Inter-American Foundation, which carries out programs of social development in Latin America and the Caribbean.

International Fund For Agricultural Development

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----			12, 000	12, 000

COMMITTEE COMMENT

The U.S. contribution of up to \$200 million to the International Fund for Agricultural Development (IFAD) was authorized in the International Development and Food Assistance Act of 1975 and appropriations in that amount were passed in fiscal 1976. This account represents outlays from this funding estimated for fiscal 1977 and fiscal 1978.

Darien Gap Highway

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----			1, 500	1, 500

COMMITTEE COMMENT

This account represents fiscal year 1978 outlays from prior-year funds provided for completion of the Inter-American Highway.

African Development Program (Sahel)

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----			2, 200	2, 200

COMMITTEE COMMENT

This account represents outlays from funds provided in fiscal year 1976 to enable the President to develop a comprehensive proposal for a long-term development program for the drought-stricken areas of Africa.

Alliance for Progress Loans

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----			45, 202	45, 202

COMMITTEE COMMENT

This item consists of outlays from prior-year funding for this account, which in fiscal year 1974 was subsumed under the various functional development assistance accounts.

Special Disaster Relief and Reconstruction

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----			21, 061	21, 061

COMMITTEE COMMENT

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

Italy Relief and Rehabilitation

[In thousands of dollars]

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

COMMITTEE COMMENT

This account represents outlays from prior year appropriations for relief and rehabilitation of people victimized by the 1976 earthquake disaster in Italy.

Cyprus Relief and Rehabilitation

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----			5, 000	5, 000

COMMITTEE COMMENT

This account represents fiscal year 1978 outlays from prior year appropriations for relief and rehabilitation of refugees and other needy people in Cyprus.

Guatemala Relief and Rehabilitation

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----			3, 000	3, 000

COMMITTEE COMMENT

This account represents the fiscal 1978 outlays from appropriations authorized by the Guatemala Disaster Act of 1976.

Development Loan Fund

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----			19, 878	19, 878

COMMITTEE COMMENT

This item consists of outlays from prior year funding for this account, which in fiscal year 1974 was subsumed under the various functional development assistance accounts.

Portugal and Portuguese Colonies

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----			8, 848	8, 848

COMMITTEE COMMENT

This account represents the fiscal year 1978 outlays from prior year appropriations for assistance to Portugal and the former Portuguese colonies.

Economic Assistance, Proprietary Loan Receipts

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	¹ —533, 355	¹ —533, 355	¹ —533, 355	¹ —533, 535

¹ Of this amount, \$299,550,000 for repayment of principal is included in budget function 150, "International Affairs". The balance of \$233,805,000 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.

DEPARTMENT OF STATE AND UNITED STATES INFORMATION AGENCY; PROGRAMS AND TRUST FUNDS

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

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	50	50	45	45

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))

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

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	225	225	254	254

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	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	3, 254	3, 254	2, 507	2, 507

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 cost of site preparation. (Authority: Public Law 90-533)

Panama Canal Payment

[In thousands of dollars]

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

COMMITTEE COMMENT

Annual payment is made to the Government of Panama in consideration of rights granted in perpetuity with regard to the construc-

tion of the Panama Canal. (Authority: Treaty of 1903, 33 Stat. 2238; 53 Stat. 1818)

Gifts, Department of State

[In thousands of dollars]

Budget authority			Outlays		
Budget function	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)	
150-----	837	837	837	837	

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 authority			Outlays		
Budget function	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)	
150-----	66, 000	66, 000	66, 000	66, 000	

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)

Foreign Service Retirement and Disability Fund

[In thousands of dollars]

Budget authority			Outlays	
Budget function	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
600-----	161, 187	161, 187	96, 692	96, 692

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, secs. 802 and 811.)

State Department, Proprietary Receipts and Interfund Transactions

[In thousands of dollars]

Budget authority			Outlays	
Budget function	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	—135, 600	—135, 660	—135, 660	—135, 660

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.

