

FOREIGN OPERATIONS, EXPORT FINANCING, AND
RELATED PROGRAMS APPROPRIATIONS BILL, 1996

JUNE 15, 1995.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed

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

REPORT

together with

MINORITY VIEWS

[To accompany H.R. 1868]

The Committee on Appropriations submits the following report in
explanation of the accompanying bill making appropriations for
Foreign Operations, Export Financing, and Related Programs, and
for sundry independent agencies and corporations for the fiscal
year ending September 30, 1996, and for other purposes.

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SUMMARY OF THE BILL

The Committee has recommended foreign assistance and export financing funding at a level that is \$2,799,604,666 below the Administration's fiscal year 1996 request in discretionary budget authority. The resulting total of \$11,998,386,000 in discretionary appropriations is needed to meet the essential requirements of the United States and its President in conducting foreign policy and meeting urgent humanitarian needs abroad.

The bill is \$201,614,000 below the Committee's fiscal year 1996 602(b) allocation for discretionary budget authority, but it consumes almost all of its allocation for outlays.

FOREIGN ASSISTANCE IN A CHANGING WORLD

RETOOLING AND RESTRUCTURING FOREIGN AID

The Committee notes that a revolutionary change has swept the globe resulting in the demise of communism, the continued collapse of authoritarianism, the rapid growth of vibrant democracies, and the convincing victory of the free market system. Recognizing the awesome scale of these changes, the Committee is convinced the world is at a pivotal juncture. The Committee believes that these changes mandate a full review of America's foreign policy priorities and a complementary retooling and restructuring of the principal instruments of this policy. The Committee also notes that the necessity to balance the federal budget by 2002 adds an additional imperative—the need to review the foreign operations budget with a careful eye to ensuring the most cost-effective use of these increasingly scarce dollars. The Committee further notes that while this year's bill accelerates this process, it by no means finishes it. The road ahead will be an arduous one and the decisions facing the Committee will be increasingly difficult. Finally, the Committee notes with special attention the seriousness with which it accepts these responsibilities. Our actions in the area of Foreign Operations are perhaps unique in that they directly affect not only the lives and security of all Americans but also that of billions of less fortunate human beings around the world.

THE PRIVATE SECTOR ROAD TO DEVELOPMENT: PROMOTING DURABLE ECONOMIC GROWTH

The Committee notes that today the old fashioned models of state-led development have been abandoned in much of Asia and Latin America, and are faltering in Africa. Now, after years of mixed signals, the World Bank looks to private investment as a key to economic growth in poorer nations. The Committee believes that genuine and sustainable development will be promoted far faster by the example and investment of real entrepreneurs than through the advice of development consultants or international conferences.

The Committee further notes that private infrastructure projects in areas such as energy and telecommunications are the fastest growing sector of American business abroad. At the same time, the Committee highlights the fact that these are the very same areas of investment so coveted by underdeveloped countries because they form the essential underpinnings of any developed economy. Fur-

thermore, the scale and scope of these projects are measured not in millions of dollars but rather in billions of dollars. It is obvious to the Committee that U.S. bilateral assistance will never be able to provide the resources necessary to sustain these critical building blocks for 21st century economies. The price is simply too high. The Committee expects that American business, working in cooperation with the government, can generate the expertise and dollars to make this kind of broad-based economic growth a reality. Furthermore, the Committee notes that this investment is a critical action forcing event which compels developing countries to adopt free market reforms in order to assure investor confidence—changes which are absolutely critical if these nations are to dramatically raise the living standards of their citizens.

The Committee is convinced that if American companies are to help serve as the accelerators of development growth in the developing world, then the United States government must be a part of this effort. The Committee would note that these mega-projects in the developing world involve a mix of private equity and financing plus insurance and guarantees from federal agencies. But neither the traditional exporters of manufactured goods nor the private infrastructure companies can compete overseas without limited support from the Overseas Private Investment Corporation (OPIC) and the Export-Import Bank.

The Committee also notes that there are many near-term problems facing the developing world which still require immediate direct intervention and assistance by the United States through its more traditional humanitarian aid programs. But even here the Committee knows the help of the private sector, particularly private voluntary organizations, is essential. Furthermore, the Committee has not changed its view that the United States must continue to provide substantial assistance to the world's most needy, particularly its children. The Committee believes this must be one of its highest priorities.

MAKING CHILDREN A PRIORITY

The Committee strongly believes that even while the overall budget is being cut, there is one priority which must remain unshaken and that is the Committee's commitment to helping the world's neediest citizens, its children. The Committee firmly believes that child survival must not be threatened even as other parts of the foreign operations budget are being significantly reduced. As a result, funding levels for child survival in fiscal year 1996 are increased over last year's level. Equally important, the Committee took a further essential step and created a separate account for these activities, the Child Survival and Disease Programs Fund. This special account will be funded at \$484,000,000 in fiscal year 1996. The Committee's action focuses these valuable resources on a singular priority, one which enjoys the support of all Americans—ensuring child survival.

FOREIGN AID IN A TIME OF TRANSITION

The Committee is committed to three broad-based development goals: assistance that: 1) is focused on the private sector; 2) sup-

ports privatization and the enhancement of market-based economies; and, 3) directly supports child welfare, education, nutrition, and other humanitarian needs. At the same time, the Committee is convinced that the United States cannot support development assistance in every country that believes it has a claim to such assistance. The Committee believes AID must begin to withdraw from certain countries that have sufficient resources and support from other developed nations. The Committee also believes AID must continue the process of withdrawing AID missions from countries that have either advanced beyond the need for such assistance or refused to participate in market-based solutions to their problems.

SUSTAINING THE MIDDLE EAST PEACE PROCESS

The Committee notes that since 1985 United States taxpayers have committed at least \$5.1 billion each year to our Camp David peace partners, Israel and Egypt. This investment reflects the Committee's ongoing commitment to these nations. The Committee also believes it has proven critical in fostering peace and security in the region. The Committee notes that the Gulf conflict in 1990 and 1991 illustrated dramatically how potentially volatile this region remains. The Committee strongly believes that the United States' active involvement and leadership in the Middle East remains critical to maintaining the peace in this important strategic region.

The Committee's actions in this bill continue its tradition of strong support for Israel and the success of the Middle East peace process. The Committee strongly believes that the Administration's full request for \$1.8 billion for military assistance and \$1.2 billion for economic assistance should be provided in fiscal year 1996. The Committee stresses that Israel remains a key friend and ally in the Middle East and its unremitting resolve to achieve peaceful agreements with the Palestinians and its Arab neighbors warrants the United States' continued strong support.

The Committee reaffirms its strong support for its close ally Egypt and recommends that Egypt receive the full Administration request of \$1.3 billion for military assistance and \$815 million in economic assistance. Egypt plays a critical role in the Middle East and remains a major contributor to the peace process.

HELPING THE SURVIVORS OF COMMUNISM IN RUSSIA AND ELSEWHERE

The Committee notes that bipartisan support for aid to Russia enabled President Clinton to gain approval of a \$2.5 billion package of aid in 1993. The Committee is disappointed to note that while our aid program was an important recognition of the historic changes that had occurred in Russia, there is insufficient evidence to suggest that it has had a far-reaching effect on Russia's transition toward a free-market democracy. Furthermore, tensions in our relations with Russia are of great concern to the Committee because they reflect troubling trends in Russian behavior.

Nonetheless, the Committee is convinced that our relations with Russia, Ukraine, and the nations of the Caucasus remain important. At the same time, it is clear to the Committee that it cannot

indefinitely sustain the level of funding currently provided to Russia, nor should it. The Committee believes that United States assistance is of diminishing importance in determining Russia's destiny. More than many realized in 1993, Russia's future is in its own hands. As a result, the Committee is convinced that prudent reductions in aid to Russia are now possible without having a destabilizing effect on the government of Russia. Using the backlog of appropriations from the 1994 and 1995 appropriations acts, combined with the smaller amount of funds appropriated in this Act, the Committee believes the aid program to Russia will be able to support both official and private cooperation with Russian democrats and entrepreneurs, and to assist American investors and businessmen there.

The Committee notes that other survivors of communism in Central and Eastern Europe are beginning to realize success in capitalism, and our aid programs are closing in Estonia and the Czech Republic. As a result, the Committee has reduced funds for Central and Eastern Europe in fiscal year 1996. The Committee reiterates its strong support for democracy in these nations.

SUPPORTING COMMON SECURITY AND INTERNATIONAL MILITARY COOPERATION

The Committee notes that grant military assistance to our friends and allies has declined significantly over the past decade, reaching \$3.151 billion in fiscal year 1995. Of this amount, Israel and Egypt accounted for \$3.1 billion. Given the importance of maintaining our military aid commitments to Israel and Egypt while at the same time revitalizing the other elements of this program, the Committee expresses its continued support for security assistance as an important contribution to ensuring America's national security interests, particularly in strategic regions like the Middle East.

The Committee also supports the President's request for funding for the Warsaw Initiative. As the Committee noted earlier, helping the survivors of communism through this critical transition period is a high priority for the Committee. The President's request to help the Central and East European states develop the means to participate productively in the European security environment is a positive and welcome initiative.

HELPING THE SURVIVORS OF NATURAL AND MAN-MADE DISASTERS

The Committee notes that humanitarian, disaster, and refugee assistance enjoy the strong support of a generous American people. The Committee has supported the President's budget request for each of these areas in the past, and continues to view these areas as high priorities.

The Committee notes that refugee assistance overseas received \$721 million in direct funding in fiscal 1995. The Committee further notes that in light of the current world situation, especially in Africa, it is unlikely that this funding level can be significantly reduced in the near term. Indeed, the possibility of major conflicts in the former Yugoslavia, central Africa, or central Asia could result in the need for significant additional resources for this objective.

The separate international disaster assistance program was funded at a level of \$170 million in fiscal year 1995. However, the Committee notes that this level of funding does not include the costs borne by the Defense Department in Haiti, Rwanda, and elsewhere. Again, the Committee sees little prospect that this program can be reduced significantly in the near term. Therefore, the Committee recommendation provides \$200 million in fiscal year 1996 for this critical program and its lifesaving humanitarian activities. The Committee also notes that man-made disasters continue to ravage many countries and the human toll often dwarfs that of natural disasters. In this regard, the Committee believes the United States should lead an international effort to develop and implement a form of preventive diplomacy that can reduce the scale and extent of man-made disasters.

CONTINUED PARTICIPATION IN INTERNATIONAL ORGANIZATIONS THAT SERVE AMERICAN INTERESTS

The Committee believes the United States can utilize international organizations such as the United Nations to further American interests. But at the same time, the Committee notes that the budget realities, dictated by the Congress' commitment to a balanced budget, forces the Committee to make difficult choices. It is the view of the Committee that administrative costs in New York, Geneva, and Vienna should be a lower priority than those international programs that deal directly to the pressing needs of the world's less fortunate people. The Committee, therefore has reduced support for some international organizations, and recommends that the administration review our membership in others with an eye toward withdrawing from those which do not serve primary American interests.

The Committee also believes that more needs to be done in the area of reform. The Committee serves notice that international organizations in which the United States participates and which enjoy substantial financial support from the United States will be the subject of careful review by the Committee. The Committee notes that difficult reductions are being made in the federal government here in the United States. Therefore the Committee will not turn a blind eye to bloated international bureaucracies which refuse to submit to reform. In light of this, the Committee believes U.S. participation in a number of international organizations should be the subject of critical examination and review.

The Committee also notes that a number of international organizations already have proven track records of directly and indirectly promoting our national interests. As a result, the Committee believes that funding should be preserved for organizations such as the International Atomic Energy Agency, the World Meteorological Organization and others.

LOOKING TO THE FUTURE

The Committee is convinced that the Congress must begin now to tie foreign aid objectives to resources, and resources to policy. The reality that federal spending will be reduced in the years ahead dictates that the Committee husband foreign operations re-

sources as carefully and wisely as possible. Therefore, the Committee believes that the essential task before the Congress in fiscal year 1996 is to systematically integrate budget resources into a sound policy with clearly identifiable and achievable goals. The Committee is further convinced that the United States can lead with fewer resources. The Committee strongly believes that no price tag need be placed on leadership.

As noted earlier, the Committee notes with special emphasis that the budgetary resources for foreign aid are already extremely limited and are likely to be even more so in the future. From the Committee's perspective, this simply means it is now more imperative than ever that the Committee forge a strong bipartisan consensus which will shape how scarce resources can be most effectively used to help the world's less fortunate achieve the same level of prosperity and opportunity presently enjoyed by all Americans. This bill, which was reported with broad bipartisan support (although every member had strong reservations about individual items) marks an essential first step in that direction.

COMMITTEE RECOMMENDATIONS

For export and investment assistance programs the Committee has recommended a total of \$822,683,000. The subsidy appropriation for the Export Import Bank is \$786,551,000 and the Trade and Development Agency is funded at \$40,000,000. The Committee has provided \$105,500,000 for the Overseas Private Investment Corporation.

The Committee has recommended \$980,549,000 of the \$2,136,000,000 requested for the international financial institutions, including \$50,000,000 for the Global Environment Facility. The overall reduction is \$1,155,760,000 below this year's request.

For development assistance, the Committee has recommended a total of \$1,897,000,000 of which \$484,000,000 is for child survival and disease prevention programs. For Africa, the Committee has included \$528,000,000 in the Development Fund for Africa. The Committee has also included \$200,000,000 for disasters worldwide. However, much of this assistance is likely to be used in Africa. The Committee has included \$7,000,000 for debt restructuring for poor countries.

The Committee has established a new account for child survival and disease programs. It is designed to ensure that there will not be reductions in these vital programs as the overall bilateral assistance program is constrained. The emphasis is on programs that directly affect younger children and on accelerating efforts to eradicate diseases that threaten younger children. The account does not include population funding or basic education, which will be funded through the Development Assistance Fund. It does provide for a grant to UNICEF at the current level of \$100,000,000.

The Committee has included a total of \$595,000,000 in assistance to the new independent states of the former Soviet Union, and \$324,000,000 for Eastern Europe and the Baltics.

The Committee has recommended a total of \$726,000,000 for refugee programs.

For economic assistance under the Economic Support Fund the Committee has recommended a total of \$2,326,700,000.

The Committee has recommended \$17,000,000 for Anti-terrorism Assistance and \$20,000,000 for the Non-Proliferation and Disarmament Fund.

For Foreign Military Financing, the Committee has recommended a grant program of \$3,211,279,000 and a loan subsidy appropriation of \$64,400,000. The FMF loan value supported by the loan subsidy appropriation is limited to \$544,000,000.

TITLE I—EXPORT AND INVESTMENT ASSISTANCE

EXPORT-IMPORT BANK OF THE UNITED STATES

SUBSIDY APPROPRIATION

Fiscal year 1995 level	\$786,551,000
Fiscal year 1996 request	823,000,000
Committee recommendation	786,551,000

ADMINISTRATIVE EXPENSES

Fiscal year 1995 level	\$45,228,000
Fiscal year 1996 request	47,000,000
Committee recommendation	45,228,000

The Committee has recommended a subsidy appropriation for the Export-Import Bank of \$786,551,000 and an appropriation of \$45,228,000 for administrative expenses.

The Committee has continued prior year language limiting the export of nuclear technology or fuel to certain countries. The Committee has included language making possible Export-Import Bank activity in Eastern Europe and the Baltics, and the Committee has required the notification of all tied-aid or mixed credit financing by the Bank.

The Committee provided for the request level of \$100,000,000 for a tied-aid "war chest". These funds, if not used for tied-aid purposes, may be used to support loans.

The Committee commends the Eximbank for moving to facilitate American private sector infrastructure projects abroad. This is the fastest growing export sector in the mid-1990s, and the Bank, together with Overseas Private Investment Corporation and the other programs in this title, has an important role to play if it is willing to change the way it does business.

With the budgetary outlook indicating that the Committee will be hard pressed to sustain appropriations for the Eximbank at current levels in future years, the Bank management is encouraged to begin consulting with the Committee regarding its plans for overcoming the likely gap between demand and federal resources in the near future.

OVERSEAS PRIVATE INVESTMENT CORPORATION

SUBSIDY APPROPRIATION

Fiscal year 1995 level	\$33,944,000
Fiscal year 1996 request	79,000,000
Committee recommendation	79,000,000

OPERATING EXPENSES

Fiscal year 1995 level	\$7,933,000
Fiscal year 1996 request	16,000,000
Committee recommendation	15,500,000

NON-CREDIT ADMINISTRATIVE EXPENSES

Fiscal year 1995 level	\$16,389,000
Fiscal year 1996 request	11,000,000
Committee recommendation	11,000,000

The Committee has recommended \$79,000,000 for the subsidy appropriation for the OPIC direct and guaranteed loan credit programs and has recommended \$26,500,000 for operating expenses.

The Committee has continued prior year language permitting noncredit expenditures and addressing representation expenses and availability of funds.

The Committee recognizes the ongoing public debate about the future of elements of the export and investment assistance programs funded in title I. Although the Committee recommends no immediate change in the status of the affected agencies, other than the Trade and Development Agency, it directs the Overseas Private Investment Corporation to report to it no later than November 10, 1995 on the viability of a privatization program for OPIC's insurance programs.

OPIC and the Export-Import Bank continue to be vital supports for the export sectors which sustain America's current economic growth, but both institutions should focus on activities that cannot be undertaken by the private sector.

TRADE AND DEVELOPMENT AGENCY

Fiscal year 1995 level	\$44,986,000
Fiscal year 1996 request	67,000,000
Committee recommendation	40,000,000

The Committee has recommended funding for the Trade and Development Agency at the level of \$40,000,000.

The Committee believes that this export agency has made significant contributions to non-traditional American exports in the service sectors such as consulting engineering. It can not, however, survive in an era of declining overall budgets unless it moves sharply away from its current status as an all-grant agency. It needs to recoup some or all of the costs of its tax-financed assistance, especially when large and profitable companies benefit TDA from grants.

To assist TDA, the Committee has included bill language which would allow it to accept reimbursements from agencies for the costs of grants. Earlier, the agency indicated that a plan to encourage limited reimbursement could be expected at the beginning of May, 1995.

INTERNATIONAL FINANCE CORPORATION

Fiscal year 1995 level	\$68,743,000
Fiscal year 1996 request	67,556,000
Committee recommendation	67,550,000

The Committee recommends \$67,550,000 for the International Finance Corporation, slightly less than the request, and \$1,193,000 less than the 1996 level.

The Committee continues to be concerned about the negative environmental impacts of certain IFC investments and financing operations. The Committee reiterates that the U.S. executive director and Treasury Department officials should use their influence to bring IFC into compliance with section 521 of P.L. 101-240 (known as the Pelosi Amendment).

MULTILATERAL INVESTMENT FUND

Fiscal year 1995 level	\$75,000,000
Fiscal year 1996 request	100,000,000
Committee recommendation	70,000,000

The Committee regrets that it is unable to fund the Administration's full request of \$100,000,000 for the Inter-American Development Bank's Multilateral Investment Fund (MIF). The Committee suggests that the Treasury Department explain to other donors that the reduction was undertaken solely for budgetary reasons and not because of lack of support of the MIF.

The Committee notes that the U.S. contribution is matched from other donors, enabling the United States to leverage its contribution to the MIF almost 2 to 1 into a multi-billion dollar pool of funds that are used to finance critical projects throughout Latin America and the Caribbean.

Through loans and small grants and equity participation, the MIF targets those individuals and groups in Latin America that find it hard to become productively engaged in emerging market economies. The MIF typically works directly with the bottom half of the private sector—small business associations, financial intermediaries, and youth training organizations. The MIF ensures that these groups are empowered to participate in the region's economic growth. The MIF provides a needed balance to other donor programs that are directed at national or state facilities or large businesses.

TITLE II—BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

AGENCY FOR INTERNATIONAL DEVELOPMENT

DEVELOPMENT ASSISTANCE

The Committee, in order to give the President more flexibility, has recommended funding three separate accounts for development assistance programs currently administered by the Agency for International Development. This is the same number of accounts that was provided in the fiscal year 1995 appropriations for Foreign Operations. The bill provides for an overall Development Assistance Fund, an account for child survival and disease prevention and treatment activities, and a Development Fund for Africa.

