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LEGAL OPINION

Constitutionality of Committee Approval Requirements

The Conference Report accompanying H.R. 12203^{1/}, the "Foreign Assistance and Related Programs Appropriation Act, 1976, and the period ending September 30, 1976" (hereinafter "the Act"), contains a Senate amendment, reported in technical disagreement, that requires the "approval" of the Appropriations Committees of both Houses of the Congress before funds can be obligated for "activities, programs, projects, type of material assistance, countries, or other operations not justified^{2/} or in excess of the amount justified to the Appropriations Committees."^{3/}

1/ H.Rep. No. 94-1006, 94th Cong. 2nd Sess. 8-9 (1976)

2/ The Conference Report states that "any activity, program, project, type of material assistance, or other operation... shall be deemed to have been justified" if it was included by country and by amount in the fiscal year 1976 Congressional Presentation documents.

3/ This requirement would apply to all funds appropriated by the Act for the following appropriation categories:
'Food and nutrition, Development Assistance,' 'Population planning and health, Development Assistance,' 'Education and human resources development, Development Assistance,' 'Technical assistance, energy, research, reconstruction, and selected development problems, Development Assistance,' 'International organizations and programs,' 'United Nations Environment Fund,' 'American schools and hospitals abroad,' 'Indus Basin Development Fund,' 'International narcotics control,' 'African development program,' 'Security supporting assistance,' 'Operating Expenses of the Agency for International Development,' 'Middle East Special requirements fund,' 'Military assistance,' 'International military education and training,' 'Inter-American Foundation,' 'Peace Corps,' 'Migration and refugee assistance,' or 'Assistance to refugees from the Soviet Union or other Communist countries in Eastern Europe.'



In its practical application, this provision means that funds previously authorized and appropriated for the general purposes enumerated in the Act, e.g. Food and Nutrition, Population Planning and Health, cannot be obligated for specific projects and activities not included or in excess of the amounts included in the Congressional Presentation documents without the approval of the appropriations committees. As a matter of procedure, the Conference Report states that when such increases are submitted to the committees, "constructive consent will be implied if no objection is raised within fifteen days after notification of the proposed reprogramming."

Committee approval or veto requirements represent a relatively recent phenomenon in the legislative process. Nevertheless, because they attack the very heart of the separation of powers doctrine, a considerable body of constitutional law has evolved regarding their validity.

In a 1966 memorandum requested by the Senate Committee on Foreign Relations, which was considering the constitutional questions which might arise with respect to a proposed amendment to the Foreign Assistance Act of 1961 which would have provided that development loans not be made in more than 10 countries, and that technical assistance and development grants not be made in more than 40 countries, unless such action was approved by the authorizing committees within a special period of time, the Office of the Legislative Counsel of the Senate summarized the constitutional objections to such committee approval provisions:

"(1) These provisions vest an executive function upon a legislative body in violation of the principle of separation of powers described in Articles I and II of the Constitution. They involve participation by congressional committees in the administration and implementation of laws, which is a purely executive function.

(2) The Congress may not legally delegate to its committees or members the capacity to pass legislation, a function which the Constitution contemplates the Congress itself, as an entity, should exercise.



(3) These provision exclude the President from his constitutional role in the legislative process as required by Article I, section 7 of the Constitution under which all legislation must be presented to the President for his specific approval or disapproval." Memorandum for Committee on Foreign Relations, United States Senate, Office of the Legislative Counsel (June 1, 1966).

Although the memorandum of the Legal Counsel did not draw a conclusion regarding the constitutionality of the provision in question, other than to observe that Presidents had relied on each of the above reasons in vetoing acts containing similar provisions, the weight of evidence indicating that such provisions are unconstitutional is far from inconclusive. Constitutional commentators have concluded with near unanimity that efforts to bestow governmental control to Congressional Committees by providing statutory authority for a "committee veto", which conditions powers created in the Executive Branch with a requirement that an administrator gain the approval of one or more committees before that power is exercised, "present the clearest case of a device which is constitutionally invalid." ^{4/} Similarly, Attorneys General of the United States have consistently held that statutes of this type violate the fundamental doctrine of separation of powers enunciated in Articles I and II of the Constitution. ^{5/} For example, in 1965 President Johnson vetoed the Military Construction Authorization Act of 1966 because it contained a provision which would have required the President to report any proposed closing of a military base and delay the proposed action for a period of 120 days following such report. Although President Johnson acknowledged the distinction between a notification requirement and a statutory committee approval provision, he recognized that even the less offensive "notification and wait" requirement was

4/ Watson, Congress Steps Out: A Look at Congressional Control of the Executive, 63 Calif. L. Rev. 983, 1053 (July 1975). See also Ginnane, The Control of Federal Administration by Congressional Resolutions and Committees, 66 Harv. L. Rev. 569, 605 (1953); Small, The Committee Veto: Its Current Use and Appraisals of Its Validity, Library of Congressional Research Service. Document JK 1015 C (January 16, 1967). But see Cooper and Cooper, The Legislative Veto and the Constitution, 30 Geo. Wash. L. Rev. 417 (1962).

5/ 37 Op. Att'y Gen. 56 (1933); 39 Op. Att'y Gen. 61 (1937) 41 Op. Att'y Gen. 230 (1955); Id. at 300 (1957). But see 6 Op. Att'y Gen. 680 (1854)



constitutionally repugnant, and noted that:

"... Attorneys General in unbroken succession since at least the time of President Wilson have advised their Chief Executives that so-called "come into agreement" clauses, requiring approval of executive action by legislative committees, are unconstitutional." Public Papers of the Presidents: Lyndon B. Johnson, 1965, at 908.

The Constitutional doctrine of separation of powers upon which these provisions have been held invalid is founded in Articles I, II and III of the Constitution. Article I, Section 1 provides that "All legislative Powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives". Article II, Sections 1 and 3 provide that "The executive power shall be vested in a President of the United States of America. ... he shall take care that the laws be faithfully executed." These provisions, together with Article III, which vests the judicial power in an independent judiciary, prevent the concentration of all governmental power in a single organ of the national government.

The fundamental nature of the separation of powers doctrine to our system of government, which is clearly contradicted by a requirement that Congressional Committees approve executive actions, was plainly stated by Chief Justice Taft writing for the Court in Myers v. United States:

"The general doctrine of our Constitution then is, that the executive power of the nation is vested in the President; subject only to...the participation of the Senate in the appointment of officers, and in the making of treaties. ... [and] the right of the legislature to declare war and grant letters of marque and reprisal.

With these exceptions, the executive power of the United States is completely lodged in the President." 272 U.S. 52, 139 (1926).

Similarly, in Kilbourn v. Thompson, a case involving the authority of the legislative branch to exercise certain judicial functions, the Supreme Court emphasized the fundamental importance of the separation of powers doctrine to our constitutional form of government.



"It is believed to be one of the chief merits of the American system of written constitutional law, that all the powers intrusted to government, whether State or national, are divided into the three grand departments, the executive, the legislative, and the judicial. That the functions appropriate to each of these branches of government shall be vested in a separate body of public servants, and that the perfection of the system requires that the lines which separate and divide these departments shall be broadly and clearly defined.

It is also essential to the successful working of this system that the persons intrusted with power in any one of these branches shall not be permitted to encroach upon the powers confided to the others, but that each shall by the law of its creation be limited to the exercise of the powers appropriate to its own department and no other.

.... In the main, however, that instrument (the Constitution) the model on which are constructed the fundamental laws of the States, has blocked out with singular precision, and in bold lines, in its three primary articles, the allotment of power to the executive, the legislative, and the judicial departments of the government. It also remains true, as a general rule, that the powers confided by the Constitution to one of these departments cannot be exercised by another.

It may be said that these are truisms which need no repetition here to give them force. But while the experience of almost a century has in general shown a wise and commendable forbearance in each of these branches from encroachments upon the others, it is not to be denied that such attempts have been made, and it is believed not always without success." 103 U.S. 168, 190-191 (1880).

The precise question of the constitutionality of a committee "approval" or "veto" requirement, however, has not been directly considered by the Federal Courts. One commentator suggests that this may result "from the fact that the principal effect of these procedures is not identifiable injury to individuals as such, but rather a general shift in the focus of governmental power and the operation of the governmental system... the



political question doctrine may prompt the judiciary to shy away from these questions of distribution of power between the executive and legislative branches. Thus, this may be an area where any restraint must come from Congress itself.^{6/}

Nevertheless, case law involving questions relating to the separation of powers doctrine leaves no doubt that the proposition that statutory provisions subjecting executive action to the approval or disapproval of congressional committees is unconstitutional.^{7/} The principal case upon which this conclusion is based, and which has been relied on by several Attorneys General in opinions dealing with statutory committee approval requirements,^{8/} is Springer v. Philippine Islands, 277 U.S. 189 (1927). In declaring invalid certain acts of the Philippine legislature vesting executive power in the legislature, the Court said:

"It may be stated then, as a general rule inherent in the American constitutional system, that, unless otherwise expressly provided or incidental to the powers conferred, the legislature cannot exercise either executive or judicial power; the executive cannot exercise either legislative or judicial power; the judiciary cannot exercise either executive or legislative power. ...

Legislative power, as distinguished from executive power, is the authority to make laws, but not to enforce them or appoint the agents charged with the duty of such enforcement. The latter are executive functions. It is unnecessary to enlarge further upon the general subject, since it has so recently received the full consideration of this Court. Meyers v. United States.

Not having the power of appointment, unless expressly granted or incidental to its powers, the legislative cannot engraft executive duties upon a legislative office..." Supra at 202.

6/ Watson, supra note 4, at 989 - 990.

7/ Ginnane, supra note 4, at 605.

8/ 37 Op. Att'y Gen. 56 (1933), 39 Op Att'y Gen. 61 (1937); 41 Op. Att'y Gen. 230 (1955).



The decision in Springer has not been qualified by the Supreme Court or lower Federal Courts, and, indeed, was recently relied on in the case of Buckley et al v. Valeo, Secretary of the United States Senate, et al, 44 U.S. J.W. 4127 (U.S. Jan. 30, 1976). In Buckley, the Supreme Court cited Springer in holding unconstitutional that portion of the Federal Election Campaign Act of 1971, as amended, that permitted the Congress to appoint four of the six voting members of the Commission as a violation of the Appointments Clause of Article II, section 2 of the Constitution. The Court in Buckley cited Chief Justice Taft's opinion in Hampton and Co. v. United States, 276 U.S. 394 (1928), wherein the Court observed:

"The rule is that in the actual administration of the government Congress or the Legislature should exercise the legislative power, the President or the State executive, the Governor, the executive power, and the Courts or the judiciary, the judicial power, ... it is a breach of the national fundamental law if Congress gives up its legislative power and transfers it to the President, or to the judicial branch, or if by law it attempts to invest itself or its members with either executive power or judicial power."
Id. at 406.

The Court in Buckley also referred to James Madison, writing in the Federalist No. 47, who quoted Montesquieu to dramatically defend the work of the Constitutional Convention in creating separate and distinct branches of government:

"When the legislative and executive powers are united in the same person or body there can be no liberty, because apprehensions may arise lest the same monarch or senate should enact tyrannical laws to execute them in a tyrannical manner."
Supra at 4163.

Citing, inter alia, Springer v. Philippine Islands, four Attorneys General have held that attempts to give to a Congressional Committee the power to approve or disprove executive acts is unconstitutional.

In 1932 President Hoover requested Attorney General Mitchell's opinion on whether he should sign the Urgent Deficiency Bill, H.R. 13975 (1933), which contained the following provision:

"Provided, That no refund or credit of any income or profits, estate, or gift tax in excess of \$20,000 shall be made after the enactment of this Act until a report thereof ... and the facts in connection therewith are submitted by the Commissioner of Internal Revenue to the Joint Committee on Internal Revenue Taxation and action thereon taken by said committee ... and no refund or credit in excess of \$20,000 shall be made without the approval of said committee."

The Attorney General concluded that the provision was obnoxious to the Constitution because "It attempts to entrust to members of the legislative branch, acting ex officio, executive functions in the execution of the law, and it attempts to give to a committee of the legislative branch power to approve or disapprove executive acts". 37 Op. Att'y Gen. 56, 58 (1933). Attorney General Mitchell further stated:

"This proviso cannot be sustained on the theory that it is a proper condition attached to an appropriation. Congress holds the purse strings, and it may grant or withhold appropriations as it chooses, and when making an appropriation may direct the purposes to which the appropriation shall be devoted and impose conditions in respect to its use, provided always that the conditions do not require operation of the Government in a way forbidden by the Constitution. Congress may not, by conditions attached to appropriations, provide for a discharge of the functions of Government in a manner not authorized by the Constitution. If such a practice were permissible, Congress could subvert the Constitution." Id. 61.

and he explained that:

"Attempting to have committees of Congress approve executive acts, or execute administrative functions, or participate in the execution of laws is not a new idea. Carried to its logical conclusion, it would enable Congress, through committees or persons selected by it, gradually to take over all executive functions or at least exercise a veto power upon executive action, not by legislation withdrawing authority, but by the action of committees.... Id. at 62.



In recommending that President Hoover veto the Urgent Deficiency Bill because of this proviso, the Attorney General stressed that "the proviso in this deficiency bill may not be important in itself, but the principle at stake is vital. Encroachments on the executive authority are not likely to be deliberate but that very fact makes them all the more insidious." Id. at 65.

In 1937, when President Roosevelt received for signature a Joint Resolution establishing a World's Fair Commission composed largely of members of Congress, who would have the authority to expend the appropriation made by the resolution, Attorney General Cummings cited Springer v. Philippine Islands and Attorney General Mitchell's 1933 opinion in recommending that the President veto the Resolution on constitutional grounds. 39 Op. Att'y Gen. 61 (1937). Similarly, in 1955 President Eisenhower was asked to sign the Department of Defense Appropriation Act, 1956, which contained the following provision:

"Section 638. No part of the funds appropriated in this act may be used for the disposal or transfer by contract or otherwise of work that has been for a period of three years or more performed by civilian personnel of the Department of Defense unless justified to the Appropriations Committees of the Senate and the House of Representatives, ...Provided, That no such disposal or transfer shall be made if disapproved by either committee within the ninety-day period...."

Attorney General Brownell, Jr. advised the President that this provision was unconstitutional under the separation of powers doctrine, and noted that his conclusions were "fully supported by and are consistent with the Constitution of the United States, views long espoused by past Presidents of the United States, and by opinions of the judicial branch of our Government." 41 Op. Att'y Gen. 230, 231-232 (1955).

In explaining his conclusion, Attorney General Brownell noted that:

"The practical effect of these provisions is to vest the power to administer the particular program jointly in the Secretary of Defense and the members of the Appropriations Committees, with the overriding right to forbid action reserved to the two Committees. This, I believe, engrafts executive functions upon legislative members and thus overreaches the permitted sweep of legislative authority. At the same time, it serves to usurp

power confided to the executive branch. The result, therefore, is violative of the fundamental constitutional principle of separation of powers prescribed in Articles I and II of the Constitution which places the legislative power in the Congress and the executive power in the executive branch." Id. at 231.

The Attorney General also noted that it was not necessary to veto the entire act in order to nullify the offending provision. He pointed out that "whenever a provision in a statute is found invalid, question arises whether the whole act falls or only the objectionable section. This depends on whether the unconstitutional provision is separable from the rest of the act [i.e.] ... whether Congress would have intended the balance of the act to stand without the obnoxious provision." Id. at 234-235. In this instance the Attorney General concluded:

"It is my opinion that the proviso which purports to vest disapproval authority on either of the two Appropriations Committees is separable from the remainder of the act and, if viewed as imposing an invalid condition, does not affect the validity of the remaining provisions". Id. at 235.

Finally, in 1957, Acting Attorney General Rogers considered a provision of Public Law 155, which provided that no accessions, leases, transfers, or declarations of surplus, of any real property, could be made by any designated officer of the military departments, where the amount involved exceeded \$25,000, unless the designated officer of the military department first came into agreement with the Committee on Armed Services of the Senate and of the House of Representatives. The Attorney General stated:

"Legislative proposals and enactments in recent years have reflected a growing trend whereby authority is sought to be vested in congressional committees to approve or disapprove actions of the executive branch. Of the several legislative devices employed, that which subjects executive department action to the prior approval or disapproval of congressional committees may well be the most inimical to responsible government. It not only permits organs of the legislative branch to take binding actions having the effect of law without opportunity for the President to participate in the legislative process, but it also permits mere handfuls of members to speak for a Congress which is given no opportunity to participate as a whole."
41 Op. Att'y Gen. 300, 301 (1957).