Non-U.S. Government Contributions to USIA Activities, USIA Trust Funds

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	24	24	24	24

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; secs. 701 and 902; Public Law 87-256, sec. 105(f))

United States Information Agency, Proprietary Receipts

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	-308	-308	-308	-308

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.

Emergency Refugee and Migration Assistance

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	15, 000	15, 000	15, 000	15, 000

COMMITTEE COMMENT

The Emergency Refugee and Migration Assistance Fund was established by the 1976 Foreign Relations Authorization Act (Public Law

94-141) to enable the President to provide emergency assistance for unexpected, urgent refugee and migration needs.

EXPORT PROMOTION AND CONTROL

East-West Trade

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
400-----	4, 238	4, 238	4, 238	4, 238

COMMITTEE COMMENT

This account 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.

International Trade and Development

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
400-----	19, 171	19, 171	19, 171	19, 171

COMMITTEE COMMENT

This item encourages and assists U.S. businesses to export by: (1) conducting market research and overseas trade promotion events, (2) assisting U.S. companies to compete for foreign capital projects and product purchases, and (3) providing U.S. industry with overseas sales leads. The 1978 proposed decrease reflects the closing of the Sydney, Australia, trade center.

There has been considerable controversy both within the executive and the legislative branches of government as to the extent to which the U.S. Government should be involved in trade promotion. According to the fifth annual International Economic Report of the President (January 1977), the United States spends much less on export promotion than does its major competitors.

Export-Import Bank ¹

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	1, 602, 370	1, 602, 370	944, 420	944, 240

COMMITTEE COMMENT

The Export-Import Bank provides direct loans, refinancing of export credits, and loan guarantees and insurance in order to facilitate the export of U.S. goods and services. According to the President's budget message, the Bank is making a concerted effort to limit its lending solely to situations where private financing is not available or where necessary to offset competitive credit programs of foreign governments.

The \$348,839,000 increase in budget authority and the \$65,857,000 increase in outlays for fiscal year 1978 is based on the Bank's estimate of the increased demand for U.S. exports which qualify for Bank financing.

The above figures include a \$20 million dividend payment by the Bank to the Department of the Treasury.

INTERNATIONAL FINANCIAL INSTITUTIONS (IFI's)**IFI Appropriations and Authorizations, 1977**

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	2, 616, 124	2, 616, 124	1, 058, 695	1, 058, 695

COMMITTEE COMMENT

The International Financial Institutions include the World Bank Group (IBRD, IFC, IDA), the Inter-American Development Bank

¹ Although the Committee on Banking, Currency and Housing has primary legislative jurisdiction over the Bank, the Committee on International Relations has special oversight responsibilities for international financial and monetary organizations as well as general oversight responsibilities over agencies involved in export promotion and control.

(and its soft-window Fund for Special Operations), the Asian Development Bank (and its soft window Asian Development Fund), and the African Development Fund. The large disparity between the fiscal year 1978 budget authority and outlays is explained by the fact that much of the authorization request is for a 3-year period. The revised budget authority is \$631 million higher than the original budget because of the determination of the necessity to appropriate the callable capital.

The administration is also requesting supplemental fiscal year 1977 appropriations to cover U.S. arrearages for IDA, IADB, Fund for Special Operations, and Asian Development Fund.

IFI APPROPRIATIONS AND AUTHORIZATIONS 1977

[In millions of dollars]

	Fiscal year 1977 supplemental	Fiscal year 1978 authorizations	Fiscal year 1978 appropriations
World Bank Group:			
IBRD			
IDA	55	¹ 1,569.0	² 523.0
IFC		2,400.0	1,175.0
		111.5	44.6
Inter-American Development Bank:			
Ordinary	200		200.0
Interregional	60		³ 200.0
Fund for special operations	200		200.0
Asian Development Bank:			
Ordinary		⁴ 814.2	⁵ 203.6
Asian Development Fund	25	180.0	60.0

¹ 156.9 paid in 1,412.1 callable.

² 52.3 paid in 470.7 callable.

³ 40 paid in 160 callable.

⁴ 81.4 paid in 723.8 callable.

⁵ 20.4 paid in 183.2 callable.