CHILD SURVIVAL AND DISEASE PROGRAMS FUND

Fiscal year 1995 level	\$0
Fiscal year 1996 request	0
Committee recommendation	484,000,000

The Committee has recommended \$484,000,000 for a new account, "Child Survival and Disease Programs Fund". It includes bilateral programs intended to reduce infant mortality and improve the health and nutrition of children, especially in the poorest nations, as well as targeted global programs to end infectious diseases such as polio, tuberculosis, HIV/AIDS and measles. It also includes \$100,000,000 for the annual United States contribution to the United Nations Children's Fund (UNICEF). It does not include basic education projects.

Funding for this account is derived from child survival programs and adult disease programs previously provided in the Development Assistance Fund (\$189,000,000); the Development Fund for Africa (\$131,000,000); the Economic Support Fund (\$23,000,000); Assistance for Eastern Europe and the Baltic States (\$1,000,000); Assistance for the New Independent States of the Former Soviet Union (\$15,000,000); and the UNICEF portion of International Organizations and Programs (\$100,000,000). In addition, a program increase of \$25,000,000 is provided. Priority should be given to Central America and sub-Saharan Africa in the allocation of the program increase.

Funding for child survival activities and for non-child disease programs would be allocated as follows:

Child survival	\$300,000,000
(Remains in disaster assistance account)	(- 30,000,000)
(Remains in ESF for Egypt)	(- 16,000,000)
Subtotal, child survival in this account	254,000,000
Non-child diseases	130,000,000
Grant to UNICEF	100,000,000
	<hr/>
Total in this account	484,000,000
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Total in all accounts	530,000,000

Funds in this account may be used for activities in the New Independent States of the Soviet Union, Eastern and Central Europe, sub-Saharan Africa, as well as other developing countries. Funds would not be used for noninfectious adult diseases.

Of the funds provided in this account, \$100,000,000 would be provided as a contribution in grant form to the United Nations Children's Fund. However, this does not preclude the Agency for International Development from providing additional funding for specific UNICEF projects as may be appropriate.

The Committee supports increasing the proportion of child survival funding going to United States private voluntary organizations and indigenous non-governmental organizations.

The Committee intends that child survival funds in this account be used for traditional child survival programs.

VITAMIN A, IODINE AND MICRONUTRIENT DEFICIENCY

The Committee supports continuation of programs for vitamin A deficiency, iodine deficiency and other micro-nutrient deficiencies

and supports maintaining the program at the amount recommended in last year's report—\$25,000,000 of which up to \$13,000,000 was for vitamin A deficiency.

VITAMIN C FORTIFICATION

Last year's report requested that AID increase vitamin C fortification levels as part of the Public Law 480 Food Aid Program. A report was submitted by AID on the cost of fortifying commodities with vitamin C. While the study indicated that vitamin C may lose stability over time and in the presence of moisture, the results appear to be inconclusive as they affect Corn-Soy-Blend (CSB) and Wheat-Soy-Blend (WSB), the principal commodities that are fortified. Other studies have shown that new mothers and infants can greatly improve their health through consumption of vitamin C.

The Committee recommends that AID perform a pilot program, using up to \$500,000 from the funds provided in this account, involving the fortification of commodities with vitamin C, and expects that the agency will report back on the results of that pilot program by April 1, 1996.

ERADICATION OF POLIO

The Committee recommendation includes up to \$20,000,000 in funding for a program to prevent the spread of polio. Use of the funds should include the purchase and delivery of vaccines, and the development of the infrastructure necessary to implement the program.

TUBERCULOSIS

The Committee continues to be extremely concerned about the global tuberculosis epidemic. Worldwide there are over 8,000,000 new cases of active tuberculosis each year, and as many as 3,000,000 deaths per year. The number of new cases is projected to increase to 11,900,000 cases per year by 2005. By itself, tuberculosis is the largest cause of death from a single infectious agent, and is responsible for one-quarter of the preventable deaths in the world.

The Committee notes that tuberculosis is preventable and easily cured. Modern tuberculosis treatments are among the most cost effective health interventions according to the World Bank. In addition, the Committee notes that the United States is also experiencing a deadly and costly rise in TB prevalence.

The Committee also recommends that AID strengthen its own program related to TB and coordinate its program with AIDS and other related programs.

AIDS PREVENTION AND CONTROL

The global HIV/AIDS pandemic is already having profound economic, political and social consequences in many nations. The World Health Organization (WHO) estimates that 19,500,000 people have been infected with HIV to date, including 1,500,000 children. Forty million people are likely to be infected by the year 2000, with approximately 90% of these cases occurring in the devel-

oping world. Half of these cases are expected to occur among women.

The Committee supports efforts by the United Nations to increase coordination and consolidation of its AIDS activities via the creation of UNAIDS, the joint and co-sponsored program on HIV/AIDS.

The Committee urges the continuation of the AIDS Prevention and Control Program and recommends that \$121,000,000 be provided through this account for these activities, including support at the current level for the World Health Organization's AIDS programs and the UNAIDS program housed at the World Health Organization.

Within this funding, support for non-governmental and private voluntary organizations should be given priority. AID is also urged to support the global initiatives agreed upon at the 1994 AIDS Summit particularly those relating to women, NGOs, and microbicide development.

INFECTIOUS DISEASES

The Committee supports the continuing work of the Center for Disease Control, Army and Navy facilities, and AID in the area of infectious diseases. It is especially concerned about the threat posed by emerging infections to American citizens and members of our armed services. For instance, it is aware of work being performed by the Gorgas Memorial Institute in the development of collaborative plans for regional surveillance of food- and waterborne vibrios (cholera), dengue and other infections that threaten the United States by inadvertent importation from the Caribbean and Central America. It is the Committee's recommendation that up to \$350,000 be available for such a system, including the establishment of a cost-effective surveillance network involving several domestic and regional institutions.

DISPLACED CHILDREN

The Committee continues to support programs for displaced children and urges the Agency for International Development to adequately fund this program in fiscal year 1996. The Committee urges AID to make the best effort to provide funding for the overall program at least at the \$10,000,000 level with \$2,000,000 for programs for street children.

PHYSICIANS FOR PEACE

The Committee supports such nonprofit, humanitarian organizations such as Physicians for Peace, who through multi-national and multi-disciplinary teams of volunteer medical professionals work in partnership with their in-country colleagues to provide continuing medical education and free medical service.

BLIND CHILDREN

The Committee supports funding to provide operations for blind children. This program was funded last year at \$1,000,000 and is being implemented through private voluntary organizations.

There are more than 2,000,000 blind children in the world, of whom 80 percent live in impoverished countries in Africa and Asia. Helen Keller International estimates that more than 35 percent of the cases of blindness could be avoided with the provision of the right combination of technology, surgical expertise and public health services.

Because of limited resources and health services, only a small number of restorative surgical interventions are performed. In a sense, this a false economy since the blind often need public funding for the remainder of their lives for training and education and even lifetime economic support.

This is the fourth year that the Committee has recommended a program targeted at blind children. It is the Committee's intention that the program reach a segment of the developing world that is not now served by programs of prevention and long-term care.

DEVELOPMENT ASSISTANCE FUND

Fiscal year 1995 level	\$840,500,000
Fiscal year 1996 request	1,300,000,000
Committee recommendation	669,000,000

The Committee has recommended \$669,000,000 for a general account for development assistance. The amount recommended is \$631,000,000 less than the amount requested by the Administration and \$171,500,000 less than the amount provided in fiscal year 1995. Funding in this account includes activities for agriculture, rural development, population, basic education, environment, energy, science and technology and other programs related to longer-term development.

The Committee recommendation moves \$189,000,000 for child survival activities and disease prevention programs from this account to the new "Child Survival and Disease Programs Fund". It also includes activities that were funded in a separate population account in 1995.

In addition, the Committee recommendation includes bill language to provide for discretionary transfer authority to allow up to \$15,500,000 to be transferred from this account and from "Development Fund for Africa" to "Debt restructuring"; and up to \$15,000,000 from the same accounts to "International Organizations and Programs" for a contribution to the International Fund for Agricultural Development (IFAD). Such transfers, if proposed, would be subject to existing reprogramming procedures.

The Committee is aware that reduced funding for the Development Assistance Fund will require AID to target limited resources more effectively. For instance, the Committee notes that major funding is proposed for India in the 1996 budget request. The administration proposes to increase funding for development assistance for India from \$38,714,000 in 1995 to \$70,433,000 in 1996. Only \$9,000,000 in development assistance was provided for Pakistan during this same period due to legislative provisions. The proposed level for India may not be sustainable given the budget reductions recommended by the Committee for this account.

RESTRICTIONS ON USE OF POPULATION FUNDS

The Committee has continued prior year language in the bill that requires that none of the funds appropriated in this bill or any unobligated balances be made available to any organization or program which, as determined by the President, supports and participates in the management of a program of coercive abortion or involuntary sterilization. The bill language also states that funds for the Development Assistance Fund cannot be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions. Further, the language indicates that in order to reduce reliance on abortions in developing countries, population funds shall be available only to voluntary family planning projects which offer, either directly or through referral, information about access to a broad range of family planning methods and services. An additional provision in the bill requires that in awarding grants for natural family planning under Section 104 of the Foreign Assistance Act, no applicant shall be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning. However, all such applicants shall comply with the requirements of informed consent included in the bill.

The Committee has also continued prior year language that states that nothing in the Development Assistance Fund portion of the bill is to alter any existing statutory prohibitions against abortion which are included under section 104 of the Foreign Assistance Act.

LATIN AMERICA AND THE CARIBBEAN

The Committee is concerned that the reduction being recommended in the global Development Assistance Fund, in order to remain within the budget allocation, may accelerate the decline in United States economic cooperation with Latin America and the Caribbean. The Western Hemisphere is no less important than Africa, which receives bilateral aid in a separate account, or any other region, although its needs and accomplishments are unique.

The Committee directs that AID report within sixty days of enactment of this Act its strategy for Latin America and the Caribbean, specifying in detail the steps taken to restore to other LAC partners the funds that were diverted to support the restoration of President Aristide in Haiti.

EL SALVADOR

The 1992 Peace Accords, negotiated with the support of the United States, brought an end to twelve years of war in El Salvador. The Committee believes that the implementation of those accords is critical to peace and post-war development in El Salvador.

The Committee commends the people and the government of El Salvador for conducting and participating in peaceful and historic elections on March 20, 1994 and April 24, 1994. The Committee commends the ex-combatants for ending the twelve-year civil war and working together for a more peaceful and democratic future. The Committee notes the importance of the elections as a critical step in the implementation of the Peace Accords. The Committee

urges the Administration to support the continued development of democracy, economic growth, and stability in El Salvador.

The reintegration of ex-combatants from both sides of the conflict is a key element of the Peace Accords, and vital to the political stability of the country. The Committee urges AID to continue to support and work closely with programs for the reintegration of former combatants into civilian life, and to focus on assisting the government in planning these programs, and in overcoming the political and administrative difficulties which have delayed reintegration programs.

The Committee commends AID for its efforts to improve its working relationships with NGOs in El Salvador. As in the past, the Committee expects that AID shall consult with all participants in the political and economic process, including NGOs, on the uses of assistance, and shall ensure that programs are implemented which address the basic needs of the poor. Funding channels should be selected to ensure that benefits reach the poor in a timely fashion; that sustainability is achieved through participation of beneficiaries in program identification, design, implementation, and evaluation; and that United States aid promotes pluralism.

JAMAICA

The Committee has a special interest in Jamaica. United States development assistance in Jamaica has led to significant improvements in health care delivery, the promotion of small enterprises, and the emergence of a private sector-based economy. The Committee is convinced that continued assistance to Jamaica, despite the budgetary situation, through bilateral aid, multilateral support, and debt reduction programs, will pay demonstrable dividends to the United States. Jamaica is establishing the basis for a trade-based economic policy that is setting a model for other Caribbean countries. Until that trade-based economy is established, some additional aid is needed, but graduation from aid remains a medium-term goal.

The Committee urges AID to concentrate its fiscal 1996 efforts in Jamaica, rather than in Hispaniola. Continued assistance to Jamaica and U.S. support for Jamaica at the multilateral institutions is important not only to help Jamaica sustain its important economic reform programs, but also to demonstrate that Jamaica remains the most effective partner of the United States in the Caribbean.

DAIRY DEVELOPMENT

The Committee places a high priority on dairy development, and urges the Agency for International Development to make its best efforts to continue funding for this program at the current level. Throughout Central and Eastern Europe and Russia, cooperative programs have been carried out to support the emergency of member-owned dairy cooperatives, new collection and private extension systems for small farmers, and higher quality dairy products for better nutrition. The program has resulted in expanded exports of United States dairy technologies and investments in the Polish feed and dairy sectors.

PRIVATE AND VOLUNTARY ORGANIZATIONS FUNDING SOURCES

The Committee has continued prior year language that requires that private voluntary organizations obtain not less than 20 percent of their total funding from sources other than the United States Government.

In addition, the Committee has recommended new language stating that support for private voluntary organizations should be made available at a level equivalent to that provided in fiscal year 1995. United States private voluntary organizations and cooperatives embody American values and humanitarian concerns abroad. The Committee received testimony regarding the important work being performed by private and voluntary organizations throughout the developing world, and strongly urges the Agency for International Development to increase its reliance on such organizations in the delivery of development assistance.

HIGHER EDUCATION

The Committee notes that over the years a number of quality educational institutions have received both development and Economic Support Fund assistance, including the American University of Beirut, the Feinberg Graduate School of the Weizmann Institute, the Hadassah Medical Organization in Israel, the Lebanese American University, and the Beirut University College. The Committee recommends that best efforts be made to continue assistance for institutions of this nature, with the highest priority assigned to those lacking alternative sources of funding.

The Committee also commends AID for establishing a Sustainable Development Scholarship Program in Nicaragua, and urges continuing support for this project. This program will provide scholarships for study in selected disciplines related to Nicaragua's development needs, and is receiving \$700,000 during 1995.

The Committee also supports a proposal to establish an electronic interconnection using the internet and satellite networks involving colleges and universities in Latin America for the purpose of sharing educational resources, teaching courses via satellite and internet, and sharing in common research projects.

In addition, the Committee recommends that AID continue a focus on using community colleges and Hispanic Serving Institutions (HSIs) to deliver vocational and occupational education and training as part of development assistance, and to report to the Committee on its efforts in this regard.

BIODIVERSITY AND AID

The Committee reaffirms its commitment to the conservation of biodiversity and the protection of tropical forests, and requests that AID provide as high a level of funding as possible for these efforts. AID should remain active in the areas of greatest biological significance, even if this entails work in close-out or non-presence countries like Papua New Guinea.

PARKS IN PERIL

The Committee remains committed to the existing AID program that is protecting parks covering 18,000,000 acres in Latin Amer-

ica. The program has made measurable progress in turning "paper parks" into genuine protected areas with full-time personnel and long-term management plans. Funding for this program has stimulated significant private sector matching contributions, both in the United States and overseas. The Committee encourages this trend, as the budget situation makes long-term federal funding problematic.

NEOTROPICAL MIGRATORY BIRDS

The Committee recommends that fiscal year 1996 funds be provided to the National Fish and Wildlife Foundation for continued implementation of the Neotropical forest and grassland migratory bird conservation initiative. The decline in populations of Neotropical migratory birds has been linked to habitat loss and degradation in Central America and the Caribbean. Scientific evidence now indicates the loss of these birds could pose significant domestic economic and environmental problems. The Committee believes that this program is essential to the protection of these species and urges AID to continue to work closely with other Federal agencies and parties to the interagency memorandum of understanding to approve projects funded by this initiative.

ENERGY AND ENVIRONMENT TECHNOLOGY PROMOTION

The Committee again recommends that AID continue funding for projects which promote power sector efficiency, renewable energy, and energy efficiency, recognizing U.S. industrial leadership in these areas.

The projects should be developed and carried out in collaboration with United States industry and should be located in countries with the greatest potential for early success, without regard for the presence or absence of an AID field mission. They should be undertaken in collaboration with other federal agencies, including the Departments of Energy and Commerce, or their successors. Included in these efforts should be project preparation, innovative project financing, trade and reverse trade missions, training, technology transfer and collaboration.

Up to \$25,000,000 should be allocated to this program, and preference should be given to projects that promote the transfer of U.S. energy and environmental technology by opening new markets for U.S. industry, by leveraging limited federal resources through joint ventures, and by fostering policy and institutional reform in developing countries which facilitate the expansion of the role of the private sector in power generation and distribution.

WOMEN IN DEVELOPMENT

The Committee recognizes that women in the developing world play critical roles in their national economies. They grow the majority of food for family consumption and constitute over one-third of the agriculture labor force, up to 75 percent of informal sector workers, and a growing proportion of formal sector workers. Women head 20 to 40 percent of households. They provide roughly three quarters of their family's primary health care, and manage the household's sanitation and use of natural resources. Yet,

women are the poorest, least educated, and unhealthiest population in the world. For every 100 literate males in the developing world, there are only 72 literate females. Maternal mortality rates are estimated at half a million women, 99 percent of them in developing countries. The Committee recommends an increase in programs to acknowledge the central goal of empowering women through improvements in their economic, health, social, and legal status. This includes women's health and other projects through NIS assistance programs.

In designing projects and programs to carry out this provision, the Committee urges AID and agency contractors to identify and take advantage of opportunities to assist women in activities that are of critical significance to their self-reliance and development. The Committee recommends that the Agency for International Development, the United States Executive Directors to the multilateral development banks and the United States Ambassador to the United Nations to work toward these goals.

OTHER ISSUES RELATING TO WOMEN IN DEVELOPING COUNTRIES

Literacy and education are linked to improvements in women's employment, the adoption of innovations in agriculture, better health and nutrition in children, and lower fertility rates. AID should allocate a significant percentage of its education funds to literacy programs where the returns to girls' education are high. The Committee continues to monitor the level of women's involvement in AID's participant education and training programs.

The Committee notes that women in developing countries with personal incomes or higher family incomes have fewer offspring than those who have no personal income or whose family incomes are stagnant. This fact should be incorporated into objectives relating to population and poverty. Once again, the Committee urges AID to concentrate on involving women at all levels in the planning and implementation of population and health programs.

The Committee also encourages programs that integrate such programs with health services for women, improve the quality of comprehensive health and other services to the very poor, migrants, refugees, unmarried women, and adolescents, and focus a greater proportion of AIDS-related assistance on reducing the risk of HIV infection for women, whose infection rates are rapidly rising.

DEVELOPMENT OF CREDIT UNIONS

The Committee supports the continuation of a program to develop credit unions overseas. This funding would include up to \$600,000 for a core grant, and up to \$5,000,000 for country-specific project grants. This is an important component of the effort to promote open and free markets around the world.

MICROENTERPRISE

The Committee commends AID for reorganizing and reforming its microenterprise program to focus more resources on the poorest of the working poor, and urges that as high a level as possible be maintained for this program. In addition, the Committee urges AID

to continue to provide central funding mechanisms which directly support nongovernmental organizations. Attention should also be given to non-financial services such as management training, productive technologies, and technical assistance which enable micro and small entrepreneurs to make better use of credit and better manage their enterprises.

SUSTAINABLE AGRICULTURE

The Committee continues to emphasize the importance of support for sustainable agriculture. Finding and implementing sustainable, environmentally safe, agricultural techniques and crops is critical to providing long-term indigenous food security in Africa and around the world. Support for agricultural advances can reduce migrations and excessive urbanization, alleviate poverty, and have many associated benefits overseas, as well as at home. The Committee expects AID to place significant emphasis on promoting the adoption of sustainable agricultural techniques and crops, including work through such organizations as the Arid Lands Consortium. The Committee has also included discretionary transfer language to allow the Administration to transfer up to \$15,000,000 from this account and from "Development Fund for Africa" to "International Organizations and Programs" for a grant to the International Fund for Agricultural Development (IFAD) for these and related purposes.