In concluding that the proviso in question was unconstitutional, Attorney General Rogers also referred to Attorney General Brownell's 1955 opinion on the fiscal year 1956 Defense Appropriation Act, and noted that if the provision in question were deemed "separable" from the rest of the act, "the offending section was not to be regarded as a legally binding limitation which the Congress could constitutionally impose". Id. at 306.

Relying on judicial precedents and opinions of various Attorneys General, statutes portending to authorize committee approval for executive functions have been vetoed by Presidents Buchanan, Wilson, Hoover, Roosevelt, Truman, Eisenhower and Johnson.^{9/}

In 1920, President Wilson vetoed an appropriation act that contained a proviso that certain documents should not be printed by any executive branch or officer except with the approval of the Joint Committee on Printing. President Wilson stated:

"The Congress and the Executive should function within their respective spheres. Otherwise efficient and responsible management will be impossible and progress impeded by wasteful forces of disorganization and destruction. The Congress has the power and the right to grant or deny an appropriation, or to enact or refuse to enact a law; but once an appropriation is made or a law is passed, the appropriation should be administered or the law executed by the executive branch of the Government. In no other way can the Government be efficiently managed and responsibility definitely fixed. The Congress has the right to confer upon its committees full authority for purposes of investigation and the accumulation of information for its guidance, but I do not concede the right, and certainly not the wisdom, of the Congress endowing a committee of either House or a joint committee of both Houses with power to prescribe "regulations" under which executive departments may operate."
59 Cong. Rec. 7026 (1920)

Despite the weight of judicial precedent, and numerous vetoes of acts with committee approval provisions, Congress has continued to include approval as well as "notify and wait" provisions with increasing frequency,^{10/} and a number of acts with such provisions have been enacted into law. It does not follow,

^{9/} See Memorandum of the Senate Legislative Counsel, supra at 2,4,6,7,8; Watson, supra note 4, at 1017-1029

^{10/} Watson, supra note 4 at 1017-1029, footnote 407 at 1060



however, that such provisions have become constitutionally acceptable through usage. In a April 1, 1974 letter to Mr. Arthur Z. Gardiner, General Counsel, A.I.D., the Assistant Attorney General, Office of Legal Counsel, Department of Justice, pointed out that adoption of a provision giving Congress the right to terminate foreign assistance programs by concurrent resolution (section 617 of the Foreign Assistance Act of 1961, as amended) did not resolve the constitutionality of that provision even though it was not vetoed by the President. The Assistant Attorney General pointed out that "if any deference is to be given to practice and precedent, we believe that the practice begun with the adoption of the Constitution and continued uniformly for approximately 150 years is entitled to far greater weight than the more recent, sporadic and often debated examples of lawmaking by concurrent resolution."

There can be many reasons why a President would sign into law an act that contains an objectionable provision. For example, Supreme Court Justice Jackson revealed that while he was Attorney General, President Roosevelt approved a defense appropriation bill that contained a committee approval provision which he believed to be unconstitutional.^{11/} At the time he signed the bill, however, President Roosevelt also submitted a memorandum to the Attorney General notifying him that he believed the offending provision to be unconstitutional, and that he had signed the bill due to the "existing exigencies of the world situation." The President submitted the memorandum because "I should not wish my action in approving the bill which includes this invalid clause, to be used as a precedent for any future legislation comprising provisions of a similar nature." Id. at 1358.

In a like manner, Presidents have signed laws containing committee approval requirement while at the same time directing the affected agencies not to comply with the constitutionally objectionable provisions. President Eisenhower, in signing the fiscal year 1956 Defense Appropriation Act, advised that the committee approval requirement contained in section 638 of the act would be "regarded as invalid by the Executive Branch of the Government in the administration of H.R. 6042, unless otherwise determined by a Court of competent jurisdiction." 100 Cong.Rec. Pt. 6, 7135 (July 12, 1955).

^{11/} Jackson, A Presidential Legal Opinion, 66 Harv. L. Rev. 1353 (June 1953)

In 1963, the foreign assistance appropriation act contained a provision which stated that program changes involving funds for economic assistance carried forward from prior years could be made only if the appropriations committees of the Congress were notified prior to such changes and no objection was entered by either Committee within 60 days. In a memorandum to the Administrator of A.I.D., President Kennedy noted that:

"I have been advised by the Attorney General that this provision is unconstitutional either as a delegation to Congressional Committees of powers which reside only in the Congress as a whole or as an attempt to confer executive powers on the committee in violation of the principle of separation of powers prescribed in Articles I and II of the Constitution. Previous Presidents and Attorneys General have objected to similar provisions permitting a Committee to veto executive action authorized by law." Public Papers of the Presidents: John F. Kennedy, 1963, at 6.

President Kennedy directed the Administrator to treat this provision as a request for information, giving no effect to the requirement that A.I.D. wait 60 days before reprogramming affected funds. Id.

More recently, the Department of Defense Appropriation Act, 1976 (P.L. 94-212, February 10, 1976) was signed by President Ford with a provision which requires:

"That none of the funds provided in this Act may be obligated for construction or modernization of government-owned contractor-operator Army Ammunition Plants for the production of 105mm artillery projectile metal parts until a new study is made of such requirements by the Department of the Army; the Secretary of the Army certifies to Congress that such obligations are essential to the national defense; and until approval is received from the Appropriations and Armed Services Committees of the House and the Senate..." 90 Stat. 162 (emphasis added)

In his signing statement, President Ford objected to this provision because it "violates the fundamental doctrine of separation of powers." Presidential Documents: Gerald R. Ford, Vol. 12, No. 7, 172 (1976). The President commented that:



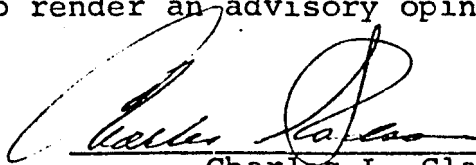
"The exercise of an otherwise valid Executive power cannot be limited by a discretionary act of a Committee of Congress nor can a Committee give the Executive a power which it otherwise would not have. The legislative branch cannot inject itself into the Executive functions, and opposition to attempts of the kind embodied in this bill has been expressed by Presidents for more than fifty years." Id.

Although the President signed the bill because of other problems that would have resulted from a delay caused by a veto, he stated that: "I intend to treat the unconstitutional provision in the appropriation "Procurement of Ammunition, Army," to the extent it requires further congressional committee approval, as a complete nullity. I cannot concur in this legislative encroachment upon the constitutional powers of the Executive Branch." Id.

Conclusion:

As Ginnane concluded in his article more than twenty years ago: "The arguments against the validity of statutory provisions vesting in legislative committees the power to approve or disapprove proposed actions of executive officers thus seem to be overwhelming. Not only Springer v. Philippine Islands, but most of the State decisions are opposed. Likewise, Presidents Wilson, Hoover, Roosevelt and Truman have opposed, sometimes successfully, such statutes and proposals as encroachments upon the executive branch." supra at 608. This conclusion has been strengthened in the intervening years.¹²⁷ President Ford's recent statement when he signed into law the Department of Defense Appropriation Act, 1976, makes it clear that the executive branch will not accept the constitutionality of committee approval requirements such as that contained in H.R. 12203.

If the committee approval requirement is retained in the act sent to the President, and the act is not vetoed, we recommend that the Attorney General be asked to render an advisory opinion regarding its constitutionality.

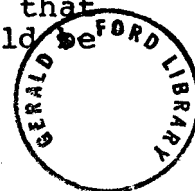


Charles L. Gladson
General Counsel

22 APR 1976

Agency for International Development

127 Watson, in his 1975 Comment on the use of the Committee veto, supra at 1060, concluded that any statute containing such provisions "should be per se invalid."





Public Law 94-330
 94th Congress, H. R. 12203
 June 30, 1976

An Act

Making appropriations for Foreign Assistance and related programs for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for Foreign Assistance and related programs for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, namely:

Foreign Assistance and Related Programs Appropriations Act, 1976.

TITLE I—FOREIGN ASSISTANCE ACT ACTIVITIES

FUNDS APPROPRIATED TO THE PRESIDENT

For expenses necessary to enable the President to carry out the provisions of the Foreign Assistance Act of 1961, as amended, and for other purposes, to remain available until June 30, 1976, and the period ending September 30, 1976, unless otherwise specified herein, as follows:

22 USC 2151 note.

ECONOMIC ASSISTANCE

Food and nutrition, Development Assistance: For necessary expenses to carry out the provisions of section 103, \$426,600,000: *Provided*, That the amounts provided for loans to carry out the purposes of these paragraphs shall remain available until expended.

22 USC 2151a.

For "Food and nutrition, Development Assistance" for the period July 1, 1976, through September 30, 1976, \$112,500,000.

Population planning and health, Development Assistance: For necessary expenses to carry out the provisions of section 104, \$146,400,000: *Provided*, That not less than \$103,000,000 of such amount shall be available only for population planning: *Provided further*, That the amounts provided for loans to carry out the purposes of these paragraphs shall remain available until expended.

22 USC 2151b.

For "Population planning and health, Development Assistance" for the period July 1, 1976, through September 30, 1976, \$33,450,000.

Education and human resources development, Development Assistance: For necessary expenses to carry out the provisions of section 105, \$60,800,000: *Provided*, That the amounts provided for loans to carry out the purposes of these paragraphs shall remain available until expended.

22 USC 2151c.

For "Education and human resources development, Development Assistance" for the period July 1, 1976, through September 30, 1976, \$8,800,000.

Technical assistance, energy, research, reconstruction, and selected development problems, Development Assistance: For necessary expenses to carry out the provisions of section 106, \$57,400,000: *Provided*, That the amounts provided for loans to carry out the purposes of these paragraphs shall remain available until expended.

22 USC 2151d.

For "Technical assistance, energy, research, reconstruction, and selected development problems, Development Assistance" for the period July 1, 1976, through September 30, 1976, \$11,100,000.

22 USC 2151a-2151d.

Loan allocation, Development Assistance: Of the new obligational authority appropriated under this Act to carry out the provisions of sections 103-106, not less than \$300,000,000 shall be available for loans for fiscal year 1976 and not less than \$75,000,000 shall be available for loans for the period July 1, 1976, through September 30, 1976.

22 USC 2221.

International organizations and programs: For necessary expenses to carry out the provisions of section 301, \$175,250,000: *Provided*, That not more than \$20,000,000 shall be available for the United Nations Children's Fund: *Provided further*, That not less than \$1,000,000 shall be available until expended only for the International Atomic Energy Agency to be used for the purpose of strengthening safeguards and inspections relating to nuclear fissile facilities and materials: *Provided further*, That none of the funds appropriated or made available pursuant to this Act shall be used to supplement the funds provided to the United Nations Development Program in fiscal year 1975.

For "International organizations and programs" for the period July 1, 1976, through September 30, 1976, \$16,300,000.

22 USC 287 note.

United Nations Environment Fund: For necessary expenses to carry out the provisions of section 2 of the United Nations Environment Program Participation Act of 1973, \$7,500,000.

22 USC 2174.

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

For "American schools and hospitals abroad" for the period July 1, 1976, through September 30, 1976, \$2,400,000.

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

For "American schools and hospitals abroad (special foreign currency program)" for the period July 1, 1976, through September 30, 1976, \$1,750,000, in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States, to remain available until expended.

22 USC 2362.

John McCormack Center, St. John's Medical College (special foreign currency program): For necessary expenses to carry out the purposes of Part I, as authorized by section 612(a), \$13,650,000 in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States: *Provided*, That such amount shall be available solely for the John W. McCormack Center, the Hospital of St. John's Medical College, Bangalore, India, and that of such amount not more than \$9,000,000 shall be available for an endowment to assist needy patients at the Center.

22 USC 2222.

Indus Basin Development Fund, grants: For necessary expenses to carry out the provisions of section 302(b)(2) with respect to Indus Basin Development Fund, grants, \$9,000,000: *Provided*, That no other funds appropriated or made available under this Act shall be used for the purposes of such section during the current fiscal year.

For "Indus Basin Development Fund, grants" for the period July 1, 1976, through September 30, 1976, \$2,250,000.

Indus Basin Development Fund, loans: For expenses authorized by section 302(b)(1) \$10,000,000, to remain available until expended: *Provided*, That no other funds appropriated or made available under this Act shall be used for the purposes of such section during the current fiscal year.

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

22 USC 2261.

For "Contingency fund" for the period July 1, 1976, through September 30, 1976, \$1,250,000.

International disaster assistance: For necessary expenses to carry out the provisions of section 495A, \$45,000,000: *Provided*, That of this amount \$25,000,000 shall be available only for Guatemala disaster relief assistance: *Provided further*, That the President shall submit quarterly reports to the Committee on Appropriations of the United States Senate and to the Committee on Appropriations of the House of Representatives on the programing and obligation of funds appropriated for International Disaster Assistance.

Ante, p. 397. 22 USC 2292a-1. Presidential report to congressional committees.

For "International disaster assistance" for the period July 1, 1976, through September 30, 1976, \$5,000,000.

African development program: For necessary expenses to carry out the provisions of section 494B, \$5,000,000.

22 USC 2292e.

Cyprus relief and rehabilitation: For necessary expenses to carry out the provisions of section 495, \$25,000,000.

22 USC 2292f.

For "Cyprus relief and rehabilitation" for the period July 1, 1976, through September 30, 1976, \$5,000,000.

International narcotics control: For necessary expenses to carry out the provisions of section 481, \$37,500,000.

22 USC 2291.

For "International narcotics control" for the period July 1, 1976, through September 30, 1976, \$9,375,000.

Payment to the Foreign Service Retirement and Disability Fund: For payment to the "Foreign Service retirement and disability fund," as authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 1105-1106), \$16,680,000.

Overseas training (Special foreign currency program): For necessary expenses to carry out the provisions of Section 612, \$200,000 in foreign currencies which the Treasury declares to be excess to the normal requirements of the United States.

22 USC 2362.

Except for the Contingency Fund, unobligated balances as of June 30, 1975, and June 30, 1976, of funds heretofore made available under the authority of the Foreign Assistance Act of 1961, as amended, except as otherwise provided by law, are hereby continued available through September 30, 1976, for the same general purposes for which appropriated and amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made under the authority of the Foreign Assistance Act of 1961, as amended, for the same general purpose as any of the subparagraphs under "Economic Assistance," "Middle East Special Requirements Fund," "Security Supporting Assistance," "Operating Expenses of the Agency for International Development," "International Military Education and Training," and "Indochina Postwar Reconstruction Assistance," are hereby continued available for the same period as the respective appropriations in such subparagraphs for the same general purpose: *Provided*, That such purpose relates to a project or program previously justified to Congress, and the Committees on Appropriations of the House of Representatives and the Senate are notified prior to the reobligation of funds for such projects or programs.

22 USC 2151 note.

31 USC 200.

None of the funds made available under this Act for "Food and nutrition, Development Assistance," "Population planning and health, Development Assistance," "Education and human resources development, Development Assistance," "Technical assistance, energy, research, reconstruction, and selected development problems, Development Assistance," "International organizations and programs,



"United Nations Environment Fund," "American schools and hospitals abroad," "Indus Basin Development Fund," "International narcotics control," "African development program," "Security supporting assistance," "Operating Expenses of the Agency for International Development," "Middle East Special requirements fund," "Military assistance," "International military education and training," "Inter-American Foundation," "Peace Corps," "Migration and refugee assistance," or "Assistance to refugees from the Soviet Union or other Communist countries in Eastern Europe," shall be available for obligation for activities, programs, projects, type of materiel assistance, countries, or other operations not justified or in excess of the amount justified to the Appropriations Committees for obligation under any of these specific headings for the current fiscal year without the approval of the Appropriations Committees of both Houses of the Congress.

MIDDLE EAST SPECIAL REQUIREMENTS FUND

Middle East special requirements fund: For necessary expenses to carry out the provisions of section 901 and section 903 of the Foreign Assistance Act of 1961, as amended, \$50,000,000: *Provided*, That none of the funds appropriated under this heading may be used to provide a United States contribution to the United Nations Relief and Works Agency.