United States Custom Service

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
750	383,000	383,000	382,650	382,650

COMMITTEE COMMENT

The U.S. Customs Service enforces laws against smuggling, controls persons and articles entering and leaving the United States, and collects import duties and taxes. Basic authority for these activities is contained in the Tariff Act of 1930 as amended (19 U.S.C. 1202 et seq.)

The committee has oversight jurisdiction with respect to customs administration carried out under this budget item.

OTHER TRUST FUNDS

Japan-United States Friendship Trust Fund

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	1, 000	1, 600 (+ 600)	1, 000	1, 000

COMMITTEE COMMENT

The Japan-United States Friendship Act of 1975 established the Japan-United States Friendship Trust Fund, to be used for the promotion of scholarly, cultural, and artistic activities between Japan and the United States. The amount authorized by Congress came to \$24 million; the initial appropriation was for \$18 million. The income of the Fund, and not to exceed 5 percent annually of the principal of the Fund, is authorized to be expended to carry out the purposes of the act. Such funds will be used to pay the expenses of the Commission and to make grants to provide support for studies, fellowships, scholarships, book collections, art programs, and other cultural and educational activities, primarily in the United States.

The committee's recommended increase reflects the request of the Commission that all the annually accrued interest be appropriated.

Peace Corps, Miscellaneous Trust Funds

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	115	115	115	115

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.

Technical Assistance (Highway) Trust Fund

[In thousands of dollars]

Budget function	Budget authority		Outlays	
	President's request	Committee recommendation (difference)	President's request	Committee recommendation (difference)
150-----	100	100	100	100

COMMITTEE COMMENT

Under the Foreign Economic Assistance Act and under agreement with the International Bank for Reconstruction and Development and the Export-Import Bank of Washington, the Federal Highway Administration renders technical assistance and acts as agent for the purchase of equipment and materials for carrying out highway programs in foreign countries.

The trust fund consists of U.S. dollars advanced by foreign governments for such services. During the current year these services are being rendered to Costa Rica, Iran, Panama, and Kuwait.

TABLE OF ESTIMATES FOR FISCAL YEAR 1978

PART II
TABLE OF ESTIMATES FOR FISCAL YEAR 1978

TABLE OF ESTIMATES FOR FISCAL YEAR 1978

[In thousands of dollars]