Discretionary transfer authority to provide funding for IFAD is recommended in anticipation of the successful conclusion of the Fourth Replenishment and a United States pledge toward a Fourth Replenishment. In recommending these funds, the Committee notes the administration's positive assessment of IFAD. The Administration indicates that IFAD merits the continuation of strong United States support. It remains on the cutting edge of sustainable rural poverty alleviation, and it gained endorsement from a noted group of independent experts in 1994. IFAD uses donor resources efficiently, and its projects directly address the needs of the poorest.

REHABILITATION SERVICES FOR VICTIMS OF TORTURE

The Committee continues to urge AID to provide assistance for rehabilitation services for victims of governmental torture. Such services would include medical, psychological and social services for victims and their families as well as legal protection to victims and their care providers.

The Committee believes that, in identifying countries for such services, AID should give special consideration to countries cited in the Department of State's annual Country Reports on Human Rights Practices. AID should consider assistance for existing rehabilitation centers and help for the establishment of new centers.

REGIONAL PROGRAMS

The Committee believes that AID should be able to carry out regional programs in countries where AID has no formal mission. In a number of cases, private sector, environmental, AIDS and other

programs can be carried out without the presence of a mission in a country, and many of these programs should continue.

DEVELOPMENT FUND FOR AFRICA

Fiscal year 1995 level	\$802,000,000
Fiscal year 1996 request	802,000,000
Committee recommendation	528,000,000

The Committee recommends \$528,000,000 for development assistance activities in sub-Saharan Africa, a decrease of \$274,000,000 from the amount requested by the Administration and from the level provided in fiscal year 1995.

The Committee recommendation moves \$131,000,000 for child survival activities and disease prevention programs from this account to the new "Child Survival and Disease Programs Fund".

Funding provided under this account for fiscal year 1996 is to be used to implement the ninth full year of the Development Fund for Africa (DFA). Recognizing that sub-Saharan African nations face unique development challenges, the DFA was created to permit the Agency for International Development to use development assistance resources in a more flexible fashion.

The shift of resources to the new account for child survival activities does not indicate a lessening of interest on the part of the Committee on activities in Africa. The Committee expects that a significant portion of the resources provided for the new account will be committed to programs in sub-Saharan Africa, and expects AID to provide close coordination between activities funded in that account and the Development Fund for Africa.

In addition, the Committee expects that AID should focus its limited resources on a smaller number of countries where the governments are committed to development policies that will promote equitable and sustainable economic growth. The Greater Horn of Africa initiative is a good example of such an effort.

The Committee renews its request to reestablish the consultative process with Congress which was intended to be part of the flexibility provided when the Development Fund for Africa was created.

ZAIRE

The Committee has continued a provision in the bill which prohibits development assistance funds from going to the Government of Zaire.

SOUTH AFRICA INITIATIVE

The Committee supports the continuation of transitional assistance to South Africa. The Committee notes that the assistance package is intended to provide an infusion of resources to enable the new government to consolidate its new democracy and to promote full participation of the disadvantaged majority in the economic and social development of South Africa. Given other needs in sub-Saharan Africa, and South Africa's potential of attaining a strong and self-sustaining economy capable of meeting the needs of the South African population, the Committee understands that the AID grant portion of the enhanced assistance package to South Africa should be considered transitional, rather than long-term, just

as aid that is being provided to the former Soviet Union, Eastern Europe and other countries that are now receiving United States foreign assistance is transitional.

GREATER HORN OF AFRICA INITIATIVE

The Committee supports the Greater Horn of Africa initiative, which is designed to alleviate the food insecurity that has plagued that portion of the continent. It is designed to provide a coordinated, rational approach to providing food aid and promoting economic development in the region in order to prevent the crises of the past. The Committee particularly recommends active support for those countries that are taking necessary steps to help themselves, such as Ethiopia, Uganda, and Eritrea.

RWANDA

The Committee believes that the recent tragedy in Rwanda is symptomatic of the many deep-seated social, ethnic and economic problems facing Africa today. It is the Committee's view that AID should identify assistance for Rwanda as one of its highest priorities in fiscal year 1996. AID efforts in Rwanda should focus on democratic institution building, effective and fair judicial systems, and the development of a broad-based political system which is characterized by political and civil rights and guarantees for all of Rwanda's people regardless of their ethnic background. The Committee also believes that AID should play the key role in the coordination of aid efforts by other international donors in order to ensure that scarce aid resources are effectively utilized.

INTERNATIONAL DISASTER ASSISTANCE

Fiscal year 1995 level	\$169,998,000
Fiscal year 1996 request	200,000,000
Committee recommendation	200,000,000

The Committee has recommended \$200,000,000 for the International Disaster Assistance account, the amount requested by the Administration and an increase of \$30,002,000 over the amount provided in fiscal year 1995. A major reason for the increase is the shift of \$30,000,000 from the Department of Defense to AID for assistance to the Kurdish refugees in Northern Iraq. The Committee believes that in light of the emergencies occurring in the former Yugoslavia, Somalia, Rwanda, Sudan and the drought in the Horn of Africa an increase in International Disaster Assistance is more than warranted.

TRANSITION INITIATIVE

The Committee continues to support the transition initiative, which is funded at a level of \$25,000,000 pursuant to the request. However, the Committee requests that AID report by May 1, 1996, on the results of the first two years of this program and on specific programs and projects that have been funded under this initiative.

ASSISTANCE FOR SUB-SAHARAN AFRICA

The Committee continues to recommend that \$100,000,000 in disaster assistance funds be used in sub-Saharan Africa, in such countries as the Sudan.

DEBT RESTRUCTURING

Fiscal year 1995 level	\$7,000,000
Fiscal year 1996 request	25,500,000
Committee recommendation	7,000,000

The Committee has provided \$7,000,000 for debt restructuring for fiscal year 1996. This is the same as the 1995 level, but \$18,500,000 below the request.

While the full budget request has not been provided for this activity, the Committee has provided discretionary transfer authority to allow for up to \$15,500,000 to be transferred to this account from "Development Assistance Fund" and "Development Fund for Africa." The Committee believes that debt restructuring is a component of development assistance, and that it is appropriate to provide the Administration with the flexibility to shift funds from the traditional development assistance accounts for this purpose.

The Committee has included bill language to allow for the use of funds for the cost of selling, reducing, or canceling amounts, through debt buybacks and swaps, owed to the United States by eligible Latin American and Caribbean countries. The Committee urges that priority be given to such debt restructuring.

The Committee is concerned that at the same time debt is forgiven for a developing country, an additional debt burden not be placed on such nations. Therefore, the Committee expects a report on the expected new debt that would be assumed by any country proposed for debt restructuring, and the reasons why such additional debt is desirable.

MICRO AND SMALL ENTERPRISE DEVELOPMENT PROGRAM

SUBSIDY APPROPRIATIONS

1995 enacted	\$1,500,000
1996 budget request	12,000,000
Committee recommendation	1,500,000

OPERATING EXPENSES

1995 enacted	\$500,000
1996 budget request	2,500,000
Committee recommendation	500,000

ESTIMATED LEVEL OF GUARANTEED LOANS

1995 enacted	(\$18,564,000)
1996 budget request	(138,880,000)
Committee recommendation	(16,700,000)

The Committee is recommending \$1,500,000 in subsidy appropriations for the micro and small enterprise program. This level is the same as the 1995 enacted level, but is \$10,500,000 below the budget estimate.

The proposed level of funding will provide \$16,700,000 in guarantee authority.

In addition, the Committee is recommending \$500,000 in administrative expenses, the same as last year but \$2,000,000 below the budget request.

Due to budget constraints, the Committee has not funded the new Enhanced Credit Initiative. This initiative would have funded a program level of \$100,000,000 in new credit activity, but the budget justification materials submitted to the Committee did not provide an adequate explanation of the proposed uses of the new loan authority.

HOUSING AND OTHER CREDIT GUARANTY PROGRAM

SUBSIDY APPROPRIATIONS

Fiscal year 1995 level	\$19,300,000
Fiscal year 1996 request	16,760,000
Committee recommendation	0

ESTIMATED LEVEL OF GUARANTEED LOANS

Fiscal year 1995 level	(\$137,474,000)
Fiscal year 1996 request	(141,886,000)
Committee recommendation	(0)

OPERATING EXPENSES

Fiscal year 1995 level	\$8,000,000
Fiscal year 1996 request	7,240,000
Committee recommendation	7,000,000

The Committee has not provided subsidy appropriations for the housing and other credit guaranty program. This program is directed primarily at more advanced developing nations, and the Committee believes that limited foreign assistance funding should be targeted at less advanced developing countries.

However, an appropriation of \$7,000,000 is recommended for operating expenses in order that the Agency for International Development retain the ability to manage and monitor the remaining loan portfolio of approximately \$185,000,000. The recommendation is \$240,000 below the enacted level and \$1,000,000 below the request.

PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

Fiscal year 1995 level	\$45,118,000
Fiscal year 1996 request	43,914,000
Committee recommendation	43,914,000

The Committee has provided the budget request for the mandatory payment to the Foreign Service Retirement and Disability Fund.

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT

Fiscal year 1995 level	¹ \$517,500,000
Fiscal year 1996 request	529,000,000
Committee recommendation	465,750,000
Reform and downsizing	29,925,000

¹ Includes \$3,000,000 provided for mission closures and reform.

The Committee has recommended funding for Agency for International Development operating expenses at a level of \$465,750,000 which is \$63,250,000 below the Administration's request and a decrease of \$51,750,000 from the amount provided last year.

In addition, the Committee recommends an appropriation of \$29,975,000 for downsizing and reform activities.

REFORM AND DOWNSIZING

The Committee is committed to a major reduction of AID personnel and operations, consistent with the reductions proposed for development assistance. However, in order to reach a funding level no higher than the level assumed in the authorization bill for fiscal year 1997, funds must be provided in fiscal year 1996 in order to downsize the agency through reductions-in-force (RIFs), mission closures, and associated close-out activities.

In proposing these reductions, the Committee is aware that AID has already cut all staffing (including contract employees) by 18 percent below the level that existed at the beginning of fiscal year 1994.

A total of \$29,975,000 is being proposed for reform and downsizing activities. The Committee intends that the funds be used for the following purposes:

Severance pay for general service employees	\$4,675,000
Return to home of record (overseas general service, foreign service, and contractor employees; includes moving expenses and other employee close-out costs)	11,250,000
Mission closures/foreign national severance pay	12,000,000
Post transfers resulting from mission closures	2,000,000
	<hr/>
Total, downsizing and reform	29,975,000

Costs for mission closures will include the buyout of leases and other long-term contracts, as well as accelerated reductions in foreign national employees.

The Committee recommendation includes bill language expecting that the downsizing and reform appropriation will result in the reduction of 500 full-time equivalent onboard employees by the end of fiscal year 1997 from the level existing on April 30, 1995.

The reduction from the authorized level would be over 17 percent; the reduction from the onboard level would be just under 14 percent. The Committee would be concerned if this personnel reduction were to be offset by a technique such as an increase in AID Fellows, and requests that the agency report on the current and expected level of such Fellows.

The Committee recommendation requires AID to submit a plan prior to the use of these funds. The use of existing transfer authority would be limited to emergency funding necessary to prevent the shutdown of agency operations. The Committee expects that the plan will result in the need for an appropriation no higher than the level assumed in the House-passed authorization bill for AID operating expenses for fiscal year 1997.

AID PUBLICATIONS

The Committee continues to be concerned with the number and expense of publications issued by AID. AID has taken a number of steps this year aimed at controlling publications. The Committee has continued a limitation in the bill to enable AID leadership to exert even more control over publications. The Committee continues to recommend that only reports called for by fiscal year 1996 Congressional action be prepared. Reports prepared for Congress should not be elaborate publications, but rather simply address the questions raised by the various Congressional Committees.

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT—OFFICE OF THE INSPECTOR GENERAL

Fiscal year 1995 level	\$39,118,000
Fiscal year 1996 request	39,118,000
Committee recommendation	35,200,000

The Committee has recommended \$35,200,000 for the Office of the Inspector General of AID for fiscal year 1996.

ECONOMIC SUPPORT FUND

Fiscal year 1995 level	\$2,349,000,000
Fiscal year 1996 request	2,494,300,000
Committee recommendation	2,326,700,000

The Committee has recommended a total of \$2,326,700,000 for the Economic Support Fund.

ISRAEL

The Committee recommends that not less than \$1,200,000,000 in Economic Support Funds be provided for Israel, which is the fiscal year 1995 level and the amount requested by the Administration. The Committee also requires in bill language that these funds be provided to Israel as a cash grant within thirty days of the signing of this act or by October 31, 1995, whichever is later.

EGYPT

The Committee recommends that not less than \$815,000,000 in Economic Support Funds be provided for Egypt on a grant basis, which is the fiscal year 1996 level and the amount requested by the Administration. Cash transfer may be provided with the understanding that Egypt will continue to implement significant economic reforms. The Committee also strongly recommends that not less than \$200,000,000 of the funds allocated for Egypt be used for Commodity Import Program assistance.

NON-MILITARY EXPORTS

The Committee strongly urges the President to ensure, in providing cash transfer assistance to Egypt and Israel, that the level of such assistance does not cause an adverse impact on the total level of non-military exports from the United States to each such country.

CAMP DAVID ACCORDS

The Committee emphasizes that the recommended levels of assistance for Israel and Egypt are based in great measure upon their continued participation in the Camp David accords and upon the Egyptian-Israeli peace process.

WEST BANK AND GAZA

The Committee supports providing the \$75,000,000 requested in fiscal year 1996 for assistance to the West Bank and Gaza. The Committee continues to believe that support by the United States for the economic and social development of Palestinians is an important contribution to the peace process.

ZAIRE

The Committee has continued prior year language prohibiting Economic Support Funds to Zaire.

AVAILABILITY OF FUNDS

The Committee has continued language that funds in this account are to remain available for obligation for two years.

ECONOMIC BOYCOTT OF ISRAEL

The Committee has included language in the bill addressing the Arab League boycott of Israel under Sec. 542.

TURKEY

The Committee believes that due to the tight budgetary limits on this account it is not possible to meet the administration's request for Turkey of \$100,000,000. In light of these constraints, the Committee believes that funds made available to Turkey in fiscal year 1996 should not exceed the amount provided to Turkey in fiscal year 1995.

CYPRUS

The Committee recommends that every effort be made to provide \$15,000,000 in Economic Support Funds for scholarships and bicomunal projects in Cyprus. This amount is the same as the Administration's request and the same as that appropriated in the past several years. The Committee makes this recommendation as a demonstration of support for a peaceful reunification of the island in accordance with relevant UN resolutions and in the belief that greater bicomunal cooperation will facilitate such goals as the withdrawal of Turkish troops and demilitarization of the island.

LATIN AMERICA

The Committee urges the administration to meet the fiscal year 1996 Economic Support Fund request for Latin America to the maximum extent possible. It is the Committee's strong belief that given the importance of the region and the long history of United States support to developing countries there, it is essential that aid levels not be reduced further.

Despite significant progress in recent years, many nations of this Hemisphere continue to face special problems, particularly in the poorest regions and countries recovering from conflict. There are nations in Latin America and the Caribbean on the verge of achieving the peace, prosperity and stability that the United States strives to advance in the world community. In some instances, notably in Central America, transitions from war and dictatorship to peace and democracy are underway. The fragile peace processes in these countries require a sustained commitment by the United States if they are to consolidate peace and democracy.

The Committee believes it remains in our country's interest to help our neighbors stabilize their economies and combat severe levels of poverty. In doing so, we help strengthen emerging democracies and create new markets for American exports. This growing trade activity supports millions of jobs here at home.

The Committee reiterates its longstanding view that our interests in this region of the world, in this time of transition, are vital and our obligations continue. It is essential that the people of Latin America and the Caribbean understand our commitment to the democratic development of this hemisphere.

HAITI

The Committee notes that due to the tight budgetary constraints, the recommended appropriation for the Economic Support Fund is \$157,600,000 below the President's request. As a result of this significant reduction, the Committee believes that funds made available to Haiti from this account should not exceed half of the amount requested in fiscal year 1996.

EXPROPRIATION

The Committee urges the administration to energetically pursue legitimate claims by United States citizens against the Nicaraguan government for restitution for property confiscated by the previous Sandinista government over a decade ago. The Committee is concerned that without the full support of the United States government, fair compensation for expropriated property will not be forthcoming. The Committee urges the administration to be highly attentive to this issue. The Committee would also note that similar difficulties exist with the Dominican Republic and would urge the administration to be equally attentive to achieving a fair settlement of outstanding legitimate claims. The Committee would also note that fair and equitable settlements would reinvigorate investor confidence in both countries thus opening the doors to other American companies which wish to participate in the Hemisphere's exciting growth and progress in recent years.

UTILIZING THE PRIVATE SECTOR

The Committee continues to support aid to Egypt which effectively utilizes the technology and expertise of the American private sector to promote continued economic reform and modernization in Egypt. In the past, the Committee has noted the Telecommunication Sector Support Project (TSSP) as one such example of how American aid working in tandem with industry can become a

growth multiplier in the underdeveloped world. This project is significantly improving the Egyptian telecommunications network while at the same time enabling Egypt to put its national telephone company in a position to become a private enterprise in due course.

INTERNATIONAL FUND FOR IRELAND

Fiscal year 1995 level	\$19,600,000
Fiscal year 1996 request	0
Committee recommendation	19,600,000

The Committee recommends \$19,600,000 for the International Fund for Ireland in support of the Anglo-Irish Accord. Funding of \$29,600,000 was requested for this activity through the Economic Support Fund.

The International Fund for Ireland continues to meet the task of bringing new economic and commercial life to the areas of Northern Ireland that have suffered most severely from the division of Ireland and the strife of the last two decades. The Committee urges continued commitment by the European Community in their support for the Fund, and cautions that anticipated reductions in future year overall foreign aid funding make additional United States contributions uncertain.

The Committee strongly urges the International Fund for Ireland to take every step possible to ensure that all recipients of Fund support are promoting equality of opportunity and non-discrimination in employment.

ASSISTANCE FOR EASTERN EUROPE AND THE BALTICS

Fiscal year 1995 level	\$359,000,000
Fiscal year 1996 request	480,000,000
Committee recommendation	324,000,000

The Committee has recommended \$324,000,000 for Assistance for Eastern Europe and the Baltics for fiscal year 1995.

The Committee has recommended language in the bill which provides that these funds:

- Remain available for two years;
- Are available, notwithstanding any other provision of law;
- Be considered economic assistance under the Foreign Assistance Act for administrative purposes;
- That the Enterprise Funds may set up interest-bearing accounts and may use the interest for the same purposes as the appropriated funds; and
- That the funds for the Enterprise Funds should be expended at the minimum rate necessary to make timely payments for projects and activities.

ENTERPRISE FUNDS

The Committee strongly recommends that USAID honor its prior funding commitments to the Enterprise Funds at such funding levels as were originally announced by the Administration, agreed to by the Congress through the congressional notification process, and referenced in Grant Agreements between USAID and each of the Enterprise Funds. To this end, the Committee further recommends

that any reductions in USAID funding for its "Eastern Europe and the Baltic States" and "N.I.S." accounts neither be applied to nor have any effect on USAID's funding of the Enterprise Funds.

The Committee supports the Hungarian-American Enterprise Fund's efforts to raise private capital as a way to ultimately achieve self-sustainability. The Committee notes, however, that the Hungarian Fund is in need of an additional \$30,000,000 of USAID funding beyond its original \$70,000,000 in order to continue its programs and to attract private capital. Accordingly, the Committee urges USAID to provide the Hungarian Fund an additional \$30,000,000 in fiscal 1996, of which \$20,000,000 is to be used for its core investment programs and \$10,000,000 is to be used for its small loan program, provided that other enterprise funds have been fully funded.