22 USC 2441, 2443.

For "Middle East special requirements fund" for the period July 1, 1976, through September 30, 1976, \$10,000,000.

SECURITY SUPPORTING ASSISTANCE

Security supporting assistance: For necessary expenses to carry out the provisions of section 531 of the Foreign Assistance Act of 1961, as amended, \$1,689,900,000: *Provided*, That of the funds appropriated under this paragraph, \$700,000,000 shall be allocated to Israel, \$695,000,000 shall be allocated to Egypt, \$72,500,000 shall be allocated to Jordan, \$80,000,000 shall be allocated to Syria, and \$65,000,000 shall be allocated to Greece.

22 USC 2346. Israel, Egypt, Jordan, Syria, and Greece, allocation of funds.

For "Security Supporting Assistance" for the period July 1, 1976, through September 30, 1976, \$269,700,000: *Provided*, That of the funds appropriated under this paragraph, \$75,000,000 shall be allocated to Israel, \$100,000,000 shall be allocated to Egypt, \$60,000,000 shall be allocated to Jordan, and \$15,000,000 shall be allocated to Syria.

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT

For "Operating Expenses of the Agency for International Development", \$194,600,000.

For "Operating Expenses of the Agency for International Development" for the period July 1, 1976, through September 30, 1976, \$55,500,000.

MILITARY ASSISTANCE

Military assistance: For necessary expenses to carry out the provisions of section 503 of the Foreign Assistance Act of 1961, as amended, including administrative expenses and purchase of passenger motor vehicles for replacement only for use outside of the United States, \$225,000,000; and, for liquidation of obligations incurred pursuant to the authority of section 506 of the Foreign Assistance Act of 1961, as amended, \$275,000,000: *Provided*, That none of the funds contained in this paragraph shall be available for the purchase of new automotive vehicles outside of the United States.

22 USC 2311.

22 USC 2318.

For "Military Assistance" for the period July 1, 1976, through September 30, 1976, \$27,200,000.

INTERNATIONAL MILITARY EDUCATION AND TRAINING

International military education and training: For necessary expenses to carry out the provisions of section 541 of the Foreign Assistance Act of 1961, as amended, \$23,000,000.

Ante, p. 732.

For "International military education and training" for the period July 1, 1976, through September 30, 1976, \$5,750,000.

OVERSEAS PRIVATE INVESTMENT CORPORATION

The Overseas Private Investment Corporation is authorized to make such expenditures within the limits of funds available to it and in accordance with law (including not to exceed \$10,000 for entertainment allowances), and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended (31 U.S.C. 849), as may be necessary in carrying out the program set forth in the budget for the current fiscal year and for the period July 1, 1976, through September 30, 1976.

INTER-AMERICAN FOUNDATION

The Inter-American Foundation is authorized to make such expenditures within the limits of funds available to it and in accordance with the law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended (31 U.S.C. 849), as may be necessary in carrying out its authorized programs during the current fiscal year and for the period July 1, 1976, through September 30, 1976: *Provided*, That not to exceed \$7,500,000 shall be available to carry out the authorized programs during the current fiscal year.

For "Inter-American Foundation" for the period July 1, 1976, through September 30, 1976, not to exceed \$1,875,000 shall be available to carry out the authorized programs.

GENERAL PROVISIONS

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

Flood control and related projects.

Sec. 102. Except for the appropriations entitled "Contingency fund", "International disaster assistance", and appropriations of funds to be used for loans, not more than 20 per centum of any appropriation item made available by this title for fiscal year 1976 shall be obligated and/or reserved during the last month of availability.

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

Sec. 104. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, as

Procurement contracts, restriction.

22 USC 2151 note. amended, may be used for making payments on any contract for procurement to which the United States is a party entered into after the date of enactment of this Act which does not contain a provision authorizing the termination of such contract for the convenience of the United States.

SEC. 105. Of the funds appropriated or made available pursuant to this Act, not more than \$15,000,000 may be used during the current fiscal year and the period July 1, 1976, through September 30, 1976, in carrying out research under section 106(a)(3) of the Foreign Assistance Act of 1961, as amended.

22 USC 2151d. United Nations members, assessments, dues. SEC. 106. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used to pay in whole or in part any assessments, arrearages, or dues of any member of the United Nations.

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

22 USC 2169, 2211. North and South Vietnam, Cambodia, or Laos, assistance. Angola, military assistance. SEC. 108. None of the funds appropriated or made available pursuant to this Act shall be used to provide assistance to the Democratic Republic of Vietnam (North Vietnam), South Vietnam, Cambodia or Laos.

SEC. 109. None of the funds appropriated or made available pursuant to this Act shall be obligated or expended to finance directly or indirectly any type of military assistance to Angola.

SEC. 110. None of the funds appropriated or made available pursuant to this Act shall be obligated or expended to finance directly or indirectly, (A) the planning or carrying out of any assassination, or (B) the financing directly or indirectly any foreign political activity or to otherwise influence any foreign election in peace time.

Loans, waiver. SEC. 111. All amounts due and owing on loans made for the benefit of the Weizmann Institute, Hebrew University, Tel Aviv University, Israel Institute of Technology, American-Israeli Cultural Foundation, Bar Ilan University, Israel Program for Scientific Translations, Keren Hanegev and Misrachi Women's Organization of America from funds available under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480), are hereby waived and forgiven.

7 USC 1701 et seq. SEC. 112. The Act of May 23, 1975 (making appropriations for special assistance to refugees from Cambodia and Vietnam, Public Law 94-24) is hereby amended by striking out "Cambodia and Vietnam" each place it appears therein and inserting in lieu thereof "Cambodia, Vietnam, and Laos".

89 Stat. 89. SEC. 113. Of the funds appropriated or made available pursuant to this Act not to exceed \$103,000 shall be for Official Residence Expenses of the Agency for International Development during the fiscal year ending June 30, 1976; and not to exceed \$28,500 shall be for Official Residence Expenses of the Agency for International Development for the period July 1, 1976 through September 30, 1976.

SEC. 114. Of the funds appropriated or made available pursuant to this Act not to exceed \$19,000 shall be for Entertainment Expenses of the Agency for International Development during the fiscal year ending June 30, 1976; and not to exceed \$4,750 shall be for Entertainment Expenses of the Agency for International Development for the period July 1, 1976 through September 30, 1976.

SEC. 115. Of the funds appropriated or made available pursuant to this Act not to exceed \$91,000 shall be for Representation Allowances of the Agency for International Development during the fiscal year ending June 30, 1976; and not to exceed \$23,000 shall be for Rep-

resentation Allowances of the Agency for International Development for the period July 1, 1976 through September 30, 1976.

TITLE II—FOREIGN MILITARY CREDIT SALES

FOREIGN MILITARY CREDIT SALES

For expenses not otherwise provided for, necessary to enable the President to carry out the provisions of the Foreign Military Sales Act, \$1,065,000,000: *Provided*, That of the amount provided for the total aggregate credit sale ceiling during the current fiscal year, not less than \$1,500,000,000 shall be allocated to Israel.

22 USC 2751 note.

For "Foreign Military Credit Sales" for the period July 1, 1976, through September 30, 1976, \$140,000,000: *Provided*, That of the amount provided for the total aggregate credit sale ceiling during the period July 1, 1976 through September 30, 1976, not less than \$200,000,000 shall be allocated to Israel.

TITLE III—FOREIGN ASSISTANCE (OTHER)

INDEPENDENT AGENCY

ACTION—INTERNATIONAL PROGRAMS

PEACE CORPS

For expenses necessary for Action to carry out the provisions of the Peace Corps Act (75 Stat. 612), as amended, \$80,826,000: *Provided*, That of this amount \$7,599,000 shall be for Peace Corps volunteer readjustment allowances, as authorized by Public Law 94-130.

22 USC 2501 note.

For "Action—International Programs (Peace Corps)" for the period July 1, 1976, through September 30, 1976, \$24,000,000: *Provided*, That of this amount not less than \$2,684,000 shall be used to fund Peace Corps volunteer readjustment allowances, as authorized by Public Law 94-130.

89 Stat. 684.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

ASSISTANCE TO REFUGEES IN THE UNITED STATES

(CUBAN PROGRAM)

For expenses necessary to carry out the provisions of the Migration and Refugee Assistance Act of 1962 (Public Law 87-510), relating to aid to refugees within the United States (Cuban program) including hire of passenger motor vehicles, and services as authorized by 5 U.S.C. 3109, \$85,000,000.

22 USC 2601 note.

For "Assistance to refugees in the United States (Cuban program)" for the period July 1, 1976, through September 30, 1976, \$19,000,000.

DEPARTMENT OF STATE

MIGRATION AND REFUGEE ASSISTANCE

For expenses, not otherwise provided for, necessary to enable the Secretary of State to provide, as authorized by law, a contribution to the International Committee of the Red Cross and assistance to refugees, including contributions to the Intergovernmental Committee for European Migration and the United Nations High Commissioner for Refugees; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801-

1158); allowances as authorized by 5 U.S.C. 5921-5925; hire of passenger motor vehicles; and services as authorized by 5 U.S.C. 3109; \$9,000,000: *Provided*, That of this amount not more than \$3,054,390 shall be available for the United States Refugee Program, and, of which not to exceed \$8,171,000 shall remain available until December 31, 1976: *Provided*, That no funds herein appropriated shall be used to assist directly in the migration to any nation in the Western Hemisphere of any person not having a security clearance based on reasonable standards to insure against Communist infiltration in the Western Hemisphere.

For "Migration and refugee assistance" for the period July 1, 1976, through September 30, 1976, \$700,000.

EMERGENCY MIGRATION AND REFUGEE ASSISTANCE FUND

For necessary expenses to carry out the provisions of section 2(c) of the Migration and Refugee Assistance Authorization Act of 1962, as amended (22 U.S.C. 2601), \$5,000,000.

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

For necessary expenses to carry out the provisions of section 101(b) of the Foreign Relations Authorization Act of 1972 and the provisions of section 501(c) of the Foreign Relations Authorization Act, Fiscal Year 1976, \$15,000,000.

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL FINANCIAL INSTITUTIONS

INVESTMENT IN ASIAN DEVELOPMENT BANK

For payment by the Secretary of the Treasury of the second installment of the United States subscription to the (1) paid-in capital stock; (2) callable capital stock; and (3) for the United States contribution to the special funds of the Asian Development Bank, as authorized by the Asian Development Bank Act of December 22, 1974 (Public Law 93-537) \$145,634,909, to remain available until expended.

22 USC 285q, 285r.

INVESTMENT IN INTER-AMERICAN DEVELOPMENT BANK

For payment to the Inter-American Development Bank by the Secretary of the Treasury for the United States share of the increase in the resources of the Fund for Special Operations authorized by the Acts of December 30, 1970 (Public Law 91-599), and March 10, 1972 (Public Law 92-246), \$225,000,000 to remain available until expended: *Provided*, That the amounts made available under this head in the "Foreign Assistance and Related Programs Appropriations Act, 1975" shall be available without limitation, notwithstanding the three provisos contained therein.

84 Stat. 1657, 86 Stat. 59, 22 USC 283p-283s.

INVESTMENT IN INTERNATIONAL DEVELOPMENT ASSOCIATION

For payment by the Secretary of the Treasury of the first installment of the United States contribution to the fourth replenishment of the resources of the International Development Association as authorized by the International Development Association Act of August 14, 1974 (Public Law 93-373), \$320,000,000, to remain available until expended.

22 USC 284l, 284m.

TITLE IV—EXPORT-IMPORT BANK OF THE UNITED STATES

The Export-Import Bank of the United States is hereby authorized to make such expenditures within the limits of funds and borrowing authority available to such corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the program set forth in the budget for the current fiscal year and for the period July 1, 1976, through September 30, 1976, for such corporation, except as hereinafter provided.

31 USC 849.

LIMITATION ON PROGRAM ACTIVITY

Not to exceed \$5,619,945,000 (of which not to exceed \$3,000,000,000 shall be for equipment and service loans) shall be authorized during the current fiscal year for other than administrative expenses.

For "Limitation on program activity" for the period July 1, 1976, through September 30, 1976, not to exceed \$1,436,813,000 (of which not to exceed \$737,500,000 shall be for equipment and service loans).

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed \$11,412,000 (to be computed on an accrual basis) shall be available during the current fiscal year for administrative expenses, including hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109, and not to exceed \$20,000 for entertainment allowances for members of the Board of Directors: *Provided*, That (1) fees or dues to international organizations of credit institutions engaged in financing foreign trade, (2) necessary expenses (including special services performed on a contract or a fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Bank or in which it has an interest, including expenses of collections of pledged collateral, or the investigation or appraisal of any property in respect to which an application for a loan has been made; and (3) expenses (other than internal expenses of the Bank) incurred in connection with the issuance and servicing of guarantees, insurance, and reinsurance, shall be considered as nonadministrative expenses for the purposes hereof.

For "Limitation on administrative expenses" for the period July 1, 1976, through September 30, 1976, \$2,948,000, of which not to exceed \$5,000 shall be for entertainment allowances for members of the Board of Directors.

TITLE V—GENERAL PROVISIONS

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

Publicity or propaganda.

SEC. 502. No part of any appropriation contained in this Act shall be used for expenses of the Inspector General, Foreign Assistance, after the expiration of the thirty-five day period which begins on the date the General Accounting Office or any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering foreign assistance legislation, appropriations, or expenditures, has delivered to the Office of the Inspector General, Foreign Assistance, a written request that it be furnished any document, paper, communica-

Inspector General, Foreign Assistance.

tion, audit, review, finding, recommendation, report, or other material in the custody or control of the Inspector General, Foreign Assistance, relating to any review, inspection or audit arranged for, directed, or conducted by him, unless and until there has been furnished to the General Accounting Office or to such committee or subcommittee, as the case may be, (A) the document, paper, communication, audit, review, finding, recommendation, report, or other material so requested or (B) a certification by the President, personally, that he has forbidden the furnishing thereof pursuant to such request and his reason for so doing.

Fiscal year limitation. Sec. 503. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein, except as provided by section 204 of Public Law 93-554.

88 Stat. 1784. Space and services. Sec. 504. No part of any appropriation, funds, or other authority contained in this Act shall be available for paying to the Administrator of the General Services Administration in excess of 90 per centum of the standard level user charge established pursuant to section 210(j) of the Federal Property and Administrative Services Act of 1949, as amended, for space and services.

40 USC 490. Sec. 505. Not to exceed \$1,550,000 of the funds appropriated or made available pursuant to this Act for fiscal year 1976 shall be made available to the Office of the Inspector General of Foreign Assistance: *Provided*, That not to exceed \$375,000 of the funds appropriated or made available pursuant to this Act for the period July 1, 1976 through September 30, 1976 shall be made available to the Office of the Inspector General of Foreign Assistance.

Default countries. Sec. 506. Beginning three months from the date of enactment of this Act, no part of any appropriation contained in this Act shall be used to furnish assistance to any country which is in default during a period in excess of one calendar year in payment to the United States of principal or interest on any loan made to such country by the United States pursuant to a program for which funds are appropriated under this Act unless (1) such debt has been disputed by such country prior to the enactment of this Act or (2) such country has either arranged to make payment of the amount in arrears or otherwise taken appropriate steps, which may include renegotiation, to cure the existing default.

Sec. 507. The amounts appropriated in this Act shall be available only upon the enactment of authorizing legislation.

Short title. This Act may be cited as the "Foreign Assistance and Related Programs Appropriations Act, 1976, and the period ending September 30, 1976".

Approved June 30, 1976.

LEGISLATIVE HISTORY:

HOUSE REPORT: No. 94-857 (Comm. on Appropriations) and No. 94-1006 (Comm. of Conference).

SENATE REPORT No. 94-704 (Comm. on Appropriations).

CONGRESSIONAL RECORD, Vol. 122 (1976):

Mar. 4, considered and passed House.

Mar. 23, considered and passed Senate, amended.

June 28, House agreed to conference report; receded and concurred in Senate amendments with amendments.

June 29, Senate agreed to House amendments.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 12, No. 27:

July 1, Presidential statement.

JULY 1, 1976

Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

I have signed H.R. 12203, the Foreign Assistance and Related Programs Appropriation Act, 1976, and the period ending September 30, 1976. The bill appropriates funds for a variety of programs in support of U.S. foreign policy objectives, most importantly our pursuit of a peaceful solution to the problems of the Middle East.