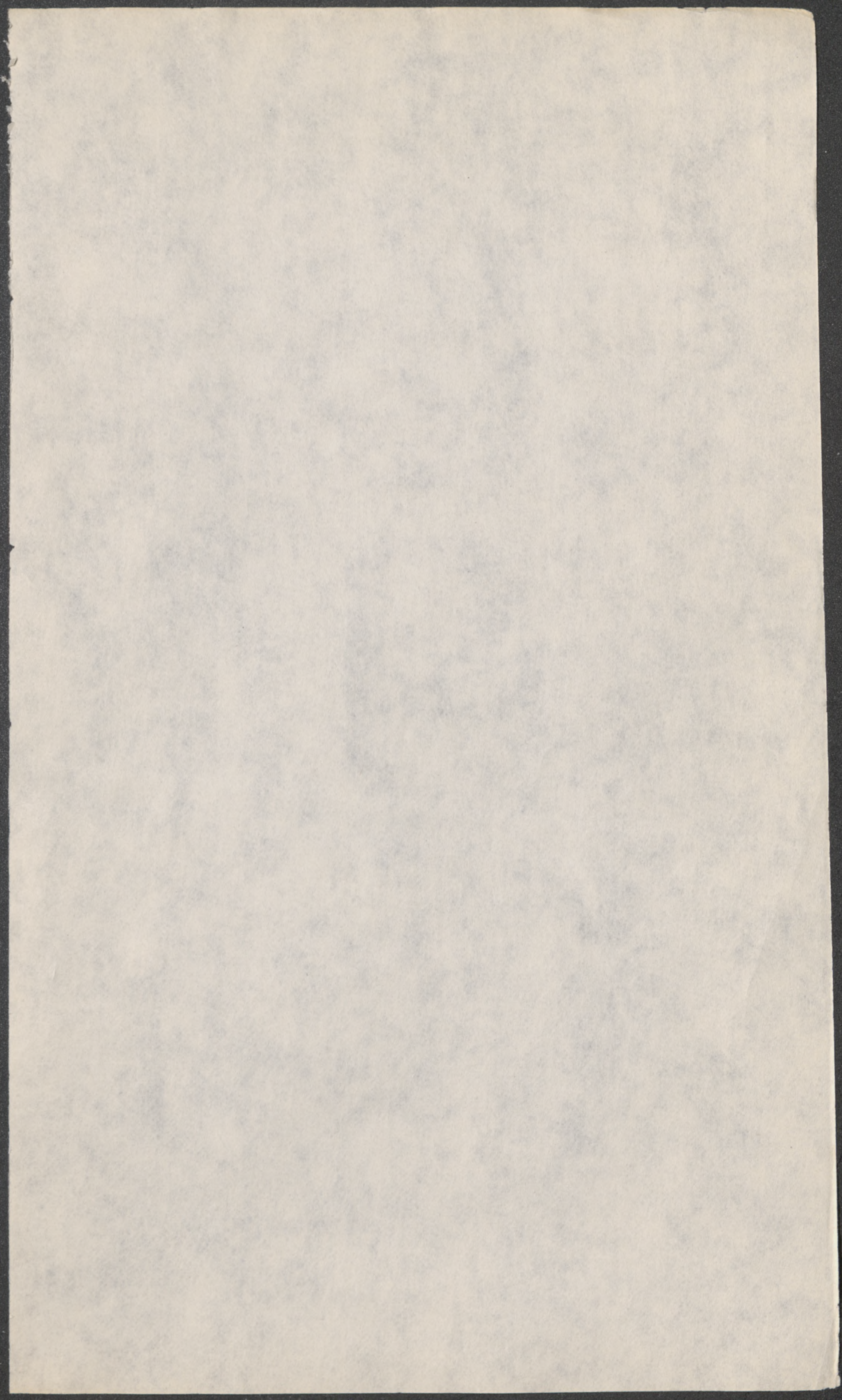
Program and budget function	Budget authority		Outlays	
	President's request	Committee recommendation	President's request	Committee recommendation
			Difference	Difference
International Security Assistance:				
Grant military assistance (050)	230,000	230,000	0	300,000
Foreign military education and training (050)	35,000	35,000	0	30,500
Foreign military sales credits (050)	707,750	707,750	0	560,000
Security supporting assistance (150)	1,887,200	1,887,200	1,785,632	1,785,632
Middle East special requirements fund (150)	25,000	25,000	0	38,049
Contingency fund (150)	5,000	5,000	0	4,617
International narcotics control (150)	39,000	39,000	0	36,100
International Development Assistance:				
Food and nutrition (150)	550,000	611,200	+61,200	435,314
Population planning and health (150)	271,903	271,903	0	200,784
Education and human resources development (150)	84,430	84,930	+500	81,169
Technical assistance, energy, research, reconstruction, and selected development problems (150)	99,950	99,950	0	84,210
American schools and hospitals abroad (150)	7,500	25,000	+17,500	13,576
International organizations and programs (150)	256,000	281,750	+25,750	247,550
International disaster assistance (150)	25,000	25,000	0	24,758
Lebanon relief and rehabilitation (150)	20,000	20,000	0	20,000
Sahel development program (150)	50,000	50,000	0	5,000
Operating expenses (150)	220,200	220,200	0	218,665
Food for Peace Program (Public Law 480) (150)	922,885	922,886	0	1,094,160
Department of State, U.S. Information Agency, and Board for International Broadcasting:				
Administration of foreign affairs (150)	631,199	631,199	0	627,425
International organizations and conferences (150)	400,537	431,537	+31,000	375,740
Education and exchange (150)	83,100	88,100	+5,000	76,415
Migration and refugee assistance (150)	30,054	33,054	+3,000	28,944
Soviet refugee assistance (150)	0	20,000	+20,000	450
Foreign buildings operations (150)	110,621	130,621	+20,000	88,874
International commissions (300)	31,278	31,278	0	32,460
USIA salaries and expenses (150)	269,286	269,286	0	270,069
USIA special international exhibitions (150)	4,360	4,360	0	6,557
USIA radio facilities (150)	2,952	16,152	+13,200	10,119
Board for International Broadcasting (150)	58,730	67,425	+8,695	58,738
				+4,476
				+4,755