SMALL BUSINESS PROGRAMS

The Committee is concerned by reports that the Agency for International Development is establishing small business assistance and credit programs in Central Europe that may be duplicative of activities being performed by enterprise funds. In the current budget climate, the Committee does not support AID programs that compete with ongoing enterprise fund programs and projects. The Committee expects AID to report by December 1, 1995, on its plans for small business assistance and credit programs in Central and Eastern Europe; on the degree to which such programs would duplicate or compete with projects funded or planned by enterprise funds; and on the need for such programs.

BALTIC PROGRAMS

The Committee expects AID to continue programs in the Baltic nations even as it moves to establish new programs in the southern region of Eastern Europe. The closing of a resident mission in a country should not preclude carefully targeted projects of an ongoing nature.

MATCHING FUNDS FOR PRIVATE YOUTH PROGRAM CENTERS IN POLAND

The Committee requests that the appropriate Executive branch agency consider proposals to match private funds dedicated to the establishment in Poland of a youth program center that would combine adult leadership training and outreach with recreational facilities that will promote American goodwill and values throughout Central Europe.

ROSE-ROTH INITIATIVE

The Committee supports continued funding of not to exceed \$100,000 for the Rose-Roth program through the North Atlantic Assembly. The Committee notes that this program has been funded through this account in the past.

LEGAL INITIATIVES

The Committee encourages the United States Information Agency and the Agency for International Development to continue to provide financial support for the Central and Eastern European

Law Initiative (CEELI), a project of the American Bar Association. CEELI has received grants to help Central and East Europe and the NIS create new legal frameworks based on the rule of law rather than Party doctrine or caprice.

Through a variety of program components, CEELI is making available legal expertise to assist countries that are in the process of modifying or restructuring their laws or legal systems. CEELI emphasizes long-term engagement country-by-country and supports projects that facilitate extensive consultations with policy-makers, legal scholars, judges, and attorneys. CEELI has focused work in several critical priority areas: constitutional reform; judicial restructuring; criminal law and procedure; and local government law reform, and has sought to emphasize projects involving reform of the legal profession and commercial law development.

ASSISTANCE FOR THE NEW INDEPENDENT STATES OF THE FORMER
SOVIET UNION

Fiscal year 1994 level	\$2,157,820,000
Fiscal year 1995 level	842,500,000
Fiscal year 1996 request	788,000,000-
Committee recommendation	595,000,000

(NOTE: The fiscal year 1994 column includes all funds provided for the NIS in P.L. 103-87 including fiscal year 1993 supplementals.)

The Committee has recommended \$595,000,000 for Ukraine, Armenia, Georgia, Russia, and the new independent republics of the former Soviet Union.

The Committee has continued prior year language providing the funds “notwithstanding any other provision of law” and applying the provisions of section 498B(j) of the Foreign Assistance Act. The Committee has included prior year language on territorial integrity, human rights, non-use of funds for enhancing military capacities, providing funds to the maximum extent feasible through the private sector, private voluntary organizations, and non-governmental organizations, and providing all funds subject to notification. The Committee also has included language making Mongolia eligible to receive funds provided in this section.

The Committee believes that no relationship is more important to the long-term security of the United States than the strategic relationship with Russia. If Russian reform fails and if Russia reverts to a dictatorship or collapses into anarchy, the potential of nuclear confrontation could return. The Russian people are struggling to build a free society and a market economy. Their success is important to America in reduced nuclear threat, lower defense budgets, and open markets to fuel global prosperity and help create jobs.

At the same time, the Committee believes that the other nations of the NIS, including Ukraine, Armenia and Georgia, are important to United States security interests in the region. Over the past three years, despite adverse circumstances, Ukraine and Armenia have taken major steps in political and economic reform. The continued development of democratic and free-market institutions in Ukraine, Armenia and the other NIS nations cannot but help encourage similar developments in Russia. The United States must make a greater effort to develop more effective assistance programs

for Ukraine, Armenia and other NIS countries that promote political and economic reform and that are specific to the needs of each individual country.

The Committee commends the President for expanding the statutory office of Coordinator of U.S. Assistance to the New Independent States of the Former Soviet Union by adding the concurrent responsibilities of Special Advisor to the President. The Committee has structured its bill in a way that the individual holding these dual offices can allocate the funds appropriated for any activities with his scope of responsibility as determined by the President's charter of April 4, 1995.

Although only funds allocated to the Russian Federation are subject to prior notification, the Committee directs the Coordinator and Special Advisor to the President to fully consult with it before obligating any funds for programs funded during fiscal years 1994 and 1995 in other Acts, or authorized outside of the FREEDOM Support Act.

PEACE CORPS

The Committee strongly supports Peace Corps programs in the NIS. The Committee recommends no less than \$14,000,000 for this purpose from funds appropriated for the region.

FARMER-TO-FARMER PROGRAM

The Committee continues to commend the work of Volunteers in Overseas Cooperative Assistance (VOCA) for its worldwide Farmer-to-Farmer program. Recent external evaluations have reaffirmed that VOCA has built a highly successful people-to-people program in developing countries, Central and Eastern Europe, and the New Independent States of the former Soviet Union. VOCA has demonstrated that experienced, skilled volunteer experts in agriculture, environment and cooperative development who work with local organizations, agribusinesses and farm leaders can significantly shape national policies in support of market economies and grassroots democracy. The demonstrated impacts of VOCA volunteers are outstanding examples of concrete people-oriented successes that represent the types of foreign assistance that the American people can support.

The Committee recommends that AID maintain funding for VOCA's programs as a cost-effective way to encourage broad-based economic, environmentally sustainable and democratic development. Interruptions in AID support for VOCA would damage the continuity of this valuable program and, thus encourage longer term funding for VOCA programs especially for Russia and other NIS countries where food security is critical to market reform efforts.

The Committee encourages the Agency for International Development to expand VOCA's Farmer-to-Farmer programs in developing and newly democratic countries as a cost-effective way to transfer practical skills and know-how to farmers and their agribusinesses. The Committee supports increased funding for such programs in the New Independent States so that VOCA volunteers can achieve a critical mass for maximum impact in key regions to demonstrate the benefits of private agriculture.

ASSISTING THE VICTIMS OF THE CONFLICT IN CHECHNYA

The Committee is moved by the plight of the victims of the civil conflict in Chechnya and surrounding regions of the Russian Federation. A member of the Committee recently returned from Chechnya and saw first-hand the massive destruction of lives and property that resulted from the disproportionate use of force and the lax discipline of the armed forces involved.

American assistance to the survivors of the conflict in Chechnya and the surrounding Caucasus region should be provided through international non-governmental groups and through the Organization for Security and Cooperation in Europe. Such assistance should be funded through this account, and from the amount allocated for Russia in this Act or prior year Acts.

SCHOLARSHIP, TRAINING AND INTERNSHIP PROGRAMS

The Committee supports a broad array of scholarship, internship, and training programs which bring people from the republics of the former Soviet Union to the United States. The Committee encourages the Administration to leverage these funds, urging groups, communities, state and local governments, businesses, schools and universities to raise additional resources to match the funds.

RUSSIAN, EURASIAN, AND EAST EUROPEAN RESEARCH AND TRAINING PROGRAM

The Committee supports the President's decision to include funding for the Russian, Eurasian, and East European Research and Training Program among activities proposed under foreign assistance to the NIS. The Committee also supports funding for this program from the Eastern Europe and the Baltic States account.

This program, which has traditionally received strong bipartisan support, is the only United States government sponsored program that supports American research, training, and language expertise concerning the successor states of the former Soviet Union and Eastern Europe. The program is an investment designed to ensure that broad-based expertise is available in both the academic and policy making community on a range of policy issues in the region.

HUMANITARIAN ASSISTANCE FOR ARMENIA

The Committee remains concerned about severe shortages of food and fuel in Armenia and supports continued efforts to alleviate the humanitarian crisis in this country.

Despite the dire effects of the blockade of fuel and food by its neighbors, Armenia is progressing toward full democracy, and is far ahead of its neighbors in achieving a market-based economy. Beyond the humanitarian supplies needed to sustain Armenia, the Committee expects the Coordinator and AID to expand support for long-term development in Armenia and seriously consider an enterprise fund for the Caucasus region.

ASSISTANCE FOR THE VICTIMS OF CHERNOBYL

The Committee supports assistance for a program of scientific research for victims of Chernobyl. The Committee believes that assistance should be made available for the victims of Chernobyl, the

largest nuclear disaster in history. The explosion and fire at the Chernobyl nuclear plant resulted in the release of radioactive particles, with disastrous consequences. Experts estimate that as many as four million individuals today, mostly in Belarus and Ukraine, live in zones of high radiation fallout. Radiation levels in some areas are as much as twenty times the normal levels. The increase in the illness rate among children is catastrophic. There has been a great increase in deformities among newborn children.

PROJECT ORBIS

The Committee continues to support the efforts of Project ORBIS to teach doctors in developing countries to perform sight saving eye surgery. The Committee believes that Project ORBIS should continue and expand its work in developing countries and particularly supports its efforts in the Newly Independent States of the former Soviet Union.

RUSSIAN-AMERICAN ENTERPRISE FUNDS

The Committee commends those in the executive branch who were responsible for beginning the process of merging the multiple Russian-American enterprise funds that are funded by this Committee. Many of the concerns expressed last year in the report on this bill have been addressed. The Committee looks forward to further progress in this area.

The Committee continues to believe that the targeting of foreign assistance programs to the Russian Far East, particularly those aimed at developing a private enterprise/private-sector economy infrastructure to accommodate United States investment, technical assistance, and imports/exports, should be a priority for the Administration.

Given the importance of rural Russia with 25% of the population, the Committee strongly encourages AID and the Russian-American Enterprise Fund to devise a method to provide special support for agribusiness. The Committee believes that this special effort should have advisory support from notable U.S. and Russian agricultural leaders. Staffing by experts in agribusiness finance is necessary. The program should target emerging private small agribusinesses that can bring competition into the marketplace now dominated by large state monopolies in order to build rural support for market reforms.

MATCHING FUNDS FOR CIVILIAN SCIENTISTS AND ENGINEERS

The Committee suggests that the Coordinator and Special Advisor to the President seriously consider providing funds to match private and Department of Defense funds in support of an R&D Foundation that will support civilian, non-defense research and development activities through private sector linkages between scientists and engineers in the United States and in the states of the former Soviet Union. The Foundation is authorized by section 511 of P.L. 102-511 and will be governed by a Board of Directors.

The National Science Foundation, as provided under the authorization, is the agency establishing the R&D Foundation. To date, \$10 million has been deposited into the NSF trust fund, \$5 million of which was provided by the private Soros Foundation. In addi-

tion, the Soros Foundation has spent an additional \$100 million to support the faltering civilian and academic scientific institutions in Russia, Ukraine and other states of the former Soviet Union. The R&D Foundation is in no way connected with the Defense Department activities that employ scientists and engineers formerly engaged in designing weapons of mass destruction.

CONCERN ABOUT FRED CUNY

The Committee is familiar with the global humanitarian accomplishments over many decades of Fred Cuny, who, at the time this report is being written, is missing in the Chechnya region of Russia. The Committee urges the Russian and Chechnyan authorities to fully cooperate with the United States Government's efforts to locate Mr. Cuny.

INDEPENDENT AGENCIES

AFRICAN DEVELOPMENT FOUNDATION

Fiscal year 1995 level	\$16,905,000
Fiscal year 1996 request	17,405,000
Committee recommendation	10,000,000

The Committee has recommended funding for the African Development Foundation at a level of \$10,000,000, \$7,405,000 less than the amount requested by the Administration and \$6,905,000 less than the amount provided in fiscal year 1995.

The funding level is consistent with a phase-down of direct funding for this organization. The Committee urges the Foundation to explore alternative sources of funding, both public and private.

INTER-AMERICAN FOUNDATION

Fiscal year 1995 level	\$30,960,000
Fiscal year 1996 request	31,760,000
Committee recommendation	20,000,000

The Committee recommendation provides \$20,000,000 for the Inter-American Foundation, \$10,960,000 below fiscal year 1995 and \$11,760,000 below the request.

The funding level is consistent with a phase-down of direct funding for this organization. The Committee urges the Foundation to explore alternative sources of funding, both private and public.

PEACE CORPS

Fiscal year 1995 level	\$219,745,000
Fiscal year 1996 request	234,000,000
Committee recommendation	210,000,000

Committee recommends Peace Corps funding of \$210,000,000. Prior year language addressing purchase of motor vehicles, abortion, and ability of funds have been continued in the bill.

The Committee supports the work of the Peace Corps, but asks that the Corps begin a process of consolidation after its expansion in recent years. The Peace Corps entered numerous new countries, five of which are in Eastern Europe, since 1989. While this rapid expansion was welcome at the time and reflective of a worldwide trend toward democracy, the new determination to move toward a balanced budget required the Peace Corps to adjust according to

anticipated reductions in funding. The Congress has traditionally taken the lead in ensuring adequate funding levels for the Peace Corps. This will continue, however, only if the Peace Corps should accept the challenge of consolidating its roles and missions without diminishing its long-term emphasis on helping the poor improve their ability to support themselves and their families.

WOMEN IN DEVELOPMENT

The Committee supports the goals outlined in the Women in Development Act of 1991, which details a strategy to give women of developing nations a higher priority in assistance programs.

The Committee urges the Peace Corps to integrate this priority into its training programs, and expects that its programs be directed to women in approximate proportion of their traditional participation in targeted activities. The Committee also supports funding for the office of the WID coordinator within the Peace Corps.

PROGRAMS WITH AID

The Committee supports the continued collaboration between the Peace Corps and the Agency for International Development. It is often a cost effective use of development resources to match AID's financial and technical support with Peace Corps volunteers grass roots capabilities. The Committee expects that AID and the Peace Corps will continue their collaborative efforts in fiscal year 1996, and explore additional opportunities for appropriate collaboration.

PROGRAMS IN THE NEW INDEPENDENT STATES

The Committee notes that the fiscal year 1995 Peace Corps program in the New Independent States was funded from the NIS account. The Committee expects that the costs of the fiscal year 1996 program to be funded in a similar manner.

DEPARTMENT OF STATE

INTERNATIONAL NARCOTICS CONTROL

Fiscal year 1995 level	\$105,000,000
Fiscal year 1996 request	213,000,000
Committee recommendation	113,000,000

The Committee has recommended \$113,000,000 for the International Narcotics Control program. This is \$8,000,000 above the program level for 1995. Funding for associated economic and military assistance has been included in the appropriate accounts as in fiscal year 1995.

MIGRATION AND REFUGEE ASSISTANCE

Fiscal year 1995 level	\$671,000,000
Fiscal year 1996 request	671,000,000
Committee recommendation	671,000,000

The Committee has recommended \$671,00,000 under the Migration and Refugee Assistance account, the amount requested and the same level of funding as provided in fiscal year 1995. Not to exceed \$12,000,000 for administrative expenses are authorized in bill language. Combined with the Emergency Refugee and Migra-

tion Assistance Fund, there will be a total of \$726,000,000 available in fiscal year 1996 for assistance to refugees. The Committee believes that in light of the world wide refugee emergency, funding for refugee assistance should not be below that provided last year.

The Committee is concerned that the State Department make every effort to ensure that a potential increase in refugees from Tibet and Bosnia can be handled within available funding. Since 1991, the United States has provided humanitarian assistance for Tibetan refugees living in exile, and the Committee would expect that such support be continued. In addition, conditions in the former Yugoslavia may result in the need for the United States to accept an increase in the number of Bosnian refugees.

REFUGEES RESETTLING IN ISRAEL

The Committee recommends continuation of the \$80,000,000 provided last year for the resettlement of Soviet, Eastern European and other refugees resettling in Israel. Large numbers of refugees are continuing to come to Israel from the former Soviet Union and Eastern Europe.

The Committee is concerned about an audit performed by the State Department Office of Inspector General on the grant provided to implement this refugee assistance. The audit raised questions about the degree to which the State Department has been monitoring the use of funds provided for this program, and the use of some of the funds provided through the grant. The Committee requests that the Department maintain proper oversight on this grant, and to report on the steps it has taken to implement the recommendations made by the Inspector General.

REFUGEE RESETTLEMENT ASSISTANCE

Fiscal year 1995 level	\$6,000,000
Fiscal year 1996 request	0
Committee recommendation	5,000,000

The Committee recommendation includes \$5,000,000 for the targeted assistance program for refugee resettlement administered by the Department of Health and Human Services. There was no budget request for this item.

These funds will augment the 10-percent of the targeted assistance program which is set-aside for grants to localities most heavily impacted by the influx of refugees such as Laotian Hmong, Cambodians and Soviet Pentacostals, including secondary migrants who entered the United States after October 1, 1979.

UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE
FUND

Fiscal year 1995 level	\$50,000,000
Fiscal year 1996 request	50,000,000
Committee recommendation	50,000,000

The Committee has recommended \$50,000,000 for the Emergency Refugee and Migration Assistance Fund.

The Committee has also included this account as one of those cited in section 515 of this Act which require reprogramming notifications. While the Committee does not desire to reduce the flexibility of the Administration, it is concerned that the State Department has not maintained a tradition of consultation on the use of these funds. In particular, the Committee was distressed when funds were reprogrammed to assist refugees from the Chechnya conflict in Russia when authorization exists in the Freedom Support Act for the use of funds appropriated for the New Independent States for such purposes. These are emergency funds, and should not be used if alternative sources of funding are available.

ANTI-TERRORISM ASSISTANCE

Fiscal year 1995 level	\$15,244,000
Fiscal year 1996 request	15,000,000
Committee recommendation	17,000,000

The Committee has recommended \$17,000,000 for Anti-Terrorism Assistance which is \$2,000,000 above the level requested for fiscal year 1996.

NON-PROLIFERATION AND DISARMAMENT FUND

Fiscal year 1995 level	\$10,000,000
Fiscal year 1996 request	25,000,000
Committee recommendation	20,000,000

The Committee has recommended \$20,000,000 for the Non-proliferation and Disarmament Fund. The amount recommended is \$5,000,000 below the requested level. The Committee strongly supports this worthwhile program and believes the savings can be realized from a more efficient implementation of the NIS export control program. The Committee has continued existing authorities (including the authorities to make grants) for the conduct of the

program. The Department of State is to notify the Committee through its regular notification process on the use of the funds.

TITLE III—MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL MILITARY EDUCATION AND TRAINING

Fiscal year 1995 level	\$25,500,000
Fiscal year 1996 request	39,781,000
Committee recommendation	39,000,000

The Committee recommends \$39,000,000 for the International Military Education and Training program. The amount recommended is \$781,000 below the requested level. The Committee recommendation reflects the consolidation of funding for IMET, expanded IMET and the Military to Military Contact Program in one account. The Committee provides no funds in this bill for the Military to Military Contact Program in fiscal year 1996. The Military to Military Contact Program was funded at \$12,000,000 in fiscal year 1995, but not requested in fiscal year 1996.

The Committee includes updated prior year bill language requiring that high income countries that receive IMET funds pay for the transportation and living allowances of their students. First, the Committee reduces the amount available to any high income country from \$300,000 to \$100,000. Second, for the purposes of determining "high income countries" the committee means: those nations listed as high income earning countries in the "World Development Report, 1994" and the Government of Korea. The Committee continues prior year bill language prohibiting IMET funding for Zaire and inserts new language allowing expanded IMET only for Indonesia and Guatemala. With respect to Indonesia and Guatemala, the Committee strongly urges the administration to carefully review candidates from both countries to make certain they have not been involved in previous human rights abuses. The Committee hopes that making expanded IMET available to Guatemala and Indonesia will help improve their human rights performance. The Committee continues prior year language permitting civilians and legislators to receive training in the IMET program.

IMET, HUMAN RIGHTS AND ECONOMIC DEVELOPMENT

The Committee continues to support both the IMET program and its "Expanded IMET" component. The Committee supports a substantial human rights component in programs for all IMET countries, including information on international human rights conventions, human rights law in the recipient's country, American human rights law and policy, and appropriate behavior by military personnel. The Committee supports the holding of IMET field seminars that bring together elements of the military and indigenous human rights groups. The Committee also supports inclusion of a substantial number of civilian employees of foreign governments in IMET programs. The Committee believes that the IMET program and its expanded IMET component offer the military of other nations full exposure to how the United States military performs as a professional, highly respected institution in a civil, democratic so-

ciety governed by the rule of law. It is the committee's view that the attainment of such a military must be a fundamental objective of any underdeveloped nation in its pursuit of economic growth and prosperity and that the IMET program plays an important role in supporting this objective.