Nevertheless, I have serious reservations regarding one element of the bill, and believe it is necessary to comment on why I have signed the bill notwithstanding my objections to it.

Title I of the bill contains a provision which conditions the availability of appropriated funds, in certain instances, upon the acquiescence of the Appropriations Committees of each House of Congress. This requirement violates the fundamental constitutional doctrine of separation of powers. While similar provisions have been included in congressional enactments, and have been found objectionable on these grounds, this particular requirement is especially onerous in that it intrudes upon the execution of programs in nineteen different appropriation categories.

Since I view this provision as severable from what is an otherwise valid exercise of legislative authority, and because it is presented for my signature in the last week of the fiscal year, I am not withholding my approval. We shall continue to work with the Appropriations Committees, as with all Committees of the Congress, in a spirit of cooperation. We shall continue to keep the Congress fully informed on a current basis on the execution of the laws. However, we shall not concur in a delegation of the powers of appropriation to two Committees of Congress.

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DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

[Aug. 1976?]

The Honorable Philip W. Buchen
Counsel to the President
The White House
Washington, D.C.

Dear Mr. Buchen:

Enclosed are the materials you requested during our August 19 meeting relating to the committee approval requirement contained in the foreign aid Appropriation Act for fiscal year 1976.


Enclosure A is a copy of the guidelines which were developed pursuant to section 113 of the fiscal year 1975 Appropriation Act, which required prior notification to the Appropriations Committees instead of prior approval. Enclosure B is a copy of the first advice of a program change that we submitted to Congress following the enactment of the fiscal year 1976 Appropriation Act. This format was prepared in response to the President's signing statement, in which he stated that the Executive Branch would cooperate fully with the Congress in providing necessary information on program changes, but could not concur in a delegation of the powers of appropriation to two Committees of Congress. Enclosure C is a copy of our current guidelines on this subject with a sample of an advice of a program change which we recently submitted to the Appropriations Committees.

I have also enclosed a copy of a recent advice of a program change regarding a project in Liberia which has been objected to by a member of the staff of the Senate Appropriations Committee (Enclosure D). It is unclear at this time whether this objection will result in a formal disapproval by the Committee. We will, of course, advise you immediately should we receive a formal notice of disapproval.

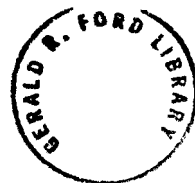


If I can provide you with any further information please
let me know.

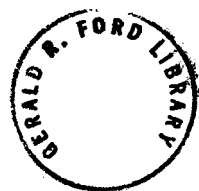
Sincerely,

A handwritten signature in black ink, appearing to read "Gerald D. Morgan, Jr.", with a long, sweeping horizontal line extending to the right.

Gerald D. Morgan, Jr.
General Counsel



ENCLOSURE A



APR 3 1975

MEMORANDUM FOR: AA/AFR, Mr. Adams AA/SER, Mr. Parks
 AA/EA, Mr. Gardiner AA/PHA, Ms. Crowley
 AA/LA, Mr. Kleine AA/TA, Mr. Farrar
 AA/NESA, Mr. Nooter OLAB, Mr. Good
 AA/LEG, Mr. Harvey

FROM : AA/PPC, Alexander Shakow *ASh*

SUBJECT : Prior Notification Requirements: Section 113
 of the Foreign Assistance and Related Programs
 Appropriation Act, 1975

The prior notification requirements set forth in Section 114 of the 1974 Appropriations Act have been replaced and substantially altered by Section 113 of the 1975 Appropriations Act. (The language of both sections together with an extract from the Conference Report are attached.)

The principal aspects of the new Section 113 notification requirements are:

- Notification is required for any activity not contained in the 1975 Congressional Presentation--as was the case under Section 114.
- Notification is required for any increase in the level of funding for an activity above the amount shown in the 1975 Congressional Presentation. (Under Section 114 this was not a legal requirement although we had an agreement with the appropriations committees to "informally" notify in the case of major increases.)
- Notification is required 15 calendar days prior to the obligation of funds. (Section 114 required notification 5 days prior to the obligation of funds.)
- The notification requirement is expanded to include: the UN Environment Fund, Indus Basin, Narcotics, Portugal and Portuguese territories, Administrative Expenses-A.I.D., a number of non-A.I.D. activities (Peace Corps, Inter-American Foundation, assistance to Palestine and Soviet refugees).

The new Section 113 notification requirements are effective as of March 26.



In order to comply with the new notification requirements, the following procedures are effective immediately:

1. Coverage

a. Notification is required for activities proposed for funding in the current fiscal year which differ from the 1975 Congressional Presentation in the following ways:

- The activity was not included in the 1975 CP.
- The scope or purpose of the activity is substantially different from that described in the CP so that it constitutes a new activity. This applies to amendments as well as initial authorizations or obligations.
- The funding source is different from that shown in the CP, i.e., a shift between appropriation categories.
- The activity was presented in the CP as a "shelf" item.
- The proposed funding is in excess of the amount contained in the current CP.

2. Screening responsibilities

The Bureau/Office within whose jurisdiction the particular activity falls is responsible for determining whether notification is necessary and for initiating the notification process.

3. Format and Contents

Two documents will be required: a brief covering statement per Attachment A and a new or revised grant or loan activity data sheet in the same format used for the FY 1975 Congressional Presentation. Letters for the Chairman and Ranking Minority Member of the Appropriations Committees in each House are not required.



Notifications should anticipate and respond to known or potential Congressional concerns and questions. For example:

- Does the new activity mean an increase in the country total? If so, are there any actual or planned reductions to offset the increase and what are they?
- Is the proposed increase in funding level understandable and justifiable based on altered cost assumptions or a change in the nature of the activity?
- Is there possible disagreement over the source of funding (appropriation account) to which the activity is to be charged?

4. Clearance procedures

Notification must be cleared by: (1) the responsible AA or DAA, (2) GC/LPC, Denis Neill, (3) PPC/RB, Glenn Cauvin. The Bureau/Office proposing the notification is responsible for obtaining these clearances:

One clean original (with clearances on the back) together with three xerox copies should be provided to LEG/LPCS, Attention: Andrew Westwood. LEG/LPCS will promptly transmit each notification to Congress.

5. Reporting procedures

Bureaus/Offices are asked to submit to LEG/LPCS, by memorandum with copy to PPC/RB, any change in their designated prior notification coordinating officer and alternates (Attachment C)

LEG/LPCS is responsible for informing the Bureaus/Offices of the date of delivery of the notification and of any Congressional inquiries, comments or objections. Obligations may take place 15 days after date of delivery unless otherwise informed.



Notification to the Congress

COUNTRY : (Or other geographic identification)
PROJECT TITLE : (Per CP if applicable)
PROJECT NUMBER : (Per CP if applicable)
APPROPRIATION CATEGORY;
INTENDED OBLIGATION : (Indicate amount)

Open the narrative with one of the following paragraphs:

In accordance with Section 113 of the Foreign Assistance and Related Programs Appropriation Act, 1975, we are providing notification that we (either (a) intend to obligate funds or (b) intend to obligate funds in excess of the amounts included in the Congressional Presentation) for the following grant activity.

In accordance with Section 113 of the Foreign Assistance and Related Programs Appropriation Act, 1975, we are providing notification that we (either (a) intend to authorize the use of funds on a loan basis or (b) intend to authorize the use of funds on a loan basis in excess of the amounts included in the Congressional Presentation) for the following activity.

Then proceed with a brief explanation outlining the reason why the activity was not included in or is different from the Congressional Presentation and is being forwarded for financing at this time. While there is no prescribed formula for the content of the notification, it must be sufficiently detailed to define the nature of the activity for which funds are appropriated, its purpose, country location and cost.

NOTE: Do not attempt to justify the activity in this space. A current grant or loan data sheet must be attached and should address that subject.

Attachment
Activity data sheet



Section 114 Notification Requirement

Sec. 114. None of the funds made available under this Act for "Food and Nutrition, Development Assistance," "Population Planning and Health, Development Assistance," "Education and Human Resources Development, Development Assistance," "Selected Development Problems, Development Assistance," "Selected Countries and Organizations, Development Assistance," "International Organizations and Programs," "American Schools and Hospitals Abroad," "International Narcotics Control," "Indochina postwar reconstruction assistance," "Security supporting assistance," "Military assistance," or "Migration and refugee assistance" shall be available for obligation for activities, programs, projects, countries, or other operations unless the Committees on Appropriations of the Senate and House of Representatives are previously notified five days in advance.



Section 113 Notification Requirement

Sec. 113. None of the funds made available under this Act for "Food and Nutrition, Development Assistance," "Population Planning and Health, Development Assistance," "Education and Human Resources Development, Development Assistance," "Selected Development Problems, Development Assistance," "Selected Countries and Organizations, Development Assistance," "International Organizations and Programs," "United Nations Environment Fund," "American Schools and Hospitals Abroad," "Indus Basin Development Fund," "International Narcotics Control," "Assistance to Portugal and Portuguese colonies in Africa gaining independence," "Administrative expenses, Agency for International Development," "Indochina postwar reconstruction assistance," "Middle East special requirements fund," "Security supporting assistance," "Military assistance," "Inter-American Foundation," "Peace Corps," "Migration and refugee assistance," "Assistance to Refugees From the Soviet Union," or "Assistance to Palestinian Refugees" shall be available for obligation for activities, programs, projects, countries, or other operations unless the Committees on Appropriations of the Senate and House of Representatives are previously notified 15 days in advance.

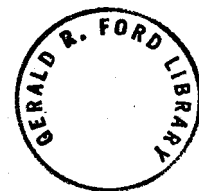


FY 1975

CONFERENCE REPORT

The conferees agree that any activity, project, or other operation specifically set forth by amount to be obligated in fiscal year 1975 and by country in the fiscal year 1975 Congressional Presentation Document shall be deemed to have been justified and the Committees on Appropriations informed. Similarly, amounts not in excess of the amounts proposed therein for obligation in fiscal year 1975 shall be deemed to have been justified and the Committees on Appropriations informed.

Any activity, project or other operation not specifically set forth by amount to be obligated in fiscal year 1975 and by country in the fiscal year 1975 Congressional Presentation Document shall be deemed not to have been justified and the Committees on Appropriations not informed. Similarly, amounts in excess of the amounts proposed therein for obligation in fiscal year 1975 shall be deemed not to have been justified and the Committees on Appropriations not informed.



ENCLOSURE B



DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON

DEPUTY ADMINISTRATOR

JUL 7 1976

Honorable Otto E. Passman
Chairman, Subcommittee on
Foreign Operations
Committee on Appropriations
House of Representatives
Washington, D. C.

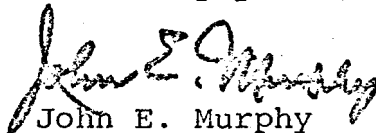
Dear Mr. Chairman:

In our continuing desire to cooperate with the Congress and your Committee, I want to inform you of several changes in the Agency's program during the Transition Quarter.

These changes do not represent new programs but are simply FY 1976 programs which we now plan to undertake during the Transition Quarter. As the FY 1976 Appropriations legislation did not become law until the last day of the fiscal year, it has not been possible to complete our FY 1976 program as planned. All of the the projects and programs on the attached list were included in the A.I.D. FY 1976 Congressional Presentation or were notified during FY 1976. These are ready and we plan to obligate them during the Transition Quarter.

The FY 1976 descriptions of these projects provided Congress remain valid. Copies of these project descriptions are attached for your information.

Sincerely yours,


John E. Murphy

Attachment: a/s



DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON

DEPUTY ADMINISTRATOR

JUL 7 1976

Honorable Garner Shriver
Subcommittee on Foreign Operations
Committee on Appropriations
House of Representatives
Washington, D. C.

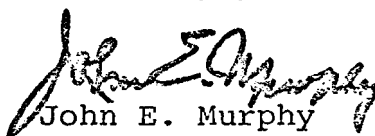
Dear Congressman Shriver:

In our continuing desire to cooperate with the Congress and your Committee, I want to inform you of several changes in the Agency's program during the Transition Quarter.

These changes do not represent new programs but are simply FY 1976 programs which we now plan to undertake during the Transition Quarter. As the FY 1976 Appropriations legislation did not become law until the last day of the fiscal year, it has not been possible to complete our FY 1976 program as planned. All of the the projects and programs on the attached list were included in the A.I.D. FY 1976 Congressional Presentation or were notified during FY 1976. These are ready and we plan to obligate them during the Transition Quarter.

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Sincerely yours,


John E. Murphy

Attachment: a/s



DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON

DEPUTY ADMINISTRATOR

JUL 7 1976

Honorable Daniel Inouye
Chairman, Subcommittee on
Foreign Operations
Committee on Appropriations
United States Senate
Washington, D. C.


Dear Mr. Chairman:

In our continuing desire to cooperate with the Congress and your Committee, I want to inform you of several changes in the Agency's program during the Transition Quarter.

These changes do not represent new programs but are simply FY 1976 programs which we now plan to undertake during the Transition Quarter. As the FY 1976 Appropriations legislation did not become law until the last day of the fiscal year, it has not been possible to complete our FY 1976 program as planned. All of the projects and programs on the attached list were included in the A.I.D. FY 1976 Congressional Presentation or were notified during FY 1976. These are ready and we plan to obligate them during the Transition Quarter.

The FY 1976 descriptions of these projects provided Congress remain valid. Copies of these descriptions are attached for your information.

Sincerely yours,


John E. Murphy

Attachment: a/s



DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON

JUL 7 1976

DEPUTY ADMINISTRATOR

Honorable Edward Brooke
Subcommittee on Foreign Operations
Committee on Appropriations
United States Senate
Washington, D. C.

Dear Senator Brooke:

In our continuing desire to cooperate with the Congress and your Committee, I want to inform you of several changes in the Agency's program during the Transition Quarter.

These changes do not represent new programs but are simply FY 1976 programs which we now plan to undertake during the Transition Quarter. As the FY 1976 Appropriations legislation did not become law until the last day of the fiscal year, it has not been possible to complete our FY 1976 program as planned. All of the the projects and programs on the attached list were included in the A.I.D. FY 1976 Congressional Presentation or were notified during FY 1976. These are ready and we plan to obligate them during the Transition Quarter.

The FY 1976 descriptions of these projects provided Congress remain valid. Copies of these project descriptions are attached for your information.

Sincerely yours,


John E. Murphy

Attachment: a/s



<u>PROJECT TITLE</u>	<u>ACCOUNT</u>	<u>FY 76 CP PAGE OR NOTIFICATION</u>	
		<u>Number</u>	<u>Number</u>
Egypt-Electric Power Plant	Supporting Asst.		57
Egypt-Cement Plant	Supporting Asst.		58
Egypt-Technical and Feasibility Studies	Supporting Asst.		60
Egypt-Cargo Handling Equipment	Supporting Asst.		61
Egypt-Mahalla Textile Plant	Supporting Asst.		62
Jordan-Technical Servs. and Feasibility Studies	Supporting Asst.		64
Jordan-Road Improvement	Supporting Asst.		65
Jordan-School Construction	Supporting Asst.		66
Portugal-School Construction	Supporting Asst.		88
Syria-			
(a) Damascus-Dera'a Highway			
(b) Euphrates Basin Irrigation	Supporting Asst.		90
Egypt-PVC Pipe Drainage	Supporting Asst.		106
Egypt-Bank of Alexandria	Supporting Asst.		107
Egypt-Rural Health Service	Supporting Asst.		109
Egypt-Commodity Import Program	Supporting Asst.	7	



<u>PROJECT TITLE</u>	<u>ACCOUNT</u>	<u>FY 76 CP PAGE OR NOTIFICATION</u>	
		<u>Number</u>	<u>Number</u>
Egypt-Gas Turbine Generators	Supporting Asst.	28	
Jordan-Budgetary Support	Supporting Asst.	49	
Portugal-Technical Consultants	Supporting Asst.	85	
Greece-Commodity Imports	Supporting Asst.	82	
Bahrain-Development Administration	Supporting Asst.	108	
Cyprus-Disaster Relief & Rehabilitation Activities	Disaster Relief	78	





Country: BAHRAIN

GRANT ACTIVITY DATA

TABLE III

TITLE	FUNDS	PROPOSED OBLIGATION (\$000)	
		FY 76	5th Q.
Development Administration	Security Supporting Assistance	600	100
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
NUMBER	Page 209, NESA FY 76 Budget Submission	FY: 1976	FY: 1977

Project Target and Course of Action: This project is designed to provide to the Government of Bahrain (GOB) a variety of U.S. technical expertise to develop and improve current systems of administration and management, to research and develop new management systems, and to train GOB counterparts in the techniques of modern administration and management. Specific organizations within the GOB will become responsive to development needs and operate programs adapted to the requirements of their constituencies. Key leaders will understand modern concepts of administration and management and will be able to assist their organizations in the development and implementation of effective administrative and managerial practices.