TABLE OF ESTIMATES FOR FISCAL YEAR 1978—Continued

[In thousands of dollars]

Program and budget function	Budget authority			Outlays	
	President's request	Committee recommendation	Difference	President's request	Committee recommendation
PRESIDENT'S BUDGET REQUEST FOR EXISTING PROGRAMS WHICH REQUIRE REENACTMENT OR MODIFICATION OF AUTHORIZING LEGISLATION FOR FISCAL YEAR 1978—Continued					
Other Programs;					
Arms Control and Disarmament Agency (150)	13,255	13,255	0	12,595	12,595
Council on International Economic Policy (800)	1,450	0	-1,450	1,440	100
Export Administration (400)	5,726	7,226	+1,500	5,726	7,226
Overseas Private Investment Corporation (150)	150,000	0	-150,000	-7,833	0
Peace Corps (150)	74,800	81,000	+6,200	76,194	81,794
Nuclear nonproliferation and export controls:					
ERDA program No. 6, fuel cycle R. & D. (300)	379,800	379,800	0	290,300	290,300
ERDA program No. 7, liquid metal fast breeder reactor (300)	656,000	656,000	0	651,000	651,000
ERDA program No. 8, nuclear research and application (300)	165,400	255,400	+90,000	192,200	272,200
ERDA program No. 15, nuclear materials security and safeguards (300)	40,700	40,700	0	36,700	36,700
ERDA program No. 17, nuclear application (300)	1,000	1,000	0	1,000	1,000
ERDA program No. 18, uranium enrichment (300)	857,900	857,900	0	551,000	551,000
ERDA spent fuel storage program (300)	0	100,000	+100,000	0	100,000
NRC nuclear materials and safeguards (300)	22,090	22,090	0	20,800	20,800
NRC international programs office (300)	815	895	+80	805	885
PRESIDENT'S BUDGET REQUEST FOR NEW AND EXPANDED PROGRAMS WHICH REQUIRE AUTHORIZING LEGISLATION FOR FISCAL YEAR 1978					
Balance of payments loan to Portugal (150)	300,000	300,000	0	300,000	300,000
LEGISLATIVE INITIATIVES OF CONGRESS FOR FISCAL YEAR 1978					
International Conference on NATO (150)	0	500	+500	0	225
Africa Foundation (150)	0	30,000	+30,000	0	2,000
International support for nonnuclear alternatives (150)	0	15,000	+15,000	0	8,000
PRESIDENT'S BUDGET REQUESTS FOR EXISTING PROGRAMS WHICH DO NOT REQUIRE AUTHORIZING LEGISLATION FOR FISCAL YEAR 1978					
International Security Assistance:					
Foreign military sales credits, proprietary receipts (050)	-309,600	-309,600	0	-309,600	-309,600
Advances, foreign military sales (050)	-1,883,501	-1,883,501	0	0	0
Liquidation of foreign military sales fund (050)	0	0	0	-4,500	-4,500
International Development Assistance:					
Foreign Service Act retirement fund (150)	21,450	21,450	0	21,450	21,450
Prototype desalting plant (150)	0	0	0	7,423	7,423
Albert Schweitzer Hospital (150)	0	0	0	500	500
Social Progress Trust Fund (150)	0	0	0	4,300	4,300
Inter-American foundation (150)	0	0	0	8,280	8,280
International fund for agricultural development (150)	0	0	0	12,000	12,000
Darien Gap highway (150)	0	0	0	1,500	1,500
African development program (Sahel) (150)	0	0	0	2,200	2,200