GUATEMALA

The Committee remains concerned by ongoing human rights violations in Guatemala. The Committee also urges the Government of Guatemala to aggressively investigate such violations and resolve current outstanding human rights cases as expeditiously as possible. Further, the Committee believes that the strengthening of the judicial system should be a high priority for the Guatemala government. As a result of these concerns, the Committee has included bill language which limits Guatemala to expanded IMET only in fiscal year 1996.

BURUNDI AND RWANDA

The Committee continues to be strongly concerned by human rights abuses in Burundi and Rwanda, particularly in light of recent events in both countries. Therefore, the Committee believes that neither Burundi nor Rwanda should receive professional IMET in fiscal year 1996. However, the Committee believes that expanded IMET which focuses on human rights training and respect for civil rights may be made available to both countries if the Secretary of Defense determines it would contribute to the improvement of human rights, and provided the Department of Defense carefully reviews the background of potential candidates to make certain they have not taken part in past human rights abuses.

SCHOOL OF THE AMERICAS

The Committee strongly urges the Department of Defense to continue its ongoing efforts to incorporate human rights training into the School of the Americas regular training curriculum. The Committee also urges the Department of Defense to rigorously screen potential students to make certain they have not taken part in past human rights abuses. The Committee intends to carefully review the activities of the School of the Americas and urges the Department of Defense to place increased emphasis on the human rights performance of its students.

FOREIGN MILITARY FINANCING PROGRAM

GRANTS

Fiscal year 1995 level	\$3,151,279,000
Fiscal year 1996 request	3,262,020,000
Committee recommendation	3,211,279,000

SUBSIDY APPROPRIATIONS

Fiscal year 1995 level	\$47,917,000
Fiscal year 1996 request	89,888,000
Committee recommendation	64,400,000

LOANS

Fiscal year 1995 level	(\$619,650,000)
Fiscal year 1996 request	(765,000,000)
Committee recommendation	(544,000,000)

The Committee has recommended \$3,211,279,000 in Foreign Military Financing grants, and \$64,400,000 as a subsidy appropriation for loans. The amount provided for the subsidy appropriation will support a loan program totaling \$544,000,000. Thus, the total program level of foreign military grants and loans for fiscal year 1996 is \$3,755,279,000. This program level is \$271,741,000 below the amount requested by the President for fiscal year 1996 and \$15,650,000 below last year's program level for grants and loans.

ISRAEL

The Committee recommends a total Foreign Military Financing Program of not less than \$1,800,000,000 in grants for Israel. These funds are to be disbursed within thirty days of enactment of this act or by October 31, 1995, whichever is later. -

The Committee also recommends that to the extent that the Government of Israel requests that FMF grant funds for Israel be used for such purposes, and as agreed by Israel and the United States, funds may be made available for advanced weapons systems of which not to exceed \$475,000,000 shall be available for the procurement in Israel of defense articles and defense services, including research and development.

The Committee is concerned that Israel's technological military edge could erode as a result of the unrestrained sales of advanced military equipment to Israel's potential adversaries by other nations and the increasing sophistication and cost of advanced weapons systems. Therefore, the Committee continues to believe the United States must make every effort to carry out its long-standing policy of ensuring that Israel's technological edge is maintained.

EGYPT

The Committee recommends a total Foreign Military Financing Program for Egypt of not less than \$1,300,000,000 in Foreign Military Financing grants.

The Committee remains extremely concerned about the extent of cash flow financing. The Committee notes with great concern that as a result of cash flow financing the new outlay levels for Egypt military assistance have increased significantly. The Committee also notes with concern that increases in these outlay levels cannot be sustained in the future. The Department is to report on any plans to enter into future cash flow financing agreements with Egypt.

WARSAW INITIATIVE FOR PARTNERSHIP FOR PEACE NATIONS

The Committee commends the administration's January 1994 Warsaw Initiative to provided limited military assistance to Partnership for Peace (PFP) nations. The Committee believes this request will enhance security and stability in Europe, particularly for those Central European nations most likely to be considered for NATO membership. The administration's fiscal year 1996 request

for \$60,000,000 will support transfers of equipment to enhance the interoperability of PFP forces with NATO forces, including tactical radios, night vision equipment, global positioning system receivers, search and rescue equipment for helicopters, and command and control and communication upgrades.

PARTNERSHIP FOR PEACE NOTIFICATION

The Committee includes a provision stating that no FMF grant assistance shall be available for any non-NATO country participating in the Partnership for Peace Program except through the regular notification procedures of the Committees on Appropriations. The Committee would note that Russia is a member of the Partnership for Peace. The Committee strongly believes that it is extremely premature to be considering providing military assistance to Russia.

GREECE AND TURKEY

The Committee has included a provision in the bill that specifies that the total amount of military assistance to Greece and Turkey is to be provided according to a seven to ten ratio.

BAHRAIN

The Committee notes the close political, economic and security relationship which exists between the United States and Bahrain. The Committee believes that US support for Bahrain's Defense Forces sends a clear signal of the US commitment to security and stability in the Middle East.

LEBANON

The Committee believes support for the people of Lebanon continues to be in the United States national interest. As Lebanon emerges from fifteen years of civil conflict, American support remains important. The Committee supports continued funding for Lebanon from both the Development Assistance and Economic Support Fund accounts.

EL SALVADOR

The Committee recommends that current policy concerning providing only non-lethal military equipment to El Salvador be continued.

ADMINISTRATIVE EXPENSES

The Committee has continued a limitation of administrative expenses of \$24,020,000, the level requested by the Administration. The increase in the limitation level is to support additional activities in Central and Eastern Europe and the former Soviet Union.

AUDIT OF FUNDS

The Committee has continued a provision in the bill that requires the Department of Defense to conduct audits of private firms and subcontractors whose contracts are made directly with foreign governments and are financed with funds made available under this bill.

COMMERCIAL ARMS SHOWS

The Committee deletes a provision in last year's bill prohibiting DSAA employees or funds appropriated under this heading being used to facilitate the transport of aircraft to commercial arms sales shows. In response to the Committee's concerns, the Department of Defense has reviewed its policy and regulations on this issue. The Committee is in receipt of a letter, dated June 1, 1995, from Acting DSAA Director, H. Diehl McKalip confirming the activities prohibited in last year's language are currently restricted by current DOD directives or other provisions of law. The Committee directs the Secretary of Defense to notify the Committees on Appropriations prior to any changes in policy governing these activities which would be inconsistent with the prohibitions included in last year's bill.

FOREIGN MILITARY FINANCING SURCHARGE

The Committee has included an overall limitation of Foreign Military Financing operating costs of \$355,000,000, unless notified through the Committee's fifteen day notification process. The Committee believes that it is important to retain this overall limitation in order to ensure that funds collected to pay for personnel dedicated to the operation of the FMF system are used for that purpose only.

EXCESS SUBSIDY COSTS

The Committee has included modified language requested by the administration allowing the subsidy costs of direct loans to be used to supplement funds available for grants under certain conditions and vice versa.

FMF EXPENDITURE RATE

The Committee continues bill language that requires that Foreign Military Financing funds be expended at the minimum rate necessary to make timely payments for defense articles and services.

NON-GOVERNMENT TO GOVERNMENT PROCUREMENT

The Committee continues a prior year provision in the bill setting non-government to government procurement at a level of \$100,000,000 for countries other than Israel and Egypt.

LOANS

The Committee has included a provision in the bill limiting loans to \$544,00,000.

PROCUREMENT AGREEMENTS

The Committee has continued prior year language requiring recipients of Foreign Military Financing to sign agreements with the United States prior to using FMF funds to finance the procurement of any item not sold by the United States under the Arms Export Control Act.

ADMINISTRATIVE EXPENSES

The Committee expects the Department of Defense will carefully review administrative expenses in an effort to reduce expenditures.

PROHIBITIONS

The Committee has included bill language prohibiting military assistance to Zaire, Sudan, Liberia, Peru and Guatemala. The administration did not request military assistance for these countries for fiscal year 1996.

COLOMBIA AND BOLIVIA

The Committee has included a provision prohibiting the provision of military assistance to Bolivia and Colombia until the Secretary of State certifies that this assistance will be used by such countries primarily for counternarcotics activities.

FMF LOANS FOR GREECE AND TURKEY

The Committee notes that fiscal year 1996 will mark the graduation of both Greece and Turkey as annual FMF loan program recipients. The fiscal year 1996 funds included in this account for Turkey completes the U.S. funding commitment for the Peace Onyx I/II F-16 acquisition by Turkey. The Committee does not expect a request for FMF loans for either country next year since no funds have been authorized for either country in fiscal year 1997 in H.R. 1561, The American Overseas Interest Act of 1995. The Committee will entertain future sustainment requests for either country based upon the request's individual merit.

TURKEY

The Committee believes that Turkey remains a key NATO ally and reliable strategic partner. The Committee also notes Turkey's support for U.S. military efforts during the Gulf war and its continued active support for U.S. forces stationed in Turkey.

However, the human rights situation in Turkey is of continuing Committee concern. As a result of the Committee's attention to this issue, last year's bill language conditioned 10 percent of aid to Turkey on the preparation of a report by the Department of State addressing, among other things, the allegations of abuses against civilians by the Turkish armed forces and the situation in Cyprus. The report, entitled "Report On Allegations of Human Rights Abuses by the Turkish Military and on the Situation in Cyprus," was delivered to the Committee on June 1, 1995.

The report notes recent Turkish military activity in southeast Turkey has resulted in human rights abuses, including torture and extrajudicial killings which have alienated many of the Kurds in the region. The report also notes that US-origin equipment has been used in operations against the Kurdistan Workers Party (PKK) in which human rights abuses have occurred and in cases where non-PKK civilians were targeted. Furthermore, the report includes a Human Rights Report (Annex I) which lists the Turkish General Staff (TGS) responses to specific allegations collected by the U.S. Mission. The Committee would note that the responses of-

ferred by the TGS to the U.S. Mission request did not appear satisfactory. At the same time, the reports notes that the PKK "is a ruthless terrorist group which receives its support from Syria, Iran and some sources in Europe..." The report also states that Turkey "has the right to use US-supplied weapons for legitimate self-defense and for internal security. This includes use to combat terrorism by forces such as the PKK."

The report concludes by noting that the "Government of Turkey has recognized the need to improve its human rights situation and has made proposals which, if adopted and implemented, could lead to important and positive changes in the situation in the south-east." The Committee strongly urges the Government of Turkey to cease human rights abuses and fully implement these proposals, as well as the democratization measures recently introduced into the Turkish parliament.

In addition, the Committee is disappointed at the report's failure to draw any conclusions regarding Turkey's actions on Cyprus.

REPORT ON TRANSFERS TO TERRORIST STATES

The Committee directs the President or his designee to provide a report to the Committees on Appropriations on arms transfers by China, countries formerly members of the Warsaw Pact, and countries which are New Independent States of the Former Soviet Union to those countries which the Secretary of State, pursuant to Section 620A of the Foreign Assistance Act of 1961 as amended, has determined have repeatedly provided support for acts of international terrorism.

Such report shall include:

- (1) all transactions involving the transfer, sale or export of nuclear or nuclear dual use technology,
- (2) all transactions involving conventional military weapons, equipment or munitions,
- (3) all transactions involving items covered by the Missile Technology Control Regime, and,
- (4) all transactions involving items which could support chemical or biological weapons capabilities.

This report shall also include the following information concerning the extent to which these countries are:

- (1) adhering to arms control agreements to which they are party,
- (2) restraining their conventional arms transfers to terrorist states,
- (3) knowingly transferring MTCR related missiles or missile technology to terrorist states, and,
- (4) knowingly transferring any material equipment or technology which would contribute significantly to the ability of a terrorist country to manufacture nuclear, chemical or biological weapons,

In addition, the report should provide the following information:

- (1) information regarding administration discussions with these countries regarding illegal transfers of such materials to terrorist states,

(2) information regarding whether or not countries, subsequent to such discussions, have terminated such transfers, and,

(3) assessing the effects of such transfers on the security of the United States and its allies.

The Committee believes that the findings of this report should be considered one of the most important factors in determining future allocations of assistance to these countries. The Committee expects this report to be delivered by February 1, 1996. Furthermore, the report may be classified to the extent required.

SPECIAL DEFENSE ACQUISITION FUND

No language was requested by the administration for this account which continues to be drawn down. The Committee included language in the fiscal year 1994 bill which required that all receipts into the Fund be returned to the Treasury. This remains in effect and will produce a reduction in the deficit of approximately \$220,000,000 in fiscal year 1996.

PEACEKEEPING OPERATIONS

Fiscal year 1995 level	\$75,000,000
Fiscal year 1996 request	100,000,000
Committee recommendation	68,300,000

The Committee recommends \$68,300,000 for voluntary contributions for International Peacekeeping Operations. This amount is \$6,700,000 below the level provided in fiscal year 1995 and \$31,700,000 below the President's request.

This account funds voluntary contributions to help defray costs of peacekeeping activities undertaken on a voluntary basis by regional organizations such as the Organization for Security and Cooperation in Europe (OSCE) and the Organization for African Unity (OAU). It also funds one-third of the Multinational Force and Observers (Sinai), a critical component of the Egypt/Israel peace accords.

The Committee's recommendation assumes that the Administration will focus its support on high-priority, on-going peacekeeping operations and activities.

TITLE IV—MULTILATERAL ECONOMIC ASSISTANCE

INTERNATIONAL FINANCIAL INSTITUTIONS

The budgetary situation forces the Committee to begin a process of choosing among the nine multilateral development banks (MDBs) it has traditionally supported. This year funding is requested for the first time in this bill for a tenth institution, the North American Development Bank, initially funded by the NAFTA legislation. It is evident that the Committee cannot recommend full funding of the budget estimate of \$2,303,865,000, an increase of \$522,984,000 above the current fiscal 1995 level.

In approaching this dilemma, the Committee is keenly aware of the fact that the multilateral development banks have served American interests in many ways. Many of them have supported, and continue to support, American businesses in opening new mar-

kets and securing financing unavailable from commercial markets. The “leveraging effect” of more than \$20 made available to developing economies for every dollar appropriated by Congress has enabled the Committee to prudently reduce the size of its Foreign Operations Appropriations Acts over the past decade. These factors, the impact on American business and maximum “leveraging” ratios, have guided the Committee in its recommendations.

Another factor entered into the Committee’s deliberations: the growing role of the private sector in developing nations that have until recently chosen to undertake development through centrally planned or state-dominated economic models. The Committee heard dramatic testimony about the fast growing sector for American exports, private sector infrastructure projects, mostly in the areas of energy and telecommunications. Several successful participants in these projects volunteered that certain of the MDBs had been vital to their undertakings which promote sustainable development abroad and good jobs in the United States.

Finally, no major reevaluation of the role of the multilateral development banks has been undertaken and completed by the United States Government since the Reagan Administration in 1982. In prior years, the Committee has noted that the Reagan Administration concluded that “the value of the MDBs lies primarily in their cost effective contribution to LDC economic growth and stability.” This is still a valid point, but it may not be equally true for all of the institutions.

The present Administration and its G-7 partners are currently undertaking a review of the MDBs as part of the preparations for the Halifax Economic Summit later this month. The Committee looks forward to consulting with the Treasury Department about its conclusions. In reviewing requests for the MDBs the Committee took into account the following criteria, as well as those discussed in previous reports.

To what extent does the institution promote private sector growth, and how long has it done so?

To what extent does the institution support American business interests?

To what extent does the institution share the attributes of a commercial bank, or does it extend credit on terms approaching a foundation making grants? Do the U.S. shares retain significant market value?

Does the institution focus on regions vital to the United States, or on regions where significant amounts of United States bilateral assistance is directed?—

Two of the institutions formerly included with the multilateral development banks are distinctly different from the others and are now included in Title I, Export and Investment Assistance. The International Finance Corporation of the World Bank Group and the Multilateral Investment Fund (MIF) of the Inter-American Development Bank focus, respectively, on equity investments in larger private sector companies on a global scale and on loans and grants to entrepreneurs and small companies in Latin America, the major expanding market for US exports and investment.

CONTRIBUTION TO THE INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT:

PAID-IN CAPITAL

Fiscal year 1995 level. -	\$23,009,101
Fiscal year 1996 request-	28,189,963
Committee recommendation.	23,009,000

(LIMITATION ON CALLABLE CAPITAL)

Fiscal year 1995 level. -	(\$743,923,914)
Fiscal year 1996 request-	(911,475,013)
Committee recommendation	(743,900,000)

CONTRIBUTION TO THE GLOBAL ENVIRONMENT FACILITY

Fiscal year 1995 level	\$90,000,000
Fiscal year 1996 request	110,000,000
Committee recommendation.	50,000,000

The Committee has recommended appropriations for the International Bank for Reconstruction and Development (IBRD) of \$73,009,000 for fiscal year 1996. This amount includes \$50,000,000 for the Global Environment Facility.

The Administration is requesting \$28,189,963 in paid-in capital for the International Bank for Reconstruction and Development, usually known as the World Bank. This capital is used in conjunction with private borrowing secured primarily by industrial country secondary guarantees in the form of callable capital. For fiscal year 1996, the Administration is seeking a limitation of \$911,475,013 in callable capital subscriptions.

The Committee recommends for fiscal year 1996 the same amount provided in fiscal year 1995, \$23,009,000 in paid-in capital and \$743,900,000 in callable capital. This is done solely for budgetary reasons.

The recommendation of substantially all of the request for the IBRD reflects the World Bank's overall record of supporting economic growth in most regions, beginning with Western Europe in the 1950s and key East Asian nations in the 1950s and 1960s. Although the IBRD may have been diverted into experimental and social projects between 1968 and 1981, it appears to be in the process of returning to sound economic management under its late President and his newly appointed successor.

The Committee views the restructured GEF as an important multilateral funding mechanism for addressing global environmental problems like the loss of tropical forests. The Committee expects to consider future requests for the GEF according to its success in meeting three policy objectives: (1) focus of GEF resources on conservation of the most biologically diverse ecosystems; (2) development of effective mechanisms for implementation of GEF projects by private and voluntary organizations; and (3) substantial operating independence of the GEF with respect to the World Bank group and the United Nations.

CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

Fiscal 1995 level-	\$1,175,000,000
Fiscal 1996 request	1,368,168,000
Committee recommendation.	575,000,000

The Committee regrets that it is unable to fully continue its long-standing support for the International Development Association (IDA). The budget situation in 1995 forces a virtual choice between full funding of IDA (over forty percent of which goes to Africa) and any funding whatsoever for the bilateral programs in sub-Saharan Africa. In addition, concerns about environmental matters led the previous Congress to withhold authorization of the final \$1,250,000,000 payment to IDA X, most of which is requested this year.

The Subcommittee is providing \$575,000,000 toward the U.S. contribution for the Tenth Replenishment of the International Development Association. This substantial reduction from the Administration's request will mean that the U.S. will be unable to fulfill its commitment to IDA X within the three year time period originally negotiated. The Subcommittee wishes to make clear that the decision to provide less than the full request is a result of necessary budgetary constraints, and not the result of a lack of support or appreciation for U.S. participation in this development program which is directed toward the poorest countries in the world. IDA plays an important role in building markets for U.S. exports, as well as enhancing the effectiveness of U.S. bilateral export promotion programs.

Looking ahead, the budgetary reductions over the next six years that were suggested by recent Congressional Budget resolutions make the task of providing future appropriations for IDA (the largest item requested for economic assistance in this bill) more problematic than ever.