5th Quarter: For the interim quarter, \$100,000 is requested to continue ongoing programs.

Background: A list of requirements for technical services is being prepared by the GOB for discussion with A.I.D. From that list specific areas will be selected and targeted for U.S. assistance.

FY 1976 Program: For FY 1976 a total of \$600,000 is being requested to finance the services of up to ten U.S. technicians for assistance to the targeted areas agreed to by the GOB and A.I.D. These funds will provide for approximately 144 man-months of services.

U.S. DOLLAR COST (In Thousands)										PRINCIPAL CONTRACTORS/ AGENCIES				
Through 6/30/74	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS									
	-0-	-0-	-0-		Actual	Proposed FY 76			Proposed 5th Q.					
					Actual FY 75	Direct AID	Contract/Other Agency	Total	Direct AID		Contract/Other Agency	Total		
Actual FY 75	-0-	-0-		U.S. Technicians ..	-	-	-	-	600	600	-	-	100	Not yet selected.
Actual through 6/30/75	-0-	-0-	-0-	Participants	-	-	-	-	-	-	-	-	-	
Proposed FY 76	600	Future Year Obligations	Estimated Total Cost	Commodities	-	-	-	-	-	-	-	-	-	
Proposed 5th Quarter	100	400	1100	Other Costs	-	-	-	-	-	-	-	-	-	
				Total Obligations ..	-	-	-	-	600	600	-	-	100	

GRANT ACTIVITY DATA

Suez Reconstruction Cement Plant 163-12-230	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (1000)	
	PRICE REFERENCE FY 1976 ME Peace and Security Support Assistance C.P.	790,000	
		INITIAL OBLIGATION FY: '76	SCHEDULED FINAL OBLIGATION FY: '76

Project Target and Course of Action: This project will finance the foreign exchange costs required for construction of a cement plant with the capacity to produce one million metric tons annually. This added capacity will provide a significant amount of the additional cement needed for the reconstruction effort in the war damaged Suez Canal area.

Background: As an important adjunct to its moves toward peace with Israel, the Egyptian Government has developed a program of rapid reconstruction of the Suez Canal area and a complementary, long-range national economic development program.

The planned government construction alone will require massive quantities of cement, and there will be a similar increase in demand by the private sector, which has had virtually no real growth since 1967. Even with little investment capital available during the past eight years due to military expenditures, reports indicate that available cement supply barely satisfied domestic demand for that period. The Government of Egypt has outlined a program to more than double by 1981 the current level of cement production. Projections show there will be a need for new production facilities capable of producing an added 3.5 million tons per year to satisfy even the most conservative estimate of domestic demand for cement expected by 1978.

In order to reduce cement imports, to support the economic growth of Egypt, and especially to relieve the strain on current plant capacity, which is unable to supply the Suez Canal Area Reconstruction Program's large requirement for cement, the Government of Egypt has requested that the United States finance a new cement plant with the capacity to produce one million tons of cement annually. The myriad cement-consuming activities in the total Suez Area Reconstruction effort include the needs for housing, culverts, pipes, poles, roads, bridges, construction of industries and public utilities, and improvement of the infrastructure supporting the agricultural sector.

FY 1976 Program: The \$90 million will provide foreign exchange costs for construction of a new cement plant, including electric power offsites. The Government of Egypt will finance the local costs requiring Egyptian pounds, currently estimated at LE 23 million (equivalent to \$54 million at the official rate of exchange). Dollar financing would fund equipment and services of U.S. origin required in the construction.



Country: EGYPT

LOAN ACTIVITY DATA

Title	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (10000) 31,000
Cargo Handling Equipment (Port, of, Alexandria)	KIND OF LOAN Project Loan	INITIAL OBLIGATION FY: 76

Project Target and Course of Action: This program is to provide basic cargo handling equipment which is required to improve the efficiency of operation of the Port of Alexandria. The increased off-loading capacity of the port will result in considerable financial savings by decreasing demurrage charges for vessels, which often must wait a considerable time prior to unloading.

Background: Since 1967, the Port of Alexandria has been the only Egyptian port capable of handling major international freight, and, therefore, has over-extended its facilities to the current point of incipient breakdown. Even after Port Said, Suez City and other ports are put into operation, Alexandria will remain Egypt's major port.

Port congestion at Alexandria has increased considerably over the past year largely due to the need for commodities in the massive effort of reconstructing the war-damaged areas and for basic items, including foodstuffs, required by Egypt's large population. With the anticipated growth of the Egyptian economy, current facilities at the Port of Alexandria would continue to be inadequate even with other ports operating.

In April, 1975, the Government of Egypt requested the U. S. to provide advisory assistance in an effort to bring some immediate relief to the port congestion at Alexandria. Although the focus was on the day-by-day operation of the port, including organization, traffic control and scheduling, as part of the assistance, recommendations for required longer term

improvement were requested. The need for equipment was identified as the major and primary constraint; notably, there is a serious shortage of mobile cranes, forklift trucks, transport equipment, bulk cargo handling equipment, and marine equipment, among others.

The IBRD and the Government of Japan have agreed with the Egyptian Government to fund different but complementary segments of the Port of Alexandria improvement program, and have coordinated their involvement with AID.

FY 1976 Program: A loan of \$31 million will finance purchases from U. S. sources of cargo handling equipment to support the Egyptian Government's program of improving the operation of the Port of Alexandria, and other equipment identified as necessary for effective port operations.



Country: Egypt

LOAN ACTIVITY DATA

TABLE IV

TITLE	FUNDS	PROPOSED OBLIGATION (130001)
Mahalla Textile Plant Rehabilitation	Security Supporting Assistance	\$96,000,000
	KIND OF LOAN Project Loan	INITIAL OBLIGATION FY: 176

Project Target and Course of Action: This project loan will finance a major rehabilitation and expansion of Egypt's largest textile manufacturing company. This important facility is faced with rapidly deteriorating equipment and machinery on a large scale. This loan will finance textile machinery and other plant support equipment such as electric power generators from U.S. sources. Improvement of the existing plant will bring about the increased productivity that will help to meet Egypt's growing needs for textiles.

Background: Over the past fifty years, Egypt has attempted to construct textile manufacturing facilities to supply its own population and a small export market. In doing so, it constructed a large textile facility at Mahalla in the Nile delta area where it produces a wide variety of cotton, woolen and blended natural and synthetic fiber textiles and some finished garments. With periodic expansion since 1927, it has grown to be one of the world's largest facilities of its kind, on one site.

However, in recent years it has been increasingly difficult to maintain productivity. With limited investment resources available, Mahalla has not replaced a large amount of machinery that is old and of decreasing productivity. Although the plant's maintenance capacity is good and equipment repair and rehabilitation is performed at a high level, increasing equipment age has resulted in unreasonably high machinery breakdown rates and longer repair times, with an increasing danger of productivity

To better assess the Company's needs in equipment and their planning, productive and maintenance capacities AID financed a major U.S. textile consultant team of seven men to evaluate expected needs at the plant site Egypt. The results of their detailed examination of plant and its operations have provided the basis for project proposed here.

FY 1976 Program: A loan of \$96 million is requested provide sufficient resources to finance new equipment related technical assistance from U.S. sources to rehabilitate Egypt's major textile plant.



Country: Egypt

LOAN ACTIVITY DATA

PVC Pipe Drainage	FUNDS	PROPOSED OBLIGATION (FY)
	Security Supporting Assistance	\$31,000,000
	KIND OF LOAN	INITIAL OBLIGATION
	Project Loan	FY: 1976

Project Target and Course of Action: This project will finance in-country production of polyvinyl chloride (PVC) drainage pipe. The pipe is an essential component of a drainage program for about 500,000 acres of land in Upper Egypt aimed at increasing the agriculture productivity of that area.

FY 1976 Program: A loan of \$31 million is requested to purchase from U.S. sources (a) three plants to produce plastic drainage pipe, (b) sufficient raw materials for production of the amount of pipe required to install a drainage system in about 500,000 acres of agricultural land, and (c) technicians to ensure effective operation and maintenance of the plants.

Background: Over recent years, major agricultural areas in Egypt have been suffering from declining productivity due to poor drainage. In an attempt to restore these areas, the Government of Egypt has requested AID and World Bank assistance to finance a drainage program utilizing PVC pipe to drain planted areas and sectional open drains for system drainage. In all, some 500,000 acres of traditionally productive land will be reconstituted, some of which has had significant drops in productivity and some of which has been removed from production because of high levels of salinity.

This project will finance three plants to manufacture PVC pipe in the general geographic locations of the irrigated areas that will utilize it. In addition, it will finance a five-year requirement of polyvinyl chloride resin for pipe production and a technical assistance team for plant erection, start-up and operation. The World Bank will finance the installation of the drainage system and a small Bilharzia control program to control that canal-related disease.



Country: Egypt

LOAN ACTIVITY DATA

TITLE	FUNDS	PROPOSED OBLIGATION (1966)
Bank of Alexandria	Security Supporting Assistance	\$ 32,000
	KIND OF LOAN	INITIAL OBLIGATION
	Project Loan	FY: 1976

Project Target and Course of Action: The purpose of this project is to provide the means by which private as well as public sector enterprises in Egypt can obtain the foreign exchange credits they need to make productive investments. The proceeds of the proposed loan to the Government of Egypt would be re-loaned to the Bank of Alexandria to be in turn loaned to Egyptian enterprises in need of U.S. source equipment and services to achieve investment objectives.

Background: The Bank of Alexandria is the Government of Egypt's designated source of term lending to the private industrial sector. The Industrial Development Association (IDA) has provided two separate credits to the Bank of Alexandria (BOA) for purposes similar to those of this loan. The latest credit for \$25 million was provided in July 1975 and represents the sole source of foreign exchange available to BOA at this time. The requirements for foreign exchange for term investment, however, far outweigh these existing resources. As of March 31, 1975, 121 industrial projects with proposed investments of approximately \$138 million had been approved by BOA and were awaiting implementation pending availability of financing.

The proceeds of this loan together with the aforementioned credit from IDA will constitute the only source of foreign exchange available for private sector industrial investment purposes from institutional sources in Egypt. We therefore expect these loans to make a major contribution to implementation of the Government of Egypt's policy of expansion and diversification of private industry, which in turn supports its economic liberalization policy.

BOA's historical record demonstrates the professional capacity to assume additional financing responsibility.

BOA has a competently staffed lending unit which carefully evaluates all investments in relation to their technical, economic and financial soundness.

FY 1976 Program: A \$32 million loan will be made to the Government of Egypt for utilization by the Bank of Alexandria for sub-loans to private sector and public sector industries. These sub-loans will follow banking criteria established by the loan agreement and will be at the term 15 years maturity with a 3-year grace period and 10% annual interest.

It is anticipated that from 75 to 100 individual private sector enterprises will be recipients of these sub-loans. Only U.S. source goods and services will be eligible for financing with these funds and all procurement will adhere to AID regulations.



COUNTRY: EGYPT

GRANT ACTIVITY DATA

TITLE Technical and Feasibility Studies	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (1976)	
	PRIOR REFERENCE REF pp 24, FY 1976 M.E.	FY 76 8,000	5th Q. 22
NUMBER	Peace and Security S. A. Program	FY: 76	FY: 76

Project Target and Course of Action: This project will finance the cost of the services of U.S. firms, agencies or individuals to perform technical, analytical, pre-feasibility and feasibility studies for prospective development projects and programs in Egypt.

Progress to Date: One of the most serious constraints on Egyptian economic development at this point is the shortage of thoroughly planned, financeable projects and programs to absorb widespread offers of assistance and interested private investment capital. While many prospective donors have made offers of financial assistance for projects in Egypt, much of this assistance has not yet been committed due to a paucity of projects that have been professionally researched, analyzed and found to be economically feasible.

Egypt lacks the internal resources to conduct the studies needed to effectively utilize the economic development assistance potentially available from donors and investors, and has requested our assistance in conducting such studies. American expertise utilized in this way will improve the speed and effectiveness of Egypt's economic development program, identify specific projects and programs towards which current offers of assistance can be applied, and, as sound activities are developed, help attract and put to use additional third

country assistance in a way that will produce balanced expansion of infrastructure and income producing projects. The U. S. expertise employed for these studies will be drawn largely from the U. S. private sector. However, U. S. Government agencies also will be utilized in those cases where the best source of expertise lies within the Government.

FY 1976 Program: This request for \$8 million will finance U. S. expertise to conduct an expanded number of studies which includes among others: (1) Power Demand, (2) Environmental Studies, (3) Grain Distribution, (4) Water Systems for Cairo and Alexandria, (5) Agriculture Equipment, (6) Investment Guide, (7) Electrical Distribution System, (8) Paraxylene dimethylterephthalate production for textiles, (9) National Electrical Energy Control System, (10) Water and Sewage Systems for Suez City, (11) Telecommunications, and (12) Improved operation of textile plants. In addition, the grant will finance the services of U. S. technicians that may be required to ensure effective start-up of AID financed projects and the services of two longer term advisors who will operate under the auspices of the newly created U.S.-Egypt Business Council in the development of technical feasibility information on projects in Egypt of potential interest to private investors.

U.S. DOLLAR COST (In Thousands)

Through 6/30/74	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS								
					Estimated FY 1975			Proposed FY 76			Proposed 5th Q.		
Estimated FY 75					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total
Estimated through 6/30/75				U.S. Technicians ..									
Report FY 76	8,000	Future Year Obligations	Estimated Total Cost	Participants									
				Commodities									
				Other Costs									

PRINCIPAL AGENCIES
 SEAL OF THE FORD LIBRARY
 various sections

GRANT ACTIVITY DATA

TABLE

TITLE Improvement of Rural Health Services	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (\$000)	
	PRIOR REFERENCE p 26 in FY 1976 C.P. for Middle East Peace and Security S.A.	FY 76 1,800,000	5th Q. -
NUMBER 263-11-590		INITIAL OBLIGATION FY: 1976	SCHEDULED FINAL OBLIGATION FY: 1980

Project Target and Course of Action: To improve existing government rural health services in Egypt through the provision of advisory services, training, and equipment which will be needed to upgrade the productive capacity of the system, particularly in preventive health, environmental sanitation and family planning.

Progress to Date: The Government of Egypt maintains and operates approximately 2,800 health clinics located at village centers throughout the rural areas of the country. Through this chain of facilities, the Government is able to reach an estimated 85% of its non-urban population with minimum medical services. For the most part, however, these services have been limited to treatment of disease; little has been accomplished in developing a preventive medicine program. There is virtually no outreach capacity in this system and little cognizance of its need. Yet, a large share of the disease caseloads of these clinics - e.g., diarrheal diseases -- are directly attributable to poor environmental health conditions and to a lack of basic information on nutrition and health by the general populace. A major effort in this project will be directed toward training of rural health workers and toward increasing among the rural population the general level of environmental health awareness and familiarity with family planning principles and activities. This will be accomplished

through in-country as well as participant training, through the provision of a series of short-term U.S. advisors, and by making available supplies and educational materials as means of better reaching villagers with health information.

FY 1976 Program: With \$1,800,000 of FY 1976 funds A.I.D. intends to provide a contract team to work with Egyptian Ministry of Health personnel in the training medical personnel and the establishment of public health programs through rural clinics (\$600,000); long term and short-term training and observation tours (\$200,000); and equipment and material such as simple filtration devices, communication equipment, vehicles medical equipment and supplies (\$1,000,000).