Alliance for Progress loans (150)	0	0	0	46,204	45,202	0
Special disaster relief and reconstruction (150)	0	0	0	21,061	21,061	0
Italy relief and rehabilitation (150)	0	0	0	10,000	10,000	0
Guatemala relief and rehabilitation (150)	0	0	0	3,000	3,000	0
Development loan fund (150)	0	0	0	19,878	19,878	0
Portugal and Portuguese colonies (150)	0	0	0	8,848	8,848	0
Economic assistance, proprietary loan receipts:						
(150)	-299,550	-299,550	0	-299,550	-299,550	0
(900)	-233,805	-233,805	0	-233,805	-233,805	0
Department of State and U.S. Information Agency; Programs and Trust Funds;						
Gifts and bequests, National Commission on Educational, Scientific, and Cultural Cooperation (150)	50	50	0	45	45	0
Non-U.S. Government contributions to Mutual Educational and Cultural Exchange Act activities (150)	225	225	0	254	254	0
International Center, District of Columbia (150)	3,254	3,254	0	2,507	2,507	0
Panama Canal payment (150)	2,328	2,328	0	2,328	2,328	0
Gifts, Department of State (150)	837	837	0	837	837	0
Foreign Service Act retirement fund payments (150)	66,000	66,000	0	66,000	66,000	0
Foreign Service retirement and disability fund (600)	161,187	161,187	0	96,692	96,692	0
State Department, proprietary receipts and interfund transactions:						
(150)	-133,578	-133,578	0	-133,578	-133,578	0
(300)	-426	-426	0	-426	-426	0
(400)	-700	-700	0	-700	-700	0
(600)	-506	-506	0	-506	-506	0
(900)	-450	-450	0	-450	-450	0
Non-U.S. Government contributions to USIA activities, USIA trust funds (150)	24	24	0	24	24	0
U.S. Information Agency, proprietary receipts (150)	-308	-308	0	-308	-308	0
Emergency refugee migration and refugee assistance (150)	15,000	15,000	0	15,000	15,000	0
Export Promotion and Control:						
East-West trade (400)	4,238	4,238	0	4,238	4,238	0
International trade and development (400)	19,171	19,171	0	19,171	19,171	0
Export-Import Bank (150)	1,602,370	1,602,370	0	944,420	944,420	0
International Financial Institutions (150)	2,616,124	2,616,124	0	1,058,695	1,058,695	0
U.S. Customs Service (750)	383,000	383,000	0	382,650	382,650	0
Other Trust Funds and Receipts:						
Japan-United States friendship trust funds (150)	1,000	1,600	+600	1,000	1,000	0
Peace Corps, miscellaneous trust funds (150)	115	115	0	115	115	0
Peace Corps, offsetting receipts (150)	-34	-34	0	-34	-34	0
Technical assistance (Highway Trust Fund (150))	100	100	0	100	100	0
Miscellaneous receipts (150)	-208,323	-208,323	0	-208,323	-208,323	0
TOTALS BY BUDGET FUNCTION						
National Defense (050)	-1,220,351	-1,220,351		576,400	576,400	
International Affairs (150)	10,280,046	10,388,191	+108,145	7,832,569	7,970,037	+137,468
National Resources, Environment, and Energy (300)	2,154,557	2,344,637	+190,080	1,775,839	1,955,919	+180,080
Commerce and Transportation (400)	28,435	29,935	+1,500	28,435	29,935	+1,500
Income Security (600)	160,681	160,681		96,186	96,186	
Law Enforcement and Justice (750)	383,000	383,000		382,650	382,650	
General Government (800)	1,450	-1,450	-1,450	1,400	100	-1,340
Interest (900)	-234,255	-234,255		-234,255	-234,255	
Total, all programs	11,553,563	11,851,838	+298,275	10,459,264	10,776,972	+317,708



THESE EDITIONS

1914-1915

1916-1917

THESE EDITIONS ARE THE PROPERTY OF THE
LIBRARY OF THE UNIVERSITY OF CHICAGO
AND ARE NOT TO BE LOANED OUT