The Committee has discussed at length during its hearings the fact that the Peoples Republic of China has received a significant share of IDA soft loans. The Committee has serious questions about China continuing to receive IDA loans, given its current strong economic and financial status and its human rights record. The Committee is encouraged that the Treasury Department has committed to graduating China from IDA. It expects the Department to keep it fully informed about the status of China in any negotiations on IDA's future.

IDA, as the single largest source of external financing in the low-income nations for market-oriented policy reform, as well as for education, health and the environment, plays an indispensable role in helping to reduce global poverty and in helping the poorest countries become integrated into the global economy. The Committee requests the Treasury Department begin consultations with it regarding further requests for IDA, consistent with its broader responsibilities to balance the U.S. budget.—

The Committee is concerned about a national advertising campaign by the World Bank that appears to have been directed at influencing this Committee's deliberations. The use of taxpayer funds from the United States, or any other nation, to influence legislators is disturbing.

CONTRIBUTION TO THE INTER-AMERICAN DEVELOPMENT BANK:

INTER-REGIONAL PAID-IN CAPITAL

Fiscal 1995 level	\$28,111,959
Fiscal 1996 request-	25,952,110
Committee recommendation—	25,950,000

(LIMITATION ON CALLABLE CAPITAL)

1995 level	(\$1,594,568,180)
1996 request	(1,523,767,142)
Committee recommendation	(1,523,000,000)

FUND FOR SPECIAL OPERATIONS

Fiscal 1995 level	\$21,338,000
Fiscal 1996 Request	20,835,000
Committee recommendation	0

The Committee has recommended funding for Inter-regional paid-in capital of \$25,950,000 for fiscal year 1996, slightly less than the President's request. The Committee has recommended a limitation on callable capital of \$1,523,000,000 for fiscal year 1996. The Committee is unable to recommend any funding in fiscal year 1996 for the soft-loan Fund for Special Operations.

CONTRIBUTION TO THE ASIAN DEVELOPMENT BANK:

PAID-IN CAPITAL

Fiscal 1995 level	\$0
Fiscal 1996 request	13,221,596
Committee recommendation—	13,200,000

JUSTIFICATION FOR INCREASE OVER EXISTING LEVELS

ASIAN DEVELOPMENT FUND

Fiscal 1995 level	\$167,960,000
Fiscal 1996 request.	304,528,525
Committee recommendation	167,960,000

(LIMITATION ON CALLABLE CAPITAL)

Fiscal 1995 level.	(\$0)
Fiscal 1996 request	(647,858,204)
Committee recommendation	(647,000,000)

The Administration is requesting \$13,221,596 for paid-in capital and a limitation of \$647,858,204 on callable capital subscriptions (which do not require appropriations). The Committee recommends slightly less than the request.

The request for the soft-loan Asian Development Fund is \$304,528,525, but the Committee is able to recommend for fiscal year 1996 only the amount provided in fiscal year 1995, \$167,960,000, because of the budgetary situation.

The Committee has received testimony that the Asian Development Bank and Fund are receptive to American providers of goods and services, and have been a key factor in opening new markets for developmentally-sound infrastructure projects in the poorer countries of East Asia and South Asia.

CONTRIBUTION TO THE AFRICAN DEVELOPMENT FUND

Fiscal 1995 Enacted	\$62,215,309
Fiscal 1996 Budget Estimate.--	127,247,025
Committee recommendation.---	0

The first 1995 (Defense) Rescission Act rescinded half of the fiscal 1995 appropriation for the African Development Fund. The remaining half had already been obligated for the remaining amount due from the previous multi-year replenishment. Without a current replenishment in place, the Committee cannot recommend funding for this institution. This request fails most of the criteria discussed at the beginning of this title.

CONTRIBUTION TO THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

PAID-IN CAPITAL

Fiscal 1995 level-	\$69,180,353
Fiscal 1996 request	81,916,447
Committee recommendation	69,180,000-

(LIMITATION ON CALLABLE CAPITAL)

Fiscal 1995 level-	(\$161,420,824)
Fiscal 1996 request	(191,138,376)
Committee recommendation	(161,400,000)

The Committee is recommending \$69,180,000 for the European Bank for Reconstruction and Development. This amount is slightly less than the level provided in fiscal year 1995 and \$12,736,000 less than the President's request.

After a difficult start-up period, the EBRD has made exceptional progress in its aim of financing the private sector in Central and Eastern Europe. During 1994, 73 percent of EBRD's commitments went to the new private sector in the region. For the most part, this financing was available only through the EBRD.

As the Committee begins to cut back somewhat on its bilateral appropriations for Central Europe, it anticipates that market-rate credits from multilateral institutions such as the EBRD and the IBRD can finance the economic growth that is needed to support democracy and free markets in the region.

NORTH AMERICAN DEVELOPMENT BANK

PAID-IN CAPITAL

Fiscal 1995 level	\$0
Fiscal 1996 request	56,250,000
Committee recommendation	56,250,000

(LIMITATION ON CALLABLE CAPITAL)

Fiscal 1995 level	(\$0)
Fiscal 1996 request	(318,750,000)
Committee recommendation	(318,750,000)

The North American Development Bank was created and is governed by the United States and Mexico as part of the North American Free Trade Agreement. This is the first year the funding has been requested in this bill; an initial U.S. investment to mobilize

NADBank was directly appropriated in the NAFTA Implementation Act.

The NADBank is unique among the multilateral development banks, as it is specifically designed to fund projects that will have either a direct or indirect impact on the United States and its citizens. It was designed to provide between \$2,000,000,000 and \$3,000,000,000 in financing for high priority environmental infrastructure projects, ninety percent of which are within 60 miles of the border and ten percent elsewhere when directly tied to NAFTA-related job displacement.

The primary purpose of NADBank is to finance environmental infrastructure projects along the U.S.-Mexican border, particularly in the areas of wastewater treatment, drinking water, and municipal solid waste. Only projects certified by the U.S.-Mexican Border Environment Cooperation Commission, a new institution designed to assist border states and local communities in coordinating border clean-up, will be eligible for NADBank financing.

The Committee notes that concerns have been raised about the ability of Mexico to provide its share of the agreed financing schedule because of its fiscal and financial crisis. It is making an exception for the NADBank from its general policy in this bill of holding down MDB appropriations to the fiscal 1995 level. The Committee is providing the request of \$56,250,000 in anticipation that Mexico will do the same.

INTERNATIONAL MONETARY FUND

CONTRIBUTION TO THE ENHANCED STRUCTURAL ADJUSTMENT FACILITY

Fiscal 1995 level	\$25,000,000
Fiscal 1996 request	25,000,000
Committee recommendation	0

The Committee is unable to recommend any funding in fiscal 1996 for the Enhanced Structural Adjustment Facility of the International Monetary Fund. The President requested \$25,000,000 for this purpose, the same as the level provided in fiscal year 1995.

Last year the Committee did not recommend funding for this program for a number of reasons that are explained at length in House Report 103-524. Although the Committee in other titles has attempted to shield activities in Africa from the full impact of its lower 602(b) allocation, it cannot underwrite additional IMF activity in Africa.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

Fiscal year 1995 level	\$374,000,000
Fiscal year 1996 request	425,000,000
Committee recommendation	155,000,000

The Committee is recommending \$155,000,000 for International Organizations and Programs. This is \$219,000,000 below the fiscal year 1995 level and \$270,000,000 below the President's request. However, the Committee has shifted \$100,000,000 for a grant to UNICEF from this account to "Child Survival and Disease Programs Fund" under title II. Therefore, on a comparable basis, the recommendation is \$119,000,000 below the 1995 level.

The Committee recommendation includes bill language carried in the 1995 appropriations act that limits funding for the United Nations Population Fund (UNFPA) to a maximum level (\$25,000,000, compared to \$50,000,000 in 1995); states that none of the funds provided to UNFPA shall be made available for activities in China; and conditions a portion of the funds provided for UNFPA on a report indicating the amount of funds being programmed by the organization for work in China.

CHINA

The Committee is deeply concerned about the continued deterioration of human rights in China and Tibet. Systematic abuses, documented by independent human rights monitoring groups and the U.S. State Department, include torture and ill-treatment; tightened controls on basic freedoms of expression and association; the arbitrary detention of political, religious and labor activists; the use of forced labor to produce goods for export; and the arrests of scores of monks and nuns in Tibet. The Committee notes that the Administration, when announcing the renewal of MFN for China on June 2, 1995, acknowledged that it could not say that delinking of MFN has produced progress in human rights. The Administration said, "We are disappointed that it hasn't." (Winston Lord, Assistant Secretary of State for East Asian and Pacific Affairs). The Committee urges the Administration to call on the Chinese government to release immediately and unconditionally Wei Jingsheng, Tong Yi, Bao Tong and all those detained since mid-May 1995 due to their involvement in drafting or signing petitions calling for greater political openness and the rule of law.

The Committee is also concerned about the future of democracy and human rights in Hong Kong, where the rule of law now prevails, along with freedom of the press and respect for the right of citizens to express freely their views. These have been key ingredients in Hong Kong's economic growth. However, the Chinese government has threatened to ignore the Joint Declaration and to overturn its obligations to ensure a local court of Final Appeal, an elected legislature, and legal guarantees for fundamental liberties after the 1997 transition. The Committee reaffirms the support of Congress, as expressed in the U.S.-Hong Kong Policy Act of 1992, for the full implementation of the provisions of the Joint Declaration and reminds the Administration that the Act requires the United States to play "an active role" in supporting the protection of human rights and democracy in Hong Kong.

The Committee believes there may be merit in developing a Commission on Human Rights in the Pacific (CHRP) whose functions and methods of operation would be modelled on the congressionally established Commission on Security and Cooperation in Europe. The mandate of the CHRP would be to monitor compliance of states in the Pacific Rim with international human rights instruments to which the United States and the countries concerned are both parties. The Committee directs the Secretary of State to examine the feasibility of such a proposal, particularly whether Asian countries would be interested in such an approach, and report back to the Committees on Appropriations no later than April 1, 1996.

ORGANIZATION FUNDING LEVELS

The Committee is aware that the recommended funding level will require reductions in our contributions to many organizations. However, the highest priority should be given to funding the budget request for the International Atomic Energy Agency (IAEA). In addition, the Committee is supportive of the work performed by the United Nations Voluntary Fund for Victims of Torture, the United Nations Capital Development Fund (UNCDF), and the International Union for the Conservation of Nature (IUCN), and urges that these organizations be funded at close to the level provided in fiscal year 1995. The Committee is also supportive of the United Nations Development Program, and urges that it be funded at the highest level possible.

KOREAN PENINSULA ENERGY DEVELOPMENT ORGANIZATION

The Committee included language which provides that up to \$13,000,000 may be made available for the administrative expenses and heavy fuel oil contributions of the United States to the Korean Peninsula Energy Development Organization (KEDO). The Committee did not specifically appropriate the \$9,000,000 requested by the President for the KEDO's support of the lightwater reactors provided for under the Framework Agreement, but it did provide that if the administration chooses to use additional funds from this account to support KEDO activities, the additional funds are subject to the regular notification procedures of the Committees on Appropriations. The committee did not waive the nine statutory provisions which currently prohibit the provision of assistance to North Korea (Sec. 307(a), Sec. 620A and Sec. 620(f) of the Foreign Assistance Act, as amended; Sec. 506, Sec. 507, Sec. 516, Sec. 523, Sec. 530, of the Foreign Operations Appropriations Act, P.L. 103-306; and Sec. 530 of the Foreign Relations Authorizations Act, P.L. 103-236).

TITLE V—GENERAL PROVISIONS

The Committee recommends that many of the general provisions carried in the fiscal year 1995 bill be dropped. These provisions are either addressed elsewhere in permanent law, have been considered by the authorizing Committee, or are no longer necessary.

The Committee has recommended the following new and revised general provisions.

PROHIBITION AGAINST DIRECT FUNDING FOR CERTAIN COUNTRIES

The Committee has revised section 507, that prohibits direct funding to selected countries, by adding that, notwithstanding any other provision of law, Azerbaijan shall be eligible to receive humanitarian and democracy assistance under title II of this Act.

TRANSFERS BETWEEN ACCOUNTS

The Committee has revised section 509 to exempt transfers specifically provided for in this Act from the consultation, written policy justification, and regular notification procedure requirements that apply to all other transfers between accounts.

DEOBLIGATION/REOBLIGATION AUTHORITY

The Committee has updated the authority of section 510 for another fiscal year regarding its application to bilateral economic assistance funds under title II. The Committee has deleted the authority for FMF since the administration did not request funds for this purpose.

AVAILABILITY OF FUNDS

The Committee has updated the authority of section 511 adding East European assistance and assistance to the New Independent States to the list of programs for which funds are available until expended if the funds were initially obligated before the expiration of their periods of availability contained in this Act.

COMMERCE AND TRADE

The Committee has revised section 513 by deleting subsection (c) that prohibited AID from using funds for specified purposes related to import-sensitive articles defined in section 503(c)(1) (A) and (E) of the Tariff Act of 1930.

SURPLUS COMMODITIES

The Committee has updated section 514 to add reference to the North American Development Bank to the list of international financial institutions covered under this provision.

NOTIFICATION REQUIREMENTS

The bill continues the existing provision on congressional notifications in section 515. The text has been updated to reflect changes in the bill account structure.

LIMITATION ON AVAILABILITY OF FUNDS FOR INTERNATIONAL ORGANIZATIONS AND PROGRAMS

The Committee has updated section 516 and deleted the prohibitions on assistance to the United Nations and any U.N. affiliated organization which grants membership as a state to any organization or group that does not have the internationally recognized attributes of statehood.

ECONOMIC SUPPORT FUND ASSISTANCE FOR ISRAEL

The Committee has revised section 517 by making the congressional declaration regarding Economic Support Funds for Israel subject to the availability of appropriations.

PROHIBITION CONCERNING ABORTIONS AND INVOLUNTARY STERILIZATION

The Committee continues the existing prohibition in section 518 on funding for abortions and involuntary sterilization. The provision has been updated by deleting reference to Population, Development Assistance, since the account is not included in the bill.

SPECIAL NOTIFICATION REQUIREMENTS

The Committee has revised section 520, which requires prior notification through the Committee's fifteen day notification process, by dropping El Salvador, Pakistan, and Rwanda from the notification requirements of this section and adding Russia. Development assistance for Indonesia is also exempt from this notification requirement.

CHILD SURVIVAL AND AIDS ACTIVITIES

The Committee has revised section 522 by deleting a proviso regarding personnel detailed prior to October 1, 1994.

RECIPROCAL LEASING

The Committee has revised section 524 on reciprocal leasing to change the effective date from 1995 to 1996.

AUTHORIZATION REQUIREMENT

The Committee has revised section 526, which last year waived authorization requirements, to require authorization prior to obligating funds appropriated in the bill.

DEBT-FOR-DEVELOPMENT

The Committee continues section 530 allowing NGOs to deposit in interest bearing accounts appropriated funds or local currencies, and to use any interest earned for the same purpose for which the assistance was provided to the organizations. Reference to "title II of this Act" has been substituted in lieu of "the heading 'Agency for International Development'."

LOCATION OF STOCKPILES

The Committee has revised section 531 relating to the location of stockpiles overseas. The Committee has deleted the provision regarding the United States stockpile in Israel since it has been completed. The Committee continues the authorization for the addition to stockpiles of up to \$40,000,000 for the Republic of Korea and up to \$10,000,000 for Thailand.

SEPARATE ACCOUNTS

The Committee has updated the requirement of section 532 concerning separate accounts for local currencies by deleting reference to the Philippine Multilateral Assistance Initiative.

COMPENSATION FOR U.S. EXECUTIVE DIRECTORS TO IFIS

The Committee has updated section 533 by adding the North American Development Bank to the list of IFIs named in the provision.

POW/MIA MILITARY DRAWDOWN

The Committee has revised section 535, which permits the drawdown of U.S. military equipment related to POW/MIA activities, to extend the drawdown authority for another fiscal year. The Committee has deleted the authorization provision in this section.

MEDITERRANEAN EXCESS DEFENSE ARTICLES

The Committee has revised section 536, which requires that excess defense equipment provided to Greece and Turkey be provided on a 7 to 10 basis, by continuing the application of section 573(e) of the FY 1990 Foreign Operations Appropriations Act during fiscal year 1996.

AUTHORITY TO ASSIST BOSNIA-HERZEGOVINA

The Committee extends section 540, which provides permissive authority for the drawdown of United States military equipment for Bosnia-Herzegovina, for another fiscal year. The Committee has revised section 546 by making the authority subject to prior notification to the Committee rather than being subject to the Committee's regular notification procedures. The Committee has also deleted the requirement included in the Presidential certification that U.S. allies are prepared to join in a military assistance effort.

SPECIAL AUTHORITIES

The Committee has updated the special authorities contained in section 541 to continue them for another fiscal year. The President's contingency authority is reduced from \$50 million to \$40 million.

POLICY ON TERMINATING THE ARAB LEAGUE BOYCOTT OF ISRAEL

The Committee has revised section 542 by deleting the congressional findings regarding the Arab League boycott of Israel.

ANTI-NARCOTICS ACTIVITIES

The Committee has revised section 543 to continue the authority for another fiscal year except with respect to Panama.

ELIGIBILITY FOR ASSISTANCE

The Committee has revised section 544 to continue the authority for another fiscal year. Reference to section 529 of the Act (concerning the prohibition of aid to terrorist countries) has been changed to section 620A of the Foreign Assistance Act which is the prohibition in permanent law banning aid to terrorist states.

CEILINGS

The Committee has renamed the title of section 545.

EXCESS DEFENSE ARTICLES

The Committee has revised section 546 to continue the authority in fiscal year 1996, except for the notwithstanding waiver regarding excess defense articles for natural resources and wildlife management purposes.

PROHIBITION ON PUBLICITY OR PROPAGANDA

The Committee has added a prohibition to section 547 on the use of funds to carry out section 316 of Public Law 96-533 concerning development education.

PRIVATE VOLUNTARY ORGANIZATIONS—DOCUMENTATION

The Committee has revised section 551 by dropping the requirement for PVOs to be registered with AID.

WITHHOLDING OF ASSISTANCE FOR PARKING FINES OWED BY FOREIGN COUNTRIES

The Committee has updated section 553 by changing the reference to the Foreign Affairs Committee to the International Relations Committee.

EXPORT FINANCING TRANSFER AUTHORITIES

The Committee has updated section 555 by deleting the provision transferring fiscal year 1994 funds from the Export-Import Bank to the Overseas Private Investment Corporation and to the Trade and Development Agency.

NONLETHAL EXCESS DEFENSE ARTICLES

The Committee has updated and revised section 557 by allowing the use of DOD funds for packing and transporting nonlethal excess defense articles in fiscal year 1996 and by applying the authority to countries eligible to participate in Partnership for Peace and eligible to receive assistance under the SEED Act.

REPORT ON THE SALARIES AND BENEFITS OF THE IMF AND THE WORLD BANK

The Committee has added November 1, 1995 as the date for GAO to report to the Committee under section 559 concerning salaries and benefits of employees of the IMF and the World Bank.

RESTRICTIONS CONCERNING THE PALESTINIAN AUTHORITY

The Committee has deleted from section 560 the prohibition on meetings in Jerusalem between U.S. officers and employees and officials of the Palestinian Authority.

LIMITATION ON ASSISTANCE TO COUNTRIES THAT RESTRICT THE TRANSPORT OR DELIVERY OF UNITED STATES HUMANITARIAN ASSISTANCE

The Committee has inserted a new provision, section 562, prohibiting assistance provided under the Act to any country whose government prohibits or restricts the transport or delivery of U.S. humanitarian aid.

REFERENCES TO AUTHORIZATION ACTS

The Committee has inserted a new provision, section 563, indicating the authorization sources within the Foreign Assistance Act (and related acts) for the appropriation provided under "Child Survival and Disease Programs Fund" in title II of the bill. These citations are not intended to be earmarks, and the authorization reference to UNICEF does not preclude the State Department from providing additional funding beyond the \$100,000,000.