U.S. DOLLAR COST (In Thousands)

Obligation Period	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS										
					Estimated FY 1975			Proposed FY 76			Proposed 5th Q.				
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total		
through 6/30/74	-	-	-												
through FY 75	-	-	-												
through 6/30/75	-	-	-												
through FY 76	1,800	Future Year Obligations	Estimated Total Cost												
through 5th quarter	-	6,050	7,850	Total Obligations				1,200	600	1,800					

PRINCIPAL CONTRACT AGENCIES
Department Health, Education and Welfare and various other contractors

Country: EGYPT

LOAN ACTIVITY DATA

TABLE IV

TITLE	FUNDS	PROPOSED OBLIGATION (\$000)
Commodity Import Program II	Security Supporting Assistance	FY 1976 250,000
	KIND OF Activity Program Loan	INITIAL OBLIGATION FY: 1976

Project Target and Course of Action: The Commodity Import Program provides the Government of Egypt with loan financing to import, primarily from U.S. sources, machinery and equipment, spare parts and raw and semi-finished goods needed by its agricultural and industrial sectors to increase domestic production.

Progress to Date: Despite sizeable amounts of assistance from other donor countries over the past two years, Egypt continues to face extremely difficult balance of payments problems and has requested support in the form of commodity financing. Without this kind of assistance, Egypt, under its current financial circumstances, would be unable to continue to import the goods it badly needs in its program of reconstruction and economic revitalization.

During FY 1975, IBRD and A.I.D. loans helped substantially to alleviate Egypt's current difficulties; additional commodity financing loans are expected in FY 1976 from IBRD and also from other countries such as Iran, Japan and the European nations. With a projected foreign account deficit for 1976 well in excess of \$2 billion, Egypt will continue to need substantial additional concessional financing from other sources as well.

FY 1976 Program: \$250 million is requested to continue broad scale support to the Egyptian economy which was begun in FY 1975. As was true of the FY 1975 loans for this program, these funds will be utilized to procure, from U.S. sources, a wide range of commodities needed by the agriculture and industrial sectors of Egypt, which continue to suffer the effects of pervasive under-investment and foreign exchange shortage over the past several years.



Country: EGYPT

LOAN ACTIVITY DATA

TABLE IV

TITLE	FUNDS	PROPOSED OBLIGATION (\$000)
Gas Turbine Generators	Security Supporting Assistance	FY 76 60,000
	Kind of Activity Project Loan	INITIAL OBLIGATION FY: 1976

Project Target and Course of Action: The purpose of this project is to provide turbine generators capable of producing 360 MW of electric power. These generators would provide reliable power to an expanding industrial area 25 kilometers south of Cairo, and, at the same time, relieve the strain on the regional power facilities.

Background: The Ministry of Electricity of the Government of Egypt has projected the increases in power demands for Egypt for the next ten years and has also outlined the plan to install additional power-generating capacity to meet these increases in a time-phased manner. This comprehensive national energy plan underlines some periods of deficiencies in the generation of power, one of which is the present shortage in the major industrial area of Helwan. The use of turbine generators is quite appropriate at Helwan because they can be put into operation very quickly to supply the immediate need brought about by the increased industrial activity in the area.

In the future, when sufficient power from other facilities comes on line to serve Helwan, the turbine generators could be moved to other deficit areas.

As the planned national electric grid network takes shape and the turbine generation no longer is needed as a primary power source, the turbines then would be utilized only during peak times or as a standby power source.

FY 1976 Program: A loan of \$60 million is required to provide gas turbine generators of U.S. manufacture which will be used by the Government of Egypt in their national electrification plan.



Country: GREECE

LOAN ACTIVITY DATA

TITLE	PURPOSE	PROPOSED OBLIGATION (\$000)
Commodity Import Program	Security Supporting Assistance	65,000
	KIND OF LOAN Commodity Import	INITIAL OBLIGATION FY: 1976

This commodity import loan will provide a wide range of commodities required for improved production in the agricultural and industrial sectors. The loan will provide short-run assistance to finance machinery, spare parts, equipment and essential materials and durable goods needed to assist the Greek Government's efforts to modernize and restructure agriculture and industry with a greater emphasis on export-oriented investment and the development of local energy resources. Loan terms will be 25 years at 5 percent with a 5 year grace period.



Country: JORDAN

SECURITY SUPPORTING ASSISTANCE LOAN ACTIVITY DATA

TABLE

TITLE	FUNDS	PROPOSED OBLIGATION (\$000)
Road Improvement	Security Supporting Assistance	4,000
	KIND OF LOAN	INITIAL OBLIGATION
	Project Loan	FY: 1976

Goal: A Government of Jordan goal is to induce structural changes in the Jordan economy through improvement of basic infrastructure, thereby achieving a more equitable distribution of national income.

Purpose: To provide improved access to commercial markets for the rural population.

Background: The Government of Jordan long has recognized the necessity to integrate its rural population into the mainstream of the Jordanian economy. Government programs are being designed to improve the quality of life of the rural population. A major obstacle to development in many rural areas is the absence of adequate roads over which produce can be brought to market without excessive spoilage. Under the "Five Year Plan for Economic and Social Development, 1976-1980" the Government of Jordan plans to extend and improve its road system, and will expend about \$112 million equivalent for this purpose during the Plan period. Improvements proposed include the construction of new highways, resurfacing of primary and secondary roads, and construction of village roads.

Major Outputs: Improvement of approximately 105 miles of roads.

Host Country and Other Donors: \$1.5 million equivalent for local currency costs associated with supervision of construction and construction to be provided by the Government of Jordan, Ministry of Public Works (MPW).

loan will be used to finance design, supervision of construction, and construction of selected rural roads. The criterion used for selection of roads to be constructed or improved is the impact that the road improvements will have on the movement of commodities to market areas.

A.I.D. Financed Inputs

MPW Force Account Contribution	\$3,000,000
Private Construction Contractor	<u>1,000,000</u>
	\$4,000,000



TITLE	FUNDS	PROPOSED OBLIGATION: (1976)
Budgetary Support	Security Supporting Assistance	FY 1976 57,000
	Kind of activity Cash Grant	INITIAL OBLIGATION FY: 1971

Project Target and Course of Action: The purpose of this activity is to provide budget support to the Jordan Government to enable the government to maintain the essential level of domestic outlays, thereby enhancing economic and political stability.

Background: Prior to the 1967 Arab-Israeli War, Jordan had achieved an annual economic growth rate of about 10% with the help of development assistance from the United States and other donors. Following the war much of Jordan's more productive territory was occupied by Israel, and most of Jordan's traditional sources of foreign exchange, such as tourism, were lost. Loss of revenue and other economic disruptions initially were offset to a large extent by budget support payments from Jordan's Arab neighbors under the so-called "Khartoum Agreement."

However, the growing military strength of the Arab guerrillas led them to challenge the Jordan Government and in September 1970 King Hussein successfully pressed a campaign against the fedayeen which resulted in a cessation of firing along the Israeli-Jordanian border and re-established King Hussein's control over the East Bank.

This was a very favorable development in the Middle East situation from the U.S. point of view, but was attained at a considerable economic cost to Jordan, as it prompted several Arab donors to halt their substantial cash subsidies. In the wake of this fighting, the United States undertook a supporting assistance program to bolster Jordan's economy and enable the Government of Jordan to maintain a certain measure of economic independence. Budgetary support is an essential element of this program.

As a result of the November 1974 Rabat Summit Conference, Arab oil-producing states pledged up to \$300 million a year to Jordan in economic and military assistance. However, it is believed that actual annual payments will be considerably less than the amount pledged, and that the bulk of these funds will go for military equipment purchases. Thus, there will continue to be a need for budget support from the United States until Jordan's narrow economic base is expanded and developed to the point where it can yield adequate revenues to cover Jordan's national budgetary requirements.

FY 1976 Program: A total of \$57 million in security supporting assistance funding is requested to continue this program during FY 1976.



Country:

SECURITY SUPPORTING ASSISTANCE LOAN ACTIVITY DATA

TABLE

TITLE	FUNDS	PROPOSED OBLIGATION (10000)
School Construction	Supporting Assistance	\$7,000
	KIND OF LOAN Project Loan	INITIAL OBLIGATION FY: 1976

Goal: The goal of this project is to eliminate the use of inadequate rented facilities for instructional purposes by constructing new schools at the elementary and preparatory levels. This will result in an improved instructional process and economies in the use of educational resources.

Purpose: To construct 23 modern cost-effective primary and preparatory schools for the 6-14 age group to increase their participation in agricultural, vocational and science education.

Background: At present 83 percent of primary and preparatory classrooms are in former dwelling houses rented by the MOE. Ventilation, sanitation and lighting in most facilities is deficient to the extent that over the past five years increased rates of repeaters and drop-outs can be partially traced to the inadequacy of rented facilities in meeting educational objectives. To alleviate these conditions, the Government of Jordan developed a modular, standard school design in 1971 which has been modified each year to coincide with official changes in curriculum. The MOE plans to construct enough schools each year to absorb new enrollments and approximately 15 percent of those pupils overcrowded in rented facilities. During the Five Year Plan period (1976-1980), the Government has programmed approximately \$18.5 million equivalent to construct 50 schools; in 1976-1977 the MOE capital budget provides \$4.0 million equivalent.

Major Outputs: Three major outputs arise from this project:

1. 642 new classrooms for approximately 40,440 boys and girls in rural and urban locations.
2. Approximately 38 laboratories and/or workshops in addition to classrooms for agricultural, vocational and science education and training.
3. Sixty-one percent of new classrooms are for females.

Host Government and Other Donors: The Government of Jordan will provide approximately \$6.2 million equivalent in local currency for land, furniture and equipment and construction costs.

FY 76 Programs: A.I.D. proposes to provide a loan of \$7,000,000 to finance construction of 23 schools under local contracts in rural and urban Jordan.

A.I.D. Financed Inputs: Construction loan \$7,000,000.



Country: PORTUGAL

GRANT ACTIVITY DATA

TITLE Technical Consultants and Training	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (\$000)	
		FY 76 1,000	5th Q.
NUMBER 150-15-995-001	PRIOR REFERENCE Section 496 Funds	INITIAL OBLIGATION FY: 1975	SCHEDULED FINAL OBLIGATION FY: 1976

Project Target and Course of Action: The purpose of the project is to help Portugal through a difficult period of political and economic transition by providing financing of short-term U.S. consultants and training of Portuguese in fields critical to the success of Portugal's development program.

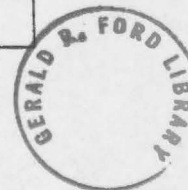
Progress to Date: A grant agreement of \$750,000 was signed by the Governments of Portugal and the United States on February 28, 1975 in Lisbon. This agreement provides grant financing to cover the costs of: a) contracts with United States private firms, universities, individuals or other organizations to conduct studies, to provide advisory services, or to prepare projects for implementation; and b) training programs in development fields of high priority to the Portuguese Government.

The Portuguese Government has proposed that one-third of the grant (\$250,000) be used for training managers of public sector development programs in various ministries; a third for training specialists at various levels in agriculture; and a third for agricultural consultants to participate in regional agricultural development studies in areas of Portugal programmed for agrarian reform. The Harvard Institute for International Development and the Maxwell School for International

Studies at Syracuse University may assist with the proposed public service training programs. Plans for carrying out these and other training and consultant activities are being discussed now with the Portuguese.

FY 1976 Program: A total of \$1,000,000 is requested in FY 1976 to continue this technical assistance program by providing additional grant financing for technical consultants and training. \$750,000 of this request will provide up to 15 man-years of long and short-term assistance at an average cost of \$50,000 per man year. Such assistance will consist primarily of consultants drawn from other federal agencies, U.S. universities and private contractors. \$250,000 will fund training costs of up to 25 Portuguese participants.

U.S. DOLLAR COST (In Thousands)										PRINCIPAL CONTRACTORS/ AGENCIES					
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS										
					Estimated FY 1975			Proposed FY 76			Proposed 5th Q.				
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency		Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/74	-	-	-												
Estimated FY 75	750	-	-												
Estimated through 6/30/75	750	50	700	U.S. Technicians ..	50	450	500	50	700	750	-	-	-		
				Participants	100	150	250	100	150	250	-	-	-		
				Commodities	-	-	-	-	-	-	-	-	-		
Proposed FY 76	1,000	Future Year Obligations	Estimated Total Cost	Other Costs	-	-	-	-	-	-	-	-	-		
Proposed 5th Quarter	-	-	1,750	Total Obligations ..	150	600	750	150	850	1000	-	-	-		



Country: Portugal

LOAN ACTIVITY DATA



TITLE	FUNDS	PROPOSED OBLIGATION (0000)
School Construction A.I.D. Loan No.150-K-006	Security Supporting Assistance	11,000
	KIND OF LOAN Project	INITIAL OBLIGATION FY: 1976

Goal: To provide better education in secondary and preparatory schools in Portugal.

Purpose: To provide improved educational facilities and stimulate the economy through public sector investment.

Background: Prior to the April 1974 revolution in Portugal the attention given to the school system, in particular the construction and maintenance of school facilities was minimal. Illiteracy for children over 14 years is approximately 30% in Portugal. Under the present government, the Ministry of Education has decided that secondary and preparatory schools will be built on a crash basis. Over the next 5 years some 215 schools at the preparatory and secondary level are programmed for construction. Many communities have no educational facilities and overcrowding is often a rule when the facilities do exist. The average class size is 75 students in preparatory schools (ages 10 to 12 years) and 59 in the secondary schools (ages 13-15).

The problems of overcrowding have been aggravated by three factors: 1) a government decision to increase compulsory education from six to eight years of schooling; 2) the return of 600,000 returnees from the former Portuguese colonies of which about 50% are estimated to be under 15 years old; and 3) the Portuguese population's increased interest in education as a means of achieving a higher standard of living.

This project will provide funds for the Ministry of Education to expand its school con-

struction program. The education facilities being built under this loan will complement variety of other GOP activities including modernization of school curricula and teacher training. An important side effect of the project will be to generate employment in the fields of construction and education, both which are currently experiencing high unemployment rates. The basic building designs and construction methods proposed will be largely intensive and provide employment opportunity for both skilled and unskilled labor.

Major Outputs: Nineteen schools will be constructed under the project providing classroom facilities for approximately 11,600 students. The project will also allow for the procurement of \$100,000 worth of U.S. equipment to be used in the first phase of an educational television program to train teachers.

Financing Procedures: Proceeds of the A.I. loan will be made available to the GOP according to a modification of the Fixed Amount Reimbursement (FAR) method. A.I.D. and the GOP agree upon a fixed amount, stated in local currency, to be reimbursed for each school, said amount to be computed as 80% of the net construction cost. Then, because of the GOP's critical need for quick-disbursing assistance, reimbursements will be made quarterly, based on actual construction in place as evidenced by contractor invoices and GOP certification, verified by periodic inspection.

Host Country and Other Donors: The Portuguese Government is financing about one-third of 1976-77 secondary school construction program.

Country: Portugal

from its own resources. In 1976 the government has budgeted operating expenditures for preparatory and secondary school at \$219.7 million (teacher and staff salaries account for 79% of the budget). GOP overall capital expenditures for education (schools, construction and equipment) were \$62.9 in 1975. Other donors have not indicated an interest in financing school construction but are considering programs which would be complementary to the U.S. funding. The World Bank is exploring a plan for construction of facilities such as teacher/student residences, a teacher training facility, and expansion of the polytechnic schools. Sweden, OECD and the Council of Europe are assisting with a variety of training and technical assistance programs (e.g., teacher training, curriculum design and open university planning).

FY 76 Program: \$11 million is requested in FY 1976. Some schools to be constructed under this loan are expected to be completed by December 1976. The GOP estimates that all nineteen schools should be finished by the late summer of 1977.



Basic Sanitation A.I.D. Loan No. 150-K-007	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (0000) 8,000
	KIND OF LOAN Project	INITIAL OBLIGATION FY: 1976



Goal: To assist the GOP in its efforts to extend the social benefits, to include improved health, of basic sanitary services to a greater percentage of the population, particularly in remote areas of the country.

Purpose: To provide operational water and sewerage service to primarily small towns in remote areas of Portugal.