PROVISIONS RETAINED FROM FISCAL YEAR 1995

The following general provisions from the fiscal year 1995 bill were retained in the fiscal year 1996 bill unchanged except for new section numbers where appropriate:

- Sec. 501. Obligations During Last Month of Availability.
- Sec. 502. Prohibition of Bilateral Funding for International Financial Institutions.
- Sec. 503. Limitation on AID Residential Expenses.
- Sec. 504. Limitation on Expenses.
- Sec. 505. Limitation on Representational Allowances.
- Sec. 506. Prohibition on Financing Nuclear Goods.
- Sec. 508. Military Coups.
- Sec. 512. Limitation on Assistance to Countries in Default.
- Sec. 519. Reporting Requirement.
- Sec. 521. Definition of Program, Project, and Activity.
- Sec. 523. Prohibition Against Indirect Funding to Certain Countries.
- Sec. 525. Notification on Excess Defense Equipment.
- Sec. 527. Opposition to Assistance to Terrorist Countries by IFIs.
- Sec. 528. Commercial Leasing of Defense Articles.
- Sec. 529. Stingers in the Persian Gulf Region.
- Sec. 534. Compliance with UN Sanctions Against Iraq.
- Sec. 537. Cash Flow Financing.
- Sec. 538. Authorities for the Peace Corps, The Inter-American Foundation and the African Development Foundation.
- Sec. 539. Impact on Jobs in the United States.
- Sec. 548. Use of American Resources.
- Sec. 549. Prohibition of Payments to UN Members.
- Sec. 550. Consulting Services.
- Sec. 552. Prohibition on Assistance to Foreign Governments that Export Lethal Military Equipment to Countries Supporting International Terrorism.
- Sec. 554. Limitation on Assistance for the PLO for the West Bank and Gaza.
- Sec. 556. War Crimes Tribunals.
- Sec. 558. Landmines.
- Sec. 560. Restrictions Concerning the Palestinian Authority.
- Sec. 561. Prohibition on Payment of Certain Expenses.

MISCELLANEOUS INFORMATION

COMPARISON WITH BUDGET RESOLUTION

Section 308(a)(1)(A) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), requires that the report accompanying a bill providing new budget authority contain a statement detailing how the authority compares with the reports submitted under Section 602(b) of the Act for the most recently agreed to concurrent resolution on the budget for the fiscal year. This information follows:

FISCAL YEAR 1996 APPROPRIATIONS

[Dollars in millions]

	Sec. 602(b)			This bill		
	Discretionary	Mandatory	Total	Discretionary	Mandatory	Total
Budget authority	12,200	44	12,244	11,998	44	12,042
Outlays	13,900	44	13,944	13,889	44	13,933

The bill provides no new spending authority as described in section 401(c)(2) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), as amended.

FIVE-YEAR PROJECTION OF OUTLAYS

In compliance with section 308(a)(1)(C) of the Congressional Budget Act of 1974 (Public Law 93-344 as amended), the following table contains five-year projections associated with the budget authority provided in the accompanying bill.

FISCAL YEAR 1996 APPROPRIATIONS

Budget authority	<i>Millions</i> \$11,998
Outlays	13,889
Fiscal Year:	
1996	5,912
1997	2,834
1998	1,306
1999	774
2000 and future years	447

ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

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

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

INFLATIONARY IMPACT STATEMENT

Clause 2(l)(4) of rule XI of the Rules of the House of Representatives requires that each committee report on a bill or resolution shall contain a statement as to whether enactment of the bill or resolution would have an inflationary impact on prices and costs in the operations of the national economy. The reductions in the bill will have a positive impact on reducing inflation.

CHANGES IN THE APPLICATION OF EXISTING LAW

Pursuant to clause 3, rule XXI of the Rules of the House of Representatives, the following statements are submitted describing the effects of provisions in the accompanying bill which directly or indirectly change the application of existing law. Most of the language has been provided in previous measures including supplementals for the departments and agencies carried in the accompanying bill.

1. The bill contains appropriations for a number of items for which authorizations for fiscal year 1996 have not yet been enacted. The bill requires that none of the funds appropriated in the bill may be obligated until authorizations have been enacted into law.

2. The bill provides that a few of the appropriations shall remain available for obligation beyond the current fiscal year. In all cases it is deemed desirable to carry such language in order to provide for orderly administration of such programs and effective use of funds.

3. The bill contains a number of general provisions and other language which have been carried in the bill in past years.

4. On page 3, under "Export-Import Bank", the Committee permits up to \$100,000,000 be available for tied-aid grants purposes.

5. On pages 4 to 6, under "Overseas Private Investment Corporation", the corporation is authorized to make expenditures, and it is stated that administrative expenses shall not include project-specific costs and other related cost. In addition, funds are authorized to be derived by transfer from the noncredit account. Funds are also authorized to be provided for direct loan obligations and loan guarantees. Finally, funds are authorized for administrative expenses by transfer from the noncredit account.

6. On page 6, funds are provided for the Trade and Development Agency, and the agency is authorized to receive reimbursements from corporations and other entities to cover the costs of grants for feasibility studies and other project planning services, to be deposited as an offsetting collection and to be available for obligation until September 30, 1997, for necessary expenses. However, funds would not be available to cover the direct or indirect costs of administration.

7. On page 7, under "Contribution to the International Finance Corporation", the Committee limits the amount that can be used to purchase capital stock and appropriates \$67,550,000.

8. On page 8, a new account has been added providing \$484,000,000 for "Child Survival and Disease Programs Fund".

9. On pages 9 and 10, under "Development Assistance Fund", the Committee provides that not to exceed \$15,500,000 may be transferred to "Debt restructuring", subject to the regular notification procedures of the Committee.

10. On page 10, under the heading "Development Assistance Fund", the Committee has provided that not to exceed \$15,000,000 may be transferred to "International Organizations and Programs" for a contribution to the International Fund for Agricultural Development (IFAD).

11. On page 9, the bill contains provisions relating to abortion that were carried in the 1995 act.

12. On page 10, under "Development Fund for Africa", the Committee has continued the prohibition on the transfer of development assistance to the Government of Zaire. The application of this provision should be the same as in prior fiscal years.

13. On page 11, under "Private and Voluntary Organizations", the Committee includes a provision that funds appropriated under title II should be made available to PVOs at a level which is equivalent to the level provided in fiscal year 1995. It also continues pro-

visions continued from last year on minimum funds from private sources.

14. On page 12, under "International Disaster Assistance", funds are made available for rehabilitation and reconstruction assistance.

15. On page 12, under "Debt restructuring", funds are made available for modifying direct loans and loan guarantees, including the cost of selling, reducing, or canceling amounts, through debt buybacks and swaps, owed to the United States as a result of concessional loans made to eligible Latin American and Caribbean countries.

16. On pages 12 and 13, funds are provided for micro and small enterprise direct loans and loan guarantees, and administrative expenses are appropriated which may be transferred to the operating expenses account of the Agency for International Development.

17. On page 13, funds are appropriated for the administrative costs of the housing guaranty program, and such funds may be transferred to the operating expenses account of the Agency for International Development.

18. On pages 13 and 14, under "Operating Expenses of the United States Agency for International Development", the Committee has placed a ceiling of \$1,475,000 on the amount of such funds that can be used to pay printing costs.

19. On page 14, under "Operating Expenses of the United States Agency for International Development", the Committee has provided \$29,925,000 for the costs of terminating or phasing down programs, activities, and operations of the Agency. Such funds cannot be used for any other purpose, and the AID Administrator shall report to the Committee on the use of the funds prior to obligation. The Committee has also included a provision that by Sept. 30, 1997 the use of such funds should result in a reduction of 500 FTEs from the level existing on April 30, 1995.

20. On page 15, under "International Fund for Ireland", up to \$19,600,000 is provided, which shall be expended at the minimum rate necessary to make timely payment for projects and activities.

21. On page 16, under "Assistance to Eastern Europe and the Baltic States", funds are provided notwithstanding any other provision of law for economic assistance; authority is provided for enterprise funds to deposit monies in interest-bearing accounts without the requirement that such interest be returned to the Treasury and without further appropriation by the Congress; and funds are made available as if they were considered economic assistance under the Foreign Assistance Act.

22. On pages 17 to 19, under "Assistance for the New Independent States of the Former Soviet Union", the Committee has included a provision that the ratio of private sector investment to U.S. government assistance in private sector projects funded in this Act shall be no less than a ratio of 1.5 to 1, and other legislative provisions.

23. On pages 20 and 21, under "International Narcotics Control", the Department of State is provided the authority to use section 608 of the Foreign Assistance Act, without regard to its limitations, to receive non-lethal excess property from an agency of the United States government for the purpose of providing it to a foreign country, subject to notification of the Committees on Appropriations.

24. On page 21, funding is provided for "Migration and Refugee Assistance", and a limitation of \$12,000,000 is provided for administrative expenses.

25. On page 22, under "United States Emergency Refugee and Migration Assistance Fund", funds are provided notwithstanding the limitations contained in section 2(c)(2) of the Migration and Refugee Assistance Act of 1962.

26. On pages 22 and 23, under "Nonproliferation and Disarmament Fund", funds are made available to countries other than the independent states of the former Soviet Union and international organizations when it is in the national security interest of the United States; funds are made available notwithstanding any other provision of law; and the use of funds is made subject to the notification procedures of the Committees on Appropriations.

27. On pages 23 and 24, under "International Military Education and Training", the Committee limits to \$100,000 the amount of funds available for grant financed military education and training for any high income country, and provides IMET for Indonesia and Guatemala only for expanded military education and training.

28. On pages 24 to 28, under "Foreign Military Financing Program", the Committee has provided that not to exceed \$475,000,000 in FMF grants shall be available for the procurement in Israel of defense articles and defense services, that FMF grants for any non-NATO country participating in the Partnership for Peace Program shall be subject to the Committee's regular notification procedures, and that FMF loans for Greece and Turkey shall not exceed \$224,000,000 and \$320,000,000, respectively and included other provisions.

29. On page 29, funds are made available for the United States share of the paid-in portion of the increases in capital stock for the General Capital Increase of the International Bank for Reconstruction and Development and a limitation is placed on callable capital subscriptions.

30. On page 30, funds are made available for the United States share of the paid-in portion of the increase in capital stock of the Inter-American Development Bank and a limitation is placed on callable capital subscriptions.

31. On pages 30 and 31, funds are made available for the United States share of the paid-in portion of the increase in capital stock of the Asian Development Bank and a limitation is placed on callable capital subscriptions.

32. On page 31, under "Contribution to the European Bank for Reconstruction and Development", the Committee has limited to \$54,600,000 the amount appropriated that may be expended for the purchase of stock during fiscal year 1996 and placed a limit on callable capital.

33. On page 32, the Committee has added a new account for the "North American Development Bank" and placed a limit on callable capital.

34. On pages 32 and 33, under "International Organizations and Programs", the Committee has prohibited and conditioned the funding of certain organizations and programs.

35. On pages 32 and 33, under "International Organizations and Programs", the Committee provides that not more than

\$25,000,000 shall be available for UNFPA, half of which is only available before March 1, 1996, and that any amount above \$7,000,000 UNFPA plans to spend in China in 1996 shall be deducted from amounts provided UNFPA after March 1, 1996.

36. On pages 33 and 34, under "International Organizations and Programs", the Committee provides that up to \$13,000,000 may be made available to the KEDO for administrative expenses and heavy fuel oil costs, and that additional funds for KEDO shall be subject to the Committee's regular notification procedures.

37. On pages 34 through 78, under "General Provisions":

Sec. 507, regarding prohibitions against direct funding for certain countries, is revised to provide that, notwithstanding any provision of law, Azerbaijan shall be eligible for humanitarian and democracy-building assistance under title II.

Sec. 509, regarding transfers between accounts, is revised to exempt transfers specifically provided for in this Act from the notification procedures.

Sec. 510, regarding deob/reob authority, has been updated. The authority for FMF has been deleted.

Sec. 511 regarding the availability of funds, has been updated to include East European assistance and assistance to the New Independent States.

Sec. 513 has been revised by deleting subsection (c) that prohibited AID from using funds for specified purposes related to import-sensitive articles.

Sec. 514, regarding surplus commodities and international financial institutions activities, has been updated to include the North American Development Bank.

Sec. 515 continues the provision for congressional notification requirements, updating it to reflect the new bill account structure.

Sec. 516 has been revised by deleting the prohibition on assistance to the U.N. or U.N. affiliated organizations that grant membership as a state to any organization or group that does not have internationally recognized attributes of statehood.

Sec. 517, regarding Economic Support Fund assistance for Israel, has been revised making the congressional declaration subject to the availability of appropriations.

Sec. 518 continues the existing prohibition on funding for abortion and involuntary sterilization, and deletes reference to the Population, Development Assistance account that is no longer in the bill.

Sec. 520, has been revised by dropping El Salvador, Pakistan, and Rwanda from the notification requirements of this section, adding Russia, and exempting development aid for Indonesia.

Sec. 522 has been revised by deleting a proviso regarding personnel detailed prior to October 1, 1994.

Sec. 524, regarding reciprocal leasing has been updated.

Sec. 526, has been revised to require authorization.

Sec. 530 continues the authority in debt-for-development programs for NGOs to deposit funds in interest bearing accounts and using the interest earned and substitutes a reference to "title II of this Act" in lieu of "the heading 'Agency for International Development'."

Sec. 531 continues the authority for the United States to stockpile up to \$40,000,000 for the Republic of Korea and up to \$10,000,000 for Thailand and deletes language regarding Israel since that stockpile has been completed.

Sec. 532, regarding separate accounts, has been updated by deleting reference to the Philippine Multilateral Assistance Initiative.

Sec. 533 limiting compensation for U.S. Executive Directors to International Financial Institutions has been updated by adding reference to the North American Development Bank.

Sec. 535, continues POW/MIA military drawdown authority and deletes the authorization of appropriations provision.

Sec. 536, continues the application of section 573(e) of the fiscal year 1990 foreign operations appropriations act, regarding Mediterranean excess defense articles, during fiscal year 1996.

Sec. 540, continues the drawdown authority for defense articles for Bosnia-Herzegovina for another fiscal year and adds a prior notification requirement in lieu of a requirement to notify under the Committee's regular notification procedures. A requirement as part of a Presidential certification that U.S. allies are prepared to join in a military assistance effort has been deleted.

Sec. 541, continues special authorities in prior year legislation and reduces the President's contingency authority to \$40 million, consistent with authorization legislation.

Sec. 542 has been revised by deleting the congressional findings regarding the Arab League boycott of Israel.

Sec. 543, regarding anti-narcotics activities, is continued except with regard to the specific reference to Panama.

Sec. 544, regarding eligibility for assistance, has been continued and the reference to law prohibiting aid to terrorist countries has been changed to the permanent law citation of section 620A of the Foreign Assistance Act.

Sec. 545 has been renamed "Ceilings."

Sec. 546, regarding excess defense articles, has been continued for fiscal year 1996 and the provision relating to articles for natural resources and wildlife management purposes has been deleted.

Sec. 547, prohibiting funds for publicity or propaganda, has been revised to prohibit funds to carry out section 316 of P.L. 96-533.

Sec. 551, regarding PVO documentation, has been revised by deleting the requirement for PVOs to be registered with AID.

Sec. 553 has been updated changing the reference to the Foreign Affairs Committee to the International Relations Committee.

Sec. 555, regarding export financing transfer authorities, has been revised by deleting transfer provisions related to fiscal year 1994 funds.

Sec. 557 continues the authority allowing DOD to pay for packing and transporting nonlethal excess defense articles and broadens the scope of eligible countries to those nations eligible for Partnership for Peace and eligible to receive SEED Act assistance.

Sec. 559, requiring a GAO report on IMF and World Bank salaries and expenses, has been revised by adding November 1, 1995 as the due date for the report.

Sec. 562 inserts new language prohibiting assistance to any country, the government of which prohibits or restricts the transport or delivery of United States humanitarian assistance.

Sec. 563 inserts new language indicating the authorization sources within the Foreign Assistance Act (and related acts) for the appropriation provided under "Child Survival and Disease Programs Fund" in title II of the bill. These citations are not intended to be earmarks, and the authorization reference to UNICEF does not preclude the State Department from providing additional funding beyond the \$100,000,000.

COMPLIANCE WITH RULE XIII—CLAUSE 3

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman).

RECIPROCAL LEASING

The accompanying bill would amend section 61(a) of the Arms Export Control Act or extend the leasing authority of that section through fiscal year 1996, as follows:

SEC. 61. LEASING AUTHORITY.—(a) The President may lease defense articles in the stocks of the Department of Defense to an eligible foreign country or international organization if—

(1) he determines that there are compelling foreign policy and national security reasons for providing such articles on a lease basis rather than on a sales basis under this Act;

(2) he determines that the articles are not for the time needed for public use;

(3) the President first considers the effects of the lease of the articles on the national technology and industrial base, particularly the extent, if any, to which the lease reduces the opportunities of entities in the national technology and industrial base to sell new equipment to the country or countries to which the articles are leased; and

(4) the country or international organization has agreed to pay in United States dollars all costs incurred by the United States Government in leasing such articles, including reimbursement for depreciation of such articles while leased, the costs of restoration or replacement cost (less any depreciation in the value) if the articles are lost or destroyed while leased.

The requirement for paragraph (4) shall not apply to leases entered into for purposes of cooperative research or development, military exercises, or communications or electronics interface projects, or to any defense article which has passed three-quarters of its normal service life.

The President may waive the requirement of paragraph (4) with respect to a lease which is made in exchange with the lessee for a lease on substantially reciprocal terms of defense articles for the Department of Defense, except that this waiver authority

(A) may be exercised only if the President submits to the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate, in accordance with the regular notification proce-

dures of those Committees, a detailed notification for each lease with respect to which the authority is exercised; and

(B) may be exercised only during the fiscal year ~~1995~~ 1996 and only with respect to one country, unless the Congress hereafter provides otherwise.

LOCATION OF STOCKPILES

The accompanying bill would amend section 514(b) of the Foreign Assistance Act of 1961, as follows:

(b)(1) The value of defense articles to be set aside, earmarked, reserved, or intended for use as war reserve stocks for allied or other foreign countries (other than for purposes of the North Atlantic Treaty Organization) in stockpiles located in foreign countries may not exceed in any fiscal year an amount that is specified in security assistance authorizing legislation for that fiscal year.

(2) The value of such additions to stockpiles in foreign countries shall not exceed ~~1~~ a total of \$200,000,000 for stockpiles in Israel for fiscal years 1994 and 1995, up to \$40,000,000 may be made available for stockpiles in the Republic of Korea, and up to \$10,000,000 may be made available for stockpiles in Thailand for fiscal year 1995] *\$40,000,000 for stockpiles in the Republic of Korea and \$10,000,000 for stockpiles in Thailand for fiscal year 1996.*

APPROPRIATIONS NOT AUTHORIZED BY LAW

Pursuant to clause 3 of rule XXI of the House of Representatives, the following table lists the appropriations in the accompanying bill which are not authorized by law:

Export-Import Bank tied-aid grants
 Development Assistance Fund
 Child Survival and Disease Programs Fund
 Development Fund for Africa
 International Disaster Assistance
 Debt Restructuring (except for Export-Import Bank)
 Micro and Small Enterprise Development Program
 Housing and Other Credit Guarantee Program administrative expenses
 AID Operating Expenses, including Downsizing Account
 AID Operating Expenses, Office of Inspector General
 Economic Support Fund
 International Fund for Ireland
 Assistance for Eastern Europe and the Baltics
 Assistance for the New Independent States of the Former Soviet Union
 African Development Foundation
 Peace Corps
 International Narcotics Control
 Inter-American Foundation
 Refugee Resettlement Assistance
 Migration and Refugee Assistance
 Anti-Terrorism Assistance
 Nonproliferation and Disarmament Fund
 International Military Education and Training
 Foreign Military Financing Program

Peacekeeping Operations
Asian Development Bank
Global Environment Fund
International Development Association (part)
International Organizations and Programs

The Committee notes that most authorizations for appropriations in this bill are contained in H.R. 1561, passed by the House on June 8, 1995 and H.R. 1667, reported to the full Committee on Banking and Financial Services by its Subcommittee on Domestic and International Monetary Policy on May 25, 1995.