Background: Until very recently, the provision of basic sanitation facilities (i.e. water supply and sewerage handling systems) to localities other than the major cities and tourist areas has been sadly neglected. Many municipalities, particularly in the more remote areas, have grown with little regard for necessary sanitation infrastructure. Recent (and repeated) outbreaks of cholera (especially in the highly populated regions of Oporto and Algrave), the highest infant mortality rate in Europe and the high number of deaths attributable to endemic water-borne diseases all reveal the country's serious deficiency in basic sanitation facilities. On a country-wide basis, it is estimated that roughly 40% of the homes lack toilets, either connected to sewerage systems or not. In the more remote areas, e.g. Beja in south-central Portugal and Braganca in the north-east, 80% to 85% of the homes are without toilet facilities.

This project will provide funds for the Ministry of Public Works (through the General Directorate of Basic Sanitation) to expand its program of furnishing water supply and sewerage systems to municipalities presently lacking such facilities. An important side effect of the project will be the generation of employment in the construction industry which is currently experiencing high unemployment. The water and sewerage systems are, for the most part, designed according to standard (for Portugal) criteria and will permit labor-intensive

construction methods thereby providing employment opportunities for both skilled and unskilled labor.

Major Outputs: Approximately 48 localities will be provided with water supply and/or sewerage handling systems, benefitting 75,000 to 80,000 people.

Financing Procedures: Proceeds of the A.I.D. loan will be made available to the GOP according to a modification of the Fixed Amount Reimbursement (FAR) method. A.I.D. and the GOP will agree upon a fixed amount stated in local currency, to be reimbursed for each system, said amount to be computed as 75% of the eligible construction costs. Then, because of the GOP's critical need for quick-disbursing assistance, reimbursements will be made quarterly, based on actual construction in place as evidenced by contractor invoices and GOP certification, and verified by periodic inspection.

Host Country and Other Donors: For 1976 the GOP has budgeted 1.5 billion escudos (\$50 million equivalent) for construction of basic sanitation facilities throughout the country. The proposed \$8.0 million A.I.D. loan will increase the total resources available for the program by 16%. No other donors have evidenced an interest in participating in this program of basic sanitation.

FY '76 Program: \$8.0 million is requested in FY '76. It is estimated that all sub-projects (i.e. water supply and sewerage handling systems) will be completed by the Spring of 1978, and all loan disbursements completed by mid-1978.

Country: Syria

LOAN ACTIVITY DATA

TITLE	FUNDS	PROPOSED OBLIGATION (10000)
Damascus-Dera'a Road	Security Supporting Assistance	\$45.9 Million
	KIND OF LOAN	INITIAL OBLIGATION
	Project Loan	FY: FY-1976

Goal: To improve the road network in Syria to assure adequate highways, primary and secondary roads to link urban centers, ports, agricultural regions, industrial areas, sites of natural resources and international road links in the export and import of commodities.

Purpose: Construction of a 104 km, four-lane highway from the outskirts of the capital city of Damascus to Dera'a near the Syrian/Jordanian border, where it will connect with a similar Jordanian road currently under study/design. The proposed road will provide adequate capacity to meet present and projected traffic volumes and vehicular loadings, generated domestically in southcentral and southeastern Syria, and will provide for international transport to Jordan and other eastern and southern states. The proposed alignment will replace the existing two-lane road designed to lesser standards. Studies indicate that the proposed road over the new and more favorable alignment is less costly than rehabilitation of the existing road, and that traffic safety and efficiency would be improved.

Background: The present highway from the Turkish border, the Syrian ports of Lattakia and Tartous, to Damascus and through to Amman, is the principal international surface route serving Damascus and Jordan where it connects with the highways to Saudi Arabia, and the Trucial States.

Using as base years 1967-1971, the rate of increase of traffic on the Damascus-Dera'a road has averaged 11.5 per cent a year. The rate of increase in automobile and truck registrations average 6.4 per cent per year for the period 1970-1974. The Economic Internal Rate of Return for the entire stretch of the proposed road is about 12.7 per cent.

French consulting firms (SCET-I & BCEOM) were retained by SARG's Ministry of Communications to make an economic technical feasibility study of the present road alignment between Damascus and Dera'a and on to the Jordan border and to do an economic and technical comparison of (1) the cost of rehabilitating and widening the present alignment with (2) the cost of constructing a new road over a different alignment, and (3) designing a road to meet present projected traffic needs, taking (1) and (2) into consideration as well as (4) operating costs of vehicles in terms of the existing and the proposed road. The results of the study demonstrated conclusively that it would be more economical from all points of view to build a new road.

The Executing Agency for the proposed project would be the Directorate of Highways and Bridges that has a demonstrated ability to manage construction of roads under contract with foreign companies. Tender documents were completed by a U.S. engineering firm who will also supervise the construction by a U.S. contractor.

Major Outputs: Major project outputs are:

- Support increased domestic and international trade;
- Lower maintenance costs;
- Lower operating costs of vehicles;
- Lower transportation charges to shippers domestically and internationally; and
- Encourage development of secondary and farm market roads connecting with the highway resulting in better distribution of agricultural produce.

Host Country and Other Donors: SARG will finance local costs of the project estimated at \$33.5 million and a portion (\$11.8 Mil) of the foreign exchange costs.

Country: Syria

LOAN ACTIVITY DATA

TITLE	FUNDS	PROPOSED OBLIGATION (1976)
Damascus-Dera'a Road	Security Supporting Assistance	\$45.9 Million
	KIND OF LOAN Project Loan	INITIAL OBLIGATION FY 1976

Continuation:

and above the amount of the AID loan. No other donors are participating in the proposed project.

FY 1976 Program: A loan for engineering and construction services is planned totaling \$45.9 million as follows:

	<u>Millions</u>
Engineering Services (Tender documents, engineering, and supervision of construction)	\$ 4.1
Construction Contracts	<u>41.8</u>
TOTAL	\$45.9



Euphrates Basin Irrigation
Maintenance Project

Security Supporting Assistance
KIND OF LOAN
Project Loan

\$17.6 Million
INITIAL OBLIGATION
FY 1976

Goal: To ensure continued operation of completed irrigation and drainage works and related structures in the Euphrates-Balikh River Basins.

Purpose: To give the General Administration for the Development of the Euphrates Basin (GADEB) the resources to maintain and repair, in the Balikh River Basin, irrigation, drainage, and reclamation works covering 95,000 hectares of agricultural land by the end of the year 1981.

Background: For development of irrigation the Syrian Government, through GADEB has given priority to the Balikh River Basin of the Euphrates River Basin where good soils can be utilized through gravity flow irrigation systems or by relatively low pump lifts. A number of projects in the Balikh River Basin are in various stages of development, totaling 95,000 ha, which will come on stream by the end of 1980/early 1981.

The project proposed is concerned with the maintenance needs of the irrigation and drainage works included in the 95,000 ha involving some 800 km of main supply and branch canals, 900 kms of secondary canals and flumes, 500 km of main surface drains, 800 km of roads and 10 major pumping stations. The project will include equipment necessary for repair and maintenance of canals, drains, associated roads and pumping stations, establish maintenance and repair shop facilities including training of personnel at all levels.

The Executing Agency would be GADEB, an organization that has demonstrated ability to plan and implement projects. GADEB is headed and staffed by qualified engineers who are experienced in carrying out large capital projects.

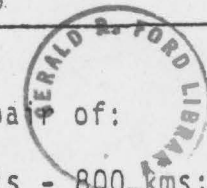
Major Outputs: Maintenance and repair of:

- Main Supply and Branch Canals - 800 kms;
- Secondary Canals and Flumes - 900 kms;
- Main Surface Drains - 500 kms;
- Roads, Secondary and Tertiary - 800 kms;
- Pump Stations - 10 each;
- U.S. trained participants; and
- Syrian trained supervisors, training personnel and equipment maintenance specialists and mechanics.

Host Country and Other Donors: The Government of Syria will finance all local costs in support of the development portion of the project estimated at \$17.6 million equivalent from its development budget; SAR also meet all costs of personnel, transportation and administrative overhead associated with the project for the annual operating budget. No other donors are participating in the proposed A.I.D. project.

FY 1976 Program: A loan for engineering and construction services is planned totaling \$17.6 million, as follows:

	Milli
Consulting Services	\$ 2.
Equipment & Machinery (including tools, shop machinery and installation)	12.
Participant Training (in U.S.)	
Contingencies & Escalation	2.
TOTAL	\$17



Country: CYPRUS

GRANT ACTIVITY DATA



TITLE Relief and Rehabilitation Activities	FUNDS Security Supporting Assistance	PROPOSED OBLIGATION (\$000)	
		FY 76 25,000	5th Q. 5,000
NUMBER	PRIOR REFERENCE *	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
		FY: 1975	FY: 1977

Project Target and Course of Action: To contribute to the relief of displaced persons in Cyprus.

Progress to Date: Since July 1974 the U.S. has contributed \$25 million--about half of all foreign donations--for the relief of displaced persons in Cyprus. U.S. assistance through the International Committee of the Red Cross (ICRC) and the United Nations High Commission for Refugees (UNHCR) has helped meet emergency needs for tents, blankets, medicines and food for displaced persons and has supported continuing feeding and relief operations in northern and southern Cyprus.

The International Committee of the Red Cross has concerned itself with treatment of detainees, protection of civilians, missing persons and humanitarian matters such as providing food, shelter and medical assistance to displaced persons and returnees. In FY 1975 the United States gave the ICRC \$4.2 million in cash and in the form of relief supplies.

The UN High Commission for Refugees, designated as coordinator for international relief on Cyprus, has played a key role in channelling international contributions, estimating relief needs in Cyprus, arranging for the purchase and shipment of food and relief items, and

distributing in both the northern and southern parts of the island camp beds, blankets, food, and medical supplies in cooperation with the local authorities, the ICRC and the UN Forces in Cyprus.

The United States responded to UNHCR appeals beginning in September 1974 and by the end of FY 1975 had contributed \$20.8 million emergency relief efforts as well as continued feeding programs, a housing program, assistance to schools, hospitals and old-age homes caring for displaced persons, and other relief and rehabilitation activities directly benefiting refugees in the north and the south.

FY 1976 Program: \$25 million is requested in FY 1976 to provide continued U.S. support of displaced Cypriots. Of this amount, about \$15 million would cover continued U.S. contribution to feeding programs for displaced persons through CY 1976. Total costs of feeding displaced persons in both zones of Cyprus are currently estimated at about \$2 million per month, and we expect it to decline as persons are settled into permanent homes and reemployed. U.S. contributions cover more than half the costs of this program. Contributions to the UNHCR from more than 46 governments and private organizations make up the rest of the feeding costs.

U.S. DOLLAR COST (In Thousands)										PRINCIPAL CONTRACTORS/ AGENCIES				
Through 6/30/74	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS									
	-	-	-		Estimated FY 1975 *			Proposed FY 76			Proposed 5th Q.			
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency		Total	Direct AID	Contract/Other Agency	Total
Estimated FY 75	25,000	25,000		U.S. Technicians ..	-	-	-	-	-	-	-	-	-	* Famine and Disaster Relief Funds
Estimated through 6/30/75	25,000	25,000	-	Participants	-	-	-	-	-	-	-	-	-	
Proposed FY 76	25,000	Future Year Obligations	Estimated Total Cost	Commodities	20000	-	20000	15000	-	15000	3000	-	3000	
Proposed 5th Quarter	5,000	15,000	70,000	Other Costs	5000	-	5000	10000	-	10000	2000	-	2000	
				Total Obligations ..	25000	-	25000	25000	-	25000	5000	-	5000	

GRANT ACTIVITY DATA

Continuation Sheet

CYPRUS

TITLE

Relief and Rehabilitation Activities

NUMBER

The remaining \$10 million in U.S. assistance would help support efforts to improve housing and living conditions of displaced persons, cash subsistence allowances, and food-for-work and other projects designated to provide employment and make displaced persons more self-sufficient. The U.S. contribution is expected to amount to roughly half of total costs of the programs carried out by the two international agencies.

5th Quarter Program: For continuation of these programs beyond FY 1976, we are requesting \$5 million during the 5th Quarter.



ENCLOSURE C

JUL 16 1976

MEMO FOR: AA/AFR, Mr. Scott
AA/A, Mr. Gardiner
AA/LA, Mr. Kleine
AA/NE, Mr. Nooter
AA/PHA, Mr. Pinkham
AA/SER, Mr. Mann
AA/TA, Mr. Farrar

FROM: AA/PPC, Philip Birnbaum

SUBJECT: Revised Guidelines for Congressional Consultation for
New Projects and Activities

The prior notification requirement of Section 113 of the FY 1975 appropriation act has been replaced in the FY 1976/TQ act by the following provision:

"None of the funds made available under this Act for 'Food and nutrition, Development Assistance,' 'Population planning and health, Development Assistance,' 'Education and human resources development, Development Assistance,' 'Technical assistance, energy, research, reconstruction, and selected development problems, Development Assistance,' 'International organizations and programs,' 'United Nations Environment Fund,' 'American schools and hospitals abroad,' 'Indus Basin Development Fund,' 'International narcotics control,' 'African development program,' 'Security supporting system,' 'Operating Expenses of the Agency for International Development,' 'Middle East Special requirements fund,' 'Military assistance,' 'International military education and training,' 'Inter-American Foundation,' 'Peace Corps,' 'Migration and refugee assistance,' or 'Assistance to refugees from the Soviet Union or other Communist countries in Eastern Europe,' shall be available for obligation for activities, programs, projects, type of material assistance, countries, or other operations not justified or in excess of the amount justified to the Appropriations Committees for obligation under any of these specific headings for the current fiscal year without the approval of the Appropriations Committees of both Houses of the Congress."

The Conference Report contains the following explanation of the types of projects or activities that are included within this provision:

The managers agree that any activity, program, project, type of material assistance, or other operation specifically set forth by recipient or country and by amount to be obligated in fiscal year 1976, or the Transition Quarter, in the fiscal year 1976 Congressional Presentation Document shall be deemed to have been



justified and the Committees informed. Similarly, amounts not in excess of the amounts proposed therein for obligation in fiscal year 1976, or the Transition Quarter, shall be deemed to have been justified and the Committees informed.

Any activity, program, project, type of material assistance, or other operation not specifically set forth by recipient or country and by amount to be obligated in fiscal year 1976, or the Transition Quarter, in the fiscal year 1976 Congressional Presentation Document shall be deemed not to have been justified and the Committees not informed. Similarly, amounts in excess of the amounts proposed therein for obligation in fiscal year 1976, or the Transition Quarter, shall be deemed to not have been justified and the Committees not informed.

Constructive consent will be implied if no objection is raised within fifteen days after notification of the proposed reprogramming.

In signing the appropriation act into law, the President stated in regard to this provision that "This requirement violates the fundamental constitutional doctrine of separation of powers...We shall continue to work with the Appropriations Committees, as with all Committees of the Congress, in a spirit of cooperation. We shall continue to keep the Congress fully informed on a current basis on the execution of the laws. However, we shall not concur in a delegation of the powers of appropriation to two Committees of Congress." (See attachment for full quote).

Consistent with the President's instructions, effective immediately AID will fully advise the Congress of all relevant program changes 15 calendar days prior to the obligation of funds. In advising the Congress of these changes the following procedures should be followed.

1. Coverage (as applied to the Transition Quarter)

a. Advice to the Congress is required for activities proposed for funding in the TQ when:

- The activity was not included in the Interim Quarter section of the 1976 CP.
- The scope or purpose of the activity is substantially different from that described in the 1976 CP so that it constitutes a new activity. This applies to amendments as well as initial authorizations or obligations.



- The funding source is different from that shown in the 1976 CP, i.e., a shift between appropriation categories.
- The activity was presented in the 1976 CP as a "shelf" item.
- The proposed funding is in excess of the amount contained in the 1976 CP.

2. Screening responsibilities

The Bureau/Office within whose jurisdiction the particular activity falls is responsible for determining whether advice to the Congress is necessary and for initiating the process.

3. Format and Contents

Two documents will be required: a brief statement per Attachment B and a new or revised grant or loan activity data sheet in the same format used for the FY 1976 Congressional Presentation. Letters for the Chairman and Ranking Minority Member of the Appropriations Committees in each House are not required.