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1995 AND
BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1996**

(1) Agency and item	(2) Appropriated, 1995 (enacted to date)	(3) Budget esti- mates, 1996	(4) Recommended in bill	(5) Bill compared with appro- priated, 1995	(6) Bill compared with budget estimates, 1996
TITLE I - EXPORT AND INVESTMENT ASSISTANCE					
EXPORT-IMPORT BANK OF THE UNITED STATES					
Limitation of Program Activity:					
Subsidy appropriations	786,551,000	823,000,000	786,551,000	.....	-36,449,000
Administrative expenses	45,228,000	47,000,000	45,228,000	.....	-1,772,000
Negative subsidy	-49,656,000	-89,646,000	-89,646,000	-39,990,000	.....
Total, Export-Import Bank of the United States	782,123,000	780,354,000	742,133,000	-39,990,000	-38,221,000
OVERSEAS PRIVATE INVESTMENT CORPORATION					
Operating expenses	7,933,000	16,000,000	15,500,000	+7,567,000	.....
Non-credit administrative expenses	16,389,000	11,000,000	11,000,000	-5,389,000	.....
Insurance fees and other offsetting collections	-151,620,000	-202,500,000	-202,500,000	-50,880,000	.....
Direct loans:					
Loan subsidy	8,214,000	4,000,000	4,000,000	-4,214,000	.....
(Loan authorization)	(19,895,000)	(79,523,000)	(79,523,000)	(+59,628,000)	.....
Guaranteed loans:					
Loan subsidy	25,730,000	75,000,000	75,000,000	+49,270,000	.....
(Loan authorization)	(481,913,000)	(1,491,054,000)	(1,491,054,000)	(+1,009,141,000)	.....
Total, Overseas Private Investment Corporation	-93,354,000	-96,500,000	-97,000,000	-3,646,000	-500,000

FUNDS APPROPRIATED TO THE PRESIDENT					
Trade and development agency.....	44,986,000	67,000,000	40,000,000	-4,986,000	-27,000,000
International Financial Institutions					
Contribution to the International Finance Corporation	68,743,028	67,556,000	67,550,000	-1,193,028	-6,000
Enterprise for the Americas Multilateral Investment Fund.....	75,000,000	100,000,000	70,000,000	-30,000,000	-30,000,000
Total, International Financial Institutions	143,743,028	167,556,000	137,550,000	-6,193,028	-30,006,000
Total, title I, Export and investment assistance	877,498,028	918,410,000	822,683,000	-54,815,028	-98,727,000
(Loan authorizations).....	(501,808,000)	(1,570,577,000)	(1,570,577,000)	(+ 1,068,769,000)	(+ 1,068,769,000)
TITLE II - BILATERAL ECONOMIC ASSISTANCE					
FUNDS APPROPRIATED TO THE PRESIDENT					
Agency for International Development					
Child survival and disease programs fund	840,500,000	1,300,000,000	484,000,000	+ 484,000,000	+ 484,000,000
Development assistance fund.....	450,000,000	802,000,000	669,000,000	-171,500,000	-631,000,000
Population, development assistance	802,000,000	200,000,000	528,000,000	-450,000,000	-274,000,000
Development Fund for Africa	169,998,000	25,500,000	200,000,000	+ 30,002,000	-18,500,000
International disaster assistance.....	7,000,000		7,000,000		(+ 15,500,000)
Debt restructuring.....			(15,500,000)		
(By transfer).....					
Micro and Small Enterprise Development program:					
Subsidy appropriations.....	1,500,000	12,000,000	1,500,000		-10,500,000
Administrative expenses.....	500,000	2,500,000	500,000		-2,000,000
(Direct loan authorization).....	(1,000,000)	(3,540,000)	(1,435,000)	(+ 435,000)	(-2,105,000)
(Guaranteed loan authorization).....	(18,564,000)	(138,880,000)	(16,700,000)	(-1,864,000)	(-122,180,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1995 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1996—Continued

(1) Agency and item	(2) Appropriated, 1995 (enacted to date)	(3) Budget estimates, 1996	(4) Recommended in bill	(5) Bill compared with appropriated, 1995	(6) Bill compared with budget estimates, 1996
Housing and other credit guaranty programs:					
Subsidy appropriations.....	19,300,000	16,760,000	.....	-19,300,000	-16,760,000
Operating expenses.....	8,000,000	7,240,000	7,000,000	-1,000,000	-240,000
(Guaranteed loan authorization).....	(137,474,000)	(141,886,000)	.....	(-137,474,000)	(-141,886,000)
Subtotal, development assistance.....	2,298,798,000	2,366,000,000	1,897,000,000	-401,798,000	-469,000,000
Payment to the Foreign Service Retirement and Disability Fund.....	45,118,000	43,914,000	43,914,000	-1,204,000	.....
Operating expenses of the Agency for International Development.....	517,500,000	529,000,000	465,750,000	-51,750,000	-63,250,000
Reform and downsizing.....	.....	.....	29,925,000	+29,925,000	+29,925,000
Operating expenses of the Agency for International Development Office of Inspector General.....	39,118,000	39,118,000	35,200,000	-3,918,000	-3,918,000
Subtotal, Agency for International Development.....	2,900,534,000	2,978,032,000	2,471,789,000	-428,745,000	-506,243,000
Other Bilateral Economic Assistance					
Economic support fund.....	2,349,000,000	2,494,300,000	2,326,700,000	-22,300,000	-167,600,000
International fund for Ireland.....	19,600,000	.....	19,600,000	.....	+19,600,000
Assistance for Eastern Europe.....	359,000,000	480,000,000	324,000,000	-35,000,000	-156,000,000
Assistance for the New Independent States of the Soviet Union.....	842,500,000	788,000,000	595,000,000	-247,500,000	-193,000,000

Procurement: General provisions	-1,598,000				+ 1,598,000	
Subtotal, Other Bilateral Economic Assistance.....	3,568,502,000	3,762,300,000	3,265,300,000		-303,202,000	-497,000,000
Total, Agency for International Development	6,469,036,000	6,740,332,000	5,737,089,000		-731,947,000	-1,003,243,000
Independent Agencies						
African Development Foundation						
Appropriations	16,905,000	17,405,000	10,000,000		-6,905,000	-7,405,000
Inter-American Foundation						
Appropriations	30,960,000	31,760,000	20,000,000		-10,960,000	-11,760,000
Total, Funds Appropriated to the President	6,516,901,000	6,789,497,000	5,767,089,000		-749,812,000	-1,022,408,000
Peace Corps						
Appropriations	219,745,000	234,000,000	210,000,000		-9,745,000	-24,000,000
Department of State						
International narcotics control.....	105,000,000	213,000,000	113,000,000		+ 8,000,000	-100,000,000
Migration and refugee assistance.....	671,000,000	671,000,000	671,000,000			
Refugee resettlement assistance.....	6,000,000		5,000,000		-1,000,000	+ 5,000,000
United States Emergency Refugee and Migration Assistance Fund.....	50,000,000	50,000,000	50,000,000			
Anti-terrorism assistance.....	15,244,000	15,000,000	17,000,000		+ 1,756,000	+ 2,000,000

**COMPARATIVE STATES OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1995 AND
BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1996—Continued**

Agency and item (1)	Appropriated, 1995 (enacted to date) (2)	Budget esti- mates, 1996 (3)	Recommended in bill (4)	Bill compared with appro- priated, 1995 (5)	Bill compared with budget estimates, 1996 (6)
Nonproliferation and Disarmament Fund	10,000,000	25,000,000	20,000,000	+ 10,000,000	-5,000,000
Total, Department of State	857,244,000	974,000,000	876,000,000	+ 18,756,000	-98,000,000
Total, title II, Bilateral economic assistance	7,593,890,000	7,997,497,000	6,853,089,000	-740,801,000	-1,144,408,000
(By transfer)	(157,038,000)	(284,306,000)	(15,500,000)	(+ 15,500,000)	(+ 15,500,000)
(Loan authorizations)	(157,038,000)	(284,306,000)	(18,135,000)	(-138,903,000)	(-266,171,000)
TITLE III - MILITARY ASSISTANCE					
FUNDS APPROPRIATED TO THE PRESIDENT					
International Military Education and Training	25,500,000	39,781,000	39,000,000	+ 13,500,000	-781,000
(By transfer)	(850,000)			(-850,000)	
Military to military contact	12,000,000			-12,000,000	
Foreign Military Financing Program:					
Grants	3,151,279,000	3,262,020,000	3,211,279,000	+ 60,000,000	-50,741,000
(Limitation on administrative expenses)	(22,150,000)	(24,020,000)	(24,000,000)	(+ 1,850,000)	(-20,000)
Direct concessional loans:					
Subsidy appropriations	47,917,000	89,888,000	64,400,000	+ 16,483,000	-25,488,000
(Loan authorization)	(619,650,000)	(765,000,000)	(544,000,000)	(-75,650,000)	(-221,000,000)
FMF program level	(3,770,929,000)	(4,027,020,000)	(3,755,279,000)	(-15,650,000)	(-271,741,000)
Total, Foreign military assistance	3,199,196,000	3,351,908,000	3,275,679,000	+ 76,483,000	-76,229,000

Special Defense Acquisition Fund:							
Offsetting collections	-282,000,000	-220,000,000	-220,000,000	-220,000,000	+62,000,000	-31,700,000	
Peacekeeping operations	75,000,000	100,000,000	68,300,000	68,300,000	-6,700,000		
Total, title III, Military assistance programs	3,029,696,000	3,271,689,000	3,162,979,000	3,162,979,000	+133,283,000	-108,710,000	
(By transfer)	(850,000)				(-850,000)		
(Limitation on administrative expenses)	(22,150,000)	(24,020,000)	(24,000,000)	(24,000,000)	(+1,850,000)	(-20,000)	
(Loan authorization)	(619,650,000)	(765,000,000)	(544,000,000)	(544,000,000)	(-75,650,000)	(-221,000,000)	
TITLE IV - MULTILATERAL ECONOMIC ASSISTANCE							
FUNDS APPROPRIATED TO THE PRESIDENT							
International Financial Institutions							
World Bank Group							
Contribution to the International Bank for Reconstruction and Development:							
Paid-in capital	23,009,101	28,189,963	23,009,000	23,009,000	-101	-5,180,963	
(Limitation on callable capital)	(743,923,914)	(911,475,013)	(743,900,000)	(743,900,000)	(-23,914)	(-167,575,013)	
Contribution to the Global Environment Facility	90,000,000	110,000,000	50,000,000	50,000,000	-40,000,000	-60,000,000	
Total, contribution to the International Bank for Reconstruction and Development	(856,933,015)	(1,049,664,976)	(816,909,000)	(816,909,000)	(-40,024,015)	(-232,755,976)	
Contribution to the International Development Association	1,175,000,000	1,368,168,000	575,000,000	575,000,000	-600,000,000	-793,168,000	
Total, World Bank Group	(2,031,933,015)	(2,417,832,976)	(1,391,909,000)	(1,391,909,000)	(-640,024,015)	(-1,025,923,976)	
Budget authority	1,288,009,101	1,506,357,963	648,009,000	648,009,000	-640,000,101	-858,348,963	
(Limitation on callable capital)	(743,923,914)	(911,475,013)	(743,900,000)	(743,900,000)	(-23,914)	(-167,575,013)	

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1995 AND
BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1996—Continued**

(1) Agency and item	(2) Appropriated, 1995 (enacted to date)	(3) Budget esti- mates, 1996	(4) Recommended in bill	(5) Bill compared with appro- priated, 1995	(6) Bill compared with budget estimates, 1996
Contribution to the Inter-American Development Bank:					
Inter-regional paid-in capital.....	28,111,959	25,952,110	25,950,000	-2,161,959	-2,110
(Limitation on callable capital).....	(1,594,568,180)	(1,523,767,142)	(1,523,000,000)	(-71,568,180)	(-767,142)
Fund for special operations.....	21,338,000	20,835,000	.....	-21,338,000	-20,835,000
Inter-American Investment Corporation.....	190,000	.....	.....	-190,000	.....
Total, contribution to the Inter-American Development Bank.....	(1,644,208,139)	(1,570,554,252)	(1,548,950,000)	(-95,258,139)	(-21,604,252)
Contribution to the Asian Development Bank:					
Paid-in capital.....	.....	13,221,596	13,200,000	+13,200,000	-21,596
(Limitation on callable capital).....	.....	(647,858,204)	(647,000,000)	(+647,000,000)	(-858,204)
Development fund.....	167,960,000	304,528,525	167,960,000	.....	-136,568,525
Total, contribution to the Asian Development Bank.....	(167,960,000)	(965,608,325)	(828,160,000)	(+660,200,000)	(-137,448,325)
Contribution to the African Development Bank:					
Paid-in capital.....	62,215,309	127,247,025	.....	-62,215,309	-127,247,025
(Limitation on callable capital).....	133,000	.....	.....	-133,000	.....
Total, contribution to the African Development Bank.....	(2,002,540)	.....	.....	(-2,002,540)	.....
Total, contribution to the African Development Bank.....	(2,135,540)	.....	.....	(-2,135,540)	.....

Contribution to the European Bank for Reconstruction and Development:						
Paid-in capital	69,180,353	81,916,447	69,180,000	-353	-12,736,447	
(Limitation on callable capital)	(161,420,824)	(191,136,376)	(161,400,000)	(-20,824)	(-29,738,376)	
Total, contribution to the European Bank for Reconstruction and Development	(230,601,177)	(273,054,823)	(230,580,000)	(-21,177)	(-42,474,823)	
North American Development Bank:						
Paid-in capital		56,250,000	56,250,000	+56,250,000		
(Limitation on callable capital)		(318,750,000)	(318,750,000)	(+318,750,000)		
International Monetary Fund						
Contribution to the enhanced structural adjustment facility	25,000,000	25,000,000		-25,000,000	-25,000,000	
Total, contributions to International Financial Institutions	(4,164,053,180)	(5,754,297,401)	(4,374,599,000)	(+210,545,820)	(-1,379,698,401)	
Budget authority	1,662,137,722	2,161,308,666	980,549,000	-681,588,722	-1,180,759,666	
(Limitation on callable capital)	(2,501,915,458)	(3,592,988,735)	(3,394,050,000)	(+892,134,542)	(-198,938,735)	
International Organizations and Programs						
International organizations and programs	374,000,000	425,000,000	155,000,000	-219,000,000	-270,000,000	
(By transfer)			(15,000,000)	(+15,000,000)	(+15,000,000)	
Total, title IV, contribution for Multilateral Economic Assistance	(4,538,053,180)	(6,179,297,401)	(4,529,599,000)	(-8,454,180)	(-1,449,698,401)	
Budget authority	2,036,137,722	2,586,308,666	1,135,549,000	-900,588,722	-1,450,759,666	
(By transfer)			(15,000,000)	(+15,000,000)	(+15,000,000)	
(Limitation on callable capital)	(2,501,915,458)	(3,592,988,735)	(3,394,050,000)	(+892,134,542)	(-198,938,735)	

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1995 AND
BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1996—Continued**

(1) Agency and item	(2) Appropriated, 1995 (enacted to date)	(3) Budget esti- mates, 1996	(4) Recommended in bill	(5) Bill compared with appro- priated, 1995	(6) Bill compared with budget estimates, 1996
Grand total, all titles:					
New budget (obligational) authority	13,537,221,750	14,773,904,666	11,974,300,000	-1,562,921,750	-2,799,604,666
(By transfer)	(850,000)	.....	(30,500,000)	(+ 29,650,000)	(+ 30,500,000)
(Limitation on administrative expenses)	(22,150,000)	(24,020,000)	(24,000,000)	(+ 1,850,000)	(-20,000)
(Limitation on callable capital)	(2,501,915,458)	(3,592,988,735)	(3,394,050,000)	(+ 892,134,542)	(-198,938,735)
(Loan authorizations)	(1,278,496,000)	(2,619,883,000)	(2,132,712,000)	(+ 854,216,000)	(-487,171,000)
TITLE I - EXPORT AND INVESTMENT ASSISTANCE					
Export Assistance Appropriations	1,078,774,028	1,210,556,000	1,114,829,000	+ 36,054,972	-95,727,000
Negative Subsidies and Offsetting Collections	-201,276,000	-292,146,000	-292,146,000	-90,870,000	.....
Total, Export Assistance	877,498,028	918,410,000	822,683,000	-54,815,028	-95,727,000
TITLE II - BILATERAL ECONOMIC ASSISTANCE					
Bilateral Development Assistance	4,025,388,000	4,235,197,000	3,587,789,000	-437,599,000	-647,408,000
Other Bilateral Economic Assistance	3,568,502,000	3,762,300,000	3,265,300,000	-303,202,000	-497,000,000
Total, Bilateral Economic Assistance	7,593,890,000	7,997,497,000	6,853,089,000	-740,801,000	-1,144,408,000

TITLE III - MILITARY ASSISTANCE					
Foreign Military Financing Program:					
Grants	3,151,279,000	3,262,020,000	3,211,279,000	+60,000,000	-50,741,000
Direct loans, subsidy costs	47,917,000	89,888,000	64,400,000	+16,483,000	-25,486,000
(Estimated level of direct loans)	(619,650,000)	(765,000,000)	(544,000,000)	(-75,650,000)	(-221,000,000)
Subtotal, Foreign Military Financing Program:					
Budget authority	3,199,196,000	3,351,908,000	3,275,679,000	+76,483,000	-76,229,000
(Program level)	(3,770,929,000)	(4,027,020,000)	(3,755,279,000)	(-15,650,000)	(-271,741,000)
Other, Military	112,500,000	139,781,000	107,300,000	-5,200,000	-32,481,000
Special Defense Acquisition Fund	-282,000,000	-280,000,000	-280,000,000	+62,000,000	.....
Total, Military Assistance Programs	3,029,696,000	3,271,689,000	3,162,979,000	+133,283,000	-108,710,000
TITLE IV - MULTILATERAL ECONOMIC ASSISTANCE					
Contributions to International Financial Institutions	1,637,137,722	2,136,308,666	980,549,000	-656,888,722	-1,155,759,666
International Monetary Fund (IMF)	25,000,000	25,000,000	.....	-25,000,000	-25,000,000
International organizations and programs	374,000,000	425,000,000	155,000,000	-219,000,000	-270,000,000
Total, contribution for Multilateral Economic Assistance	2,036,137,722	2,586,308,666	1,135,549,000	-900,888,722	-1,450,759,666
Grand total, all titles	13,537,221,750	14,773,904,666	11,974,300,000	-1,562,921,750	-2,799,604,666

MINORITY VIEWS OF HON. CHARLES WILSON, HON. SIDNEY
R. YATES, HON. NANCY PELOSI, HON. ESTEBAN EDWARD
TORRES, AND HON. DAVID R. OBEY

Over the past ten years the Foreign Operations Subcommittee has seen a major transition in both the political situation in the world and how foreign assistance and export programs can best address these changes. The Appropriations Committee has been at the forefront in initiating reform by guiding the new direction in foreign assistance following the end of the Cold War. The Committee has also brought about the reduction of foreign aid from a level of more than \$18 billion 10 years ago to \$13.6 billion last year.

We are supporting this bill in the House in the hope that improvements will be made as the bill moves through the legislative process. We do not agree with the division of funds in the bill between economic, military and development funding. Further changes between these areas will result in a bill with wider support in Congress and will in the long term be in the best interest of the United States.

We are also particularly concerned that the Administration did not request funding through the Foreign Operations Subcommittee for nuclear safety programs in the Former Soviet Union. Funds were instead requested under the Energy Subcommittee. However, that Subcommittee has not included funding for fiscal year 1996, and there is none in the Foreign Operations bill. This is an oversight that needs to be corrected in order to avoid future Chernobyls.

CHARLES WILSON.
SIDNEY R. YATES.
NANCY PELOSI.
ESTEBAN EDWARD TORRES.
DAVID R. OBEY.

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