4. Clearance Procedures

Advice to the Congress must be cleared by: (1) the responsible AA or DAA, (2) GC/LPC, Kelly Kammerer, (3) PPC/DPRE, and (4) DA, Mr. Murphy. The Bureau/Office proposing the notification is responsible for obtaining the clearances through PPC/DPRE. PPC/DPRE will then forward cleared projects to Mr. Murphy through DAA/PPC, Mr. Shakow. Once Mr. Murphy's clearance has been obtained, the relevant documents will be returned by PPC/DPRE to the originating Bureau/Office for transmittal to LEG/PPD, Attention: Sheridan Brinley. One clean original and three xerox copies should be provided to LEG/PPD. LEG/PPD will prepare cover notes/letters and transmit each advice to the Congress. No other clearances are required and bureaus are encouraged to minimize the number of clearances in order to expedite processing.

5. Reporting procedures

Bureaus/Offices are asked to submit to LEG/PPD, by memorandum with copy to PPC/DPRE, any change in their designated coordinating officer and alternates.



LEG/PPD is responsible for informing the Bureaus/Offices of the date of delivery of the revised data sheets and of any Congressional inquiries, comments or objections. Obligations may take place 15 days after date of delivery unless otherwise informed.

Attachments:

- A. President's Statement
- B. Format for statement describing changes or new projects.
- C. Statement to be used by LEG/PPD in preparing cover letter to chairmen and ranking minority members.



THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

I have signed H.R. 12203, the Foreign Assistance and Related Programs Appropriation Act, 1976, and the period ending September 30, 1976. The bill appropriates funds for a variety of programs in support of U.S. foreign policy objectives, most importantly our pursuit of a peaceful solution the the problems of the Middle East.

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AGENCY FOR INTERNATIONAL DEVELOPMENT

Country:

Project Title:

Project Number:

Appropriation Category:

Intended Obligation:

Provide a concise description of a changes from the Congressional Presentation for existing projects, or the reasons for a new project.

The description of changes must detail those elements in the existing project as presented in the Congressional Presentation that have changed and why they have changed. If a table is appropriate, it can be included in the narrative or included separately as an addendum to the activity data sheet.



TRANSMITTAL STATEMENT

FOR CHANGES

(Prepared by LEG/PPD)

We wish to inform you of the following changes
in the Agency's program during (the Transition Quarter)
(FY___)

1. Country and Title of Project
 - 2.
 - 3.
 - 4.
- etc.

Andrew F. Westwood
Chief, Program Presentation
Division
Office of Legislative Affairs



AGENCY FOR INTERNATIONAL DEVELOPMENT
ADVICE OF PROGRAM CHANGE

Country : Cameroon
Project Title : North Cameroon Seed Multiplication
Project Number : 631-11-130-001
Appropriation Category : Food and Nutrition
Intended Obligation : \$ 20,000

We are advising that we intend to obligate funds in the Transition Quarter in excess of the amounts included in the FY 1976 Congressional Presentation for the North Cameroon Seed Multiplication project in Cameroon.

The amount to be obligated is greater than that contained in the Congressional Presentation because it has been decided to implement the project with project funded direct hire staff, rather than rely totally on contractor personnel. The direct hire staff must be paid from obligated funds on a monthly basis, so the planned rate of obligating funds for the project will be increased by the \$20,000 required to fund them during the Transition Quarter, although the total cost of the project will not increase.

Attachment: Grant Activity Data



TITLE North Cameroon Seed Multiplication	FUNDS Food and Nutrition	PROPOSED OBLIGATION (\$000)	
		FY 76 500	5th Q. 20
NUMBER 631-11-130-0001	PRIOR REFERENCE FY 1976 Africa Programs, p. 146	INITIAL OBLIGATION FY: 1976	SCHEDULED FINAL OBLIGATION FY: 1981

Project Target and Course of Action: To improve and increase the production of cereals in the northern Cameroon region through the multiplication and dissemination of improved seed varieties. The project is intended to assist the Government of Cameroon in achieving two of its priority objectives - the expansion of agricultural production and the reduction of income disparities between regions of the country. Northern Cameroon is a relatively less advantaged area in which subsistence agriculture still plays a prominent role.

Under a separate A.I.D. regional project, high yielding varieties of seeds have been identified or developed and field trials of selected varieties of sorghum and millet have been conducted in northern Cameroon. Using the results of that work, this new project will select and multiply elite seed for these food crops at the Government's research stations at Maroua. Such seed will be disseminated for large seed multiplication through other projects in the area such as the European Development Fund-financed rural development project in northeast Benue province or an International Union for Child Welfare-sponsored project for training of young farm families, where multiplication can be carried out under reasonably well controlled conditions. In addition to improved seed, the project will introduce the use of seed dressings, which have already been successfully tried under similar circumstances in other areas of francophone Africa. These chemical dressings foster the germination

of seeds and also protect seeds that have been planted. The widespread distribution of improved seed and seed dressings will exploit existing channels such as A.I.D. or other donor supported agricultural projects, the parastatal cotton production organization, and Ministry of Agriculture extension service personnel. The latter will receive training under the project in the use of the new input package. A.I.D. assistance under this project will assist in the development of a capability for the production, processing and control of foundation seed stocks, in the organization of large scale seed multiplication programs, and in the establishment of systems of distribution to and guidance for the farmers in the use of improved seed and seed dressings.

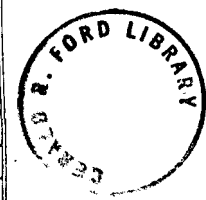
FY 1976 Program: FY 1976 funds (\$500,000) are for 2 man-years of direct hire technicians (\$110,000); 6 man-months of contract services for consultants (\$24,000); 15 man-months of long term training in the U.S. for 1 participant (\$12,000), 1 man-month of training in Nigeria for 10 participants, and 2 weeks of executive level participant travel in Nigeria (\$12,000); purchasing of seed laboratory and processing equipment, agricultural equipment, chemicals and seed (\$168,000); and project support costs (\$32,000) and a contract to construct 3 seed warehouses (\$143,000).

5th Quarter Program: Funds (\$20,000) are required to fund 6 man-months of direct hire technician services.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS									
					Estimated FY 1975			Proposed FY 76			Proposed 5th Q.			
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/74	-	-	-											
Estimated FY 75	-	-	-											
Estimated through 6/30/75	-	-	-											
Proposed FY 76	500	Future Year Obligations	Estimated Total Cost											
Proposed 5th Quarter	20	1,750	2,270											
				Total Obligations ..	-	-	-	333	167	500	20	-	-	20

PRINCIPAL CONTRACT AGENCIES



ENCLOSURE D



#159

AUG 13 1976

AGENCY FOR INTERNATIONAL DEVELOPMENT
ADVICE OF PROGRAM CHANGE

COUNTRY: Liberia

PROJECT TITLE: Institute of Public Administration

PROJECT NUMBER: 669-11-770-122

APPROPRIATION CATEGORY: Education and Human Resources Development

INTENDED OBLIGATION: \$149,000

At the time the FY 1976 Congressional Presentation was executed, the Institute of Public Administration project had been programmed for ten years, 1972-1981, and its revenue component had not yet been included. No provision was made in the FY 1976 Congressional Presentation for Transition Quarter funding.

Consequent to the Congressional Presentation, an evaluation concluded that the project could meet its objectives by FY 1978 by accelerating its inputs and expenditures, and that foreshortening the project by three years would result in savings in life-of-project costs. As a result of this reprogramming, accelerated financing for the U.S. contractor, Institute of Public Administration, is required. In addition, a Participating Agency Service Agreement with the Internal Revenue Service (IRS) was added in March 1975 to implement the project's new revenue activity. Such agreements are funded at the beginning of each fiscal period.

Of the \$149,000 Transition Quarter funding now required, \$133,000 will fund the IPA contract and \$16,000 will fund the IRS tax specialist.

Attachment: Grant Activity Data



TITLE Institute of Public Administration	FUNDS	PROPOSED OBLIGATION (\$000)	
	Education and Human Resources Development	FY 76 550	5th Q. 149
NUMBER 669-11-770-122	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
	FY 1976 Africa Programs, p. 75	FY: 1972	FY: 1978

Project Target and Course of Action: To develop the Liberian Institute of Public Administration (LIPA) into a self-sustaining Liberian in-service training institution with the capacity for: carrying out middle and executive level training, seminars and special courses; initiating research projects; providing consultancy service to key Ministries to improve organization, management, and administrative procedures. In addition, services are provided to the Ministry of Finance on fiscal management.

Progress to Date: In the two years of its active existence LIPA has mounted a program of training, consultancy, research and library development conducted within the framework of the Institutional Development Plan that set forth the 1974-76 work parameters of LIPA. Thirty training programs have been conducted throughout Liberia for over 800 participants in rural development, project management, supervision, financial management, personnel administration, statistics, systems and procedures. LIPA has provided consultancy services to the Ministries of Finance, Health and Social Welfare, the Liberian Broadcasting Corp., the Public Utilities Authority, and the Bureau of the Budget.

The research program has designed, monitored, and evaluated work projects for LIPA's staff development program. Sixteen participant trainees have entered Masters programs in the U.S. and Nigeria, eight having completed their pro-

gram and returned to LIPA. Such efforts have enabled the Liberian staff members to progressively assume command of the continuing LIPA training programs. The 1200 book library is used by LIPA professional staff and students. Government of Liberia budget support has increased significantly. The Tax Advisor to the Ministry of Finance has strengthened collection and reporting systems, with a consequent rise in taxes collected.

FY 1976 Program: FY 1976 funds are requested to fund 12 MM of services each for four Public Administration specialists (\$280,000) and one Tax Administration specialist (\$70,000); 10 MM of services for short-term consultants (\$50,000); 18 short-term participants in budget, personnel, and methods and procedures (\$90,000); teaching and library testing program materials (\$45,000); and other costs (\$15,000).

5th Quarter Program: Transition Quarter funds are requested to fund three MM of services each for four Public Administration specialists and one Tax Administration specialist plus two MM of short-term consultants (\$89,000); training for five participants (\$60,000).



U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS									
					Estimated FY 1975			Proposed FY 76			Proposed 5th Q.			
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/74	869	400	469		-	-	-	-	-	-	-	-	-	-
Estimated FY 75	270	478		U.S. Technicians ..	-	225	225	-	400	400	-	89	89	
Estimated through 6/30/75	1,139	878	261	Participants	-	25	25	-	90	90	-	60	60	
Proposed FY 76	550	Future Year Obligations	Estimated Total Cost	Commodities	-	15	15	-	45	45	-	-	-	
Proposed 5 Quarter	149	2,849	4,538	Other Costs	-	5	5	-	15	15	-	-	-	
				Total Obligations ..	-	270	270	-	550	550	-	149	149	

PRINCIPAL CONTRACT AGENCIES

Institute of Public Administration, New York
Internal Revenue Service

THE WHITE HOUSE

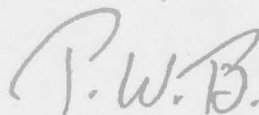
WASHINGTON

August 10, 1976

MEMORANDUM FOR

ANTONIN SCALIA
ASSISTANT ATTORNEY GENERAL
OFFICE OF LEGAL COUNSEL
DEPARTMENT OF JUSTICE

Attached is a copy of a memorandum sent to me by John E. Murphy, Deputy Administrator of the Agency for International Development. Inasmuch as the issues raised relate closely to the work we have done together in trying to resist legislative encroachment on the executive function, I think it would be appropriate if you or someone else you designate could meet with Mr. Murphy and me, along with others whom he has suggested. Please call me, and I will set up the meeting.



Philip W. Buchen
Counsel to the President

Attachment

cc: John E. Murphy



DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON

DEPUTY ADMINISTRATOR

AUG 9 1976

MEMORANDUM FOR HONORABLE PHILIP BUCHEN
Counsel to the President
The White House

SUBJECT: Requirements for Appropriation Committee Approval
of Foreign Assistance Activities

HR 12203, the Foreign Assistance and Related Programs Appropriation Act, 1976, and the Transition Quarter, contains a provision requiring the approval of the Appropriations Committees before obligations may be made for certain foreign assistance activities funded under the Act. In signing this bill into law, the President stated that he viewed this provision as being a violation of the constitutional doctrine of separation of powers. The President also stated that the Executive Branch would continue to keep the Congress fully informed regarding programs under the Act, but that he could not concur in the delegation of the powers of appropriation to two committees of Congress (full statement attached). AID concludes from the President's signing statement that pertinent departments and agencies of the Executive Branch are not to regard disapproval of a specific activity by an appropriations committee as a legal prohibition to the obligation of funds for the activity.

We are, of course, always willing to consult with the Appropriations Committees regarding specific objections they may have to a particular program or project. Further, pursuant to the President's directive, we have continued to advise the Appropriations Committees of program or project changes during the Transition Quarter. We have done this with the understanding that we are submitting these changes in an effort to keep the Congress fully informed, and not pursuant to that portion of HR 12203 that requires the approval of changes by the Appropriations Committees.

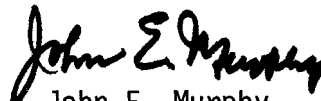
Thus far, we have not encountered any difficulty in this procedure. The Appropriations Committees have not formally objected to any of the changes we have submitted. We expect, however, that there will be programs and projects funded during the Transition Quarter that will meet with a formal disapproval by one or both of the Appropriations Committees.



A specific example of a program which we anticipate may be subject of such objection is the proposed \$10 million supporting assistance program for Mozambique. This program is currently ready for funding. We have every expectation that the House or Senate Appropriations Committee, or both, will interpose a formal disapproval pursuant to the committee approval provision in this year's appropriation act. I am alerting you to this possibility at the present time because informing the Committees of this project has the potential of resulting in a constitutional confrontation between the Executive Branch and the Congress. We believe it is extremely important that we closely coordinate this matter with you so that you will be aware of the timing of any submissions to the Congress regarding program changes which may be of a controversial nature.

We are particularly anxious that our understanding regarding the intent of the President's signing statement is correct, and that we may assume that we can obligate funds for specific projects notwithstanding a formal disapproval of such projects by one or both of the Appropriations Committees.

I propose a meeting at your earliest convenience between you or your staff and Denis M. Neill, Assistant Administrator for Legislative Affairs and Walter E. Warren, Acting General Counsel, to discuss this matter and arrive at a conclusion as to the application of the President's signing statement.


John E. Murphy

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THE WHITE HOUSE

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Nevertheless, I have serious reservations regarding one element of the bill, and believe it is necessary to comment on why I have signed the bill notwithstanding my objections to it.

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Meeting

THE WHITE HOUSE
WASHINGTON

August 11, 1976

MEMORANDUM FOR: DON OGILVIE
FROM: PHIL BUCHEN P.

Attached is a copy of a memorandum sent to me by John E. Murphy, Deputy Administrator of the Agency for International Development. I would like to arrange a meeting next week on this subject and would appreciate your being able to attend. I have also sent a copy of this to Assistant Attorney General Scalia and will ask him to participate also.

Attachment

Sept 8 '77 bill on floor with 3 days of debate
Sept. 13 deadline for passage
House bill precludes aid to Mozambique or Angola; but want to obligate before Sept. 30



THE WHITE HOUSE

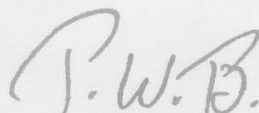
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cc: John E. Murphy



DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON

DEPUTY ADMINISTRATOR

AUG 9 1976

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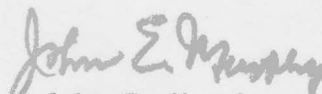
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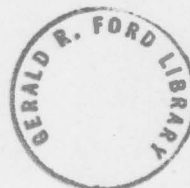
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Wednesday 8/18/76

Meeting
8/19/76
3 p.m.

6:00 Jim Michel, Assistant Legal Adviser for
Political Military Affairs at State, will also
attend your 3 o'clock meeting tomorrow
(Thursday 8/19).



Wednesday 8/18/76

Meeting
8/19/76
3 p.m.

1:20 I have checked with Walter Warren concerning the meeting tomorrow (Wednesday 8/19) at 3 p.m.

As of Monday, he is no longer Acting General Counsel -- but is Deputy General Counsel. Gerald D. Morgan, Jr. is the new General Counsel.

Mr. Warren suggests the following people come from AID:

Gerald D. Morgan, Jr., General Counsel
Denis Neill, Asst. Administrator for Legis. Affairs
Kelley Kamerer, Asst. Gen. Counsel for Legislation
Walter Warren, Deputy General Counsel

We have also invited Don Ogilvie.
I will confirm with Mr. Scalia's office.

Mr. Scalia will bring Herman Marcuse with him.

