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Calendar No. 399

94TH CONGRESS }
1st Session }

SENATE

{ REPORT
No. 94-406

INTERNATIONAL DEVELOPMENT AND
FOOD ASSISTANCE ACT OF 1975

REPORT

OF THE

COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE

TOGETHER WITH

SUPPLEMENTAL VIEWS OF

SENATOR McGOVERN

ON

H.R. 9005

TO AUTHORIZE ASSISTANCE FOR DISASTER RELIEF AND
REHABILITATION, TO PROVIDE FOR OVERSEAS DISTRIBUTION AND PRODUCTION OF AGRICULTURAL COMMODITIES,
TO AMEND THE FOREIGN ASSISTANCE ACT OF 1961, AND
FOR OTHER PURPOSES



OCTOBER 1 (legislative day, SEPTEMBER 11), 1975.—Ordered to be printed

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CONTENTS

	Page
Principal purposes of the bill.....	1
Committee action.....	5
Committee comments.....	6
Cost estimates.....	13
Section-by-section analysis.....	14
Title I—International disaster relief.....	14
Section 101—International disaster assistance.....	14
Section 491—Policy and general authority.....	14
Section 492—Authorization.....	14
Section 493—Disaster assistance—Coordination.....	14
Title II—Food aid to poor countries.....	16
Section 201—Policy.....	16
Section 202—World Food Conference target.....	16
Section 203—Exercise of authorities.....	16
Section 204—Foreign currencies from overseas sales.....	17
Section 205—Use by foreign countries of proceeds of sales of agricultural commodities.....	17
Section 206—Sales agreements with developing countries.....	18
Section 207—Assistance to most seriously affected countries.....	18
Section 208—Continuity of distribution under title II.....	22
Section 209—Limitation on use of foreign currencies.....	24
Section 210—Advisory Committee.....	24
Section 211—Reports to the Congress.....	25
Section 212—International food reserve system.....	25
Section 213—World Food Conference.....	25
Title III—Development assistance.....	26
Section 301—Development assistance policy.....	26
Section 302—Food and nutrition.....	26
Section 103(c)—Policy.....	28
Section 303—Agricultural research.....	29
Section 304—Population planning and health.....	30
Section 305—Education and human resource development.....	30
Section 306—Technical assistance, energy, research, reconstruc- tion, and selected development problems; intermediate tech- nology.....	31
Section 106—Technical assistance, energy, research, recon- struction, and selected development problems.....	31
Section 107—Intermediate technology.....	34
Section 307—Development and use of cooperatives.....	34
Section 308—Integrating women into national economies.....	34
Section 309—Human rights and development assistance.....	34
Section 310—Development assistance.....	36
Section 310(1)—Criteria to measure progress in development.....	36
Section 310(2)—U.S. contributions to multilateral lending organizations.....	36
Section 310(3)—American schools and hospitals abroad.....	37
Section 310(4), (5), (6)—Housing guaranty program.....	38

Section-by-section analysis—Continued	
Title III—Development assistance—Continued	
Section 311—Famine prevention.....	Page 38
Section 296—General provisions.....	39
Section 297—General authority.....	41
Section 298—Board for International Agricultural Development.....	42
Section 299—Authorization.....	42
Section 300—Annual report.....	43
Section 312—International organizations and programs.....	44
Section 313—Assistance to the former Portuguese Colonies in Africa.....	47
Section 314—Furnishing of services and commodities.....	48
Section 315—Support for reimbursable development programs.....	50
Section 316—Transition provisions for interim quarter.....	50
Section 665—Transition provisions for interim quarter.....	50
Supplemental views of Senator McGovern.....	51
Changes in existing law made by the bill, as reported.....	53

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94TH CONGRESS	}	SENATE	}	REPORT
1st Session				No. 94-406

INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT OF 1975

OCTOBER 1 (legislative day, SEPTEMBER 11), 1975.—Ordered to be printed

Mr. HUMPHREY, from the Committee on Foreign Relations, submitted the following

REPORT

together with

SUPPLEMENTAL VIEWS

[To accompany H.R. 9005]

The Committee on Foreign Relations, to which was referred the bill (H.R. 9005) to authorize assistance for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961, and for other purposes, having considered the same, reports favorably thereon with amendments and recommends that the bill as amended do pass.

PRINCIPAL PURPOSE OF THE BILL

The principal purpose of the bill is to authorize appropriations totaling \$1,325,000,000 for fiscal year 1976 and \$1,473,300,000 for fiscal year 1977, for certain international development assistance and international disaster assistance programs. The bill also authorizes appropriations for the transitional quarter and \$7,000,000 equivalent in excess U.S. owned foreign currencies in each of the fiscal years 1976 and 1977.

The following table compares the amounts of assistance authorized and appropriated in fiscal year 1975, the amounts requested by the executive branch, and those amounts recommended by the committee for fiscal years 1976 and 1977:

(1)

FOREIGN ASSISTANCE AUTHORIZATIONS IN H.R. 9005 COMPARED WITH EXECUTIVE BRANCH REQUEST AND FISCAL YEAR 1975 AUTHORIZATIONS AND APPROPRIATIONS

[In millions of dollars]

	Authorizations (Public Law 93-189 and Public Law 94-559)	Appropriations (Public Law 94-11)	Executive request (H. Doc. 94-158)		House action H.R. 9005 ¹		Committee recommendation ¹	
	fiscal year 1975	fiscal year 1975	Fiscal year 1976	Fiscal year 1977	Fiscal year 1976	Fiscal year 1977	Fiscal year 1976	Fiscal year 1977
	Food and nutrition (sec. 103). Population planning and health (sec. 104).	500.0	300.0	2 ³ 628.8	2 ³ 760.0	2 ⁴ 628.8	2 ⁴ 760.0	2 ⁴ 603.8	2^{4} 735.0
Education and human re- sources development (sec. 105)	165.0	125.0	219.1	2 ⁵ 251.6	2 ⁵ 248.1	280.6	243.1	275.6
Technical assistance, energy, research, reconstruction, and selected development problems (new sec. 106— superseding old secs. 106 and 107)	92.0	82.0	2 ⁶ 89.2	2 ⁶ 101.8	89.2	101.8	89.2	101.8
American schools and hos- pitals abroad (sec. 214)	19.0	17.5	2 ⁷ 10.0	2 ⁷ 10.0	2 ⁷ 25.0	2 ⁷ 25.0	25.0	25.0
Local currency	(5.5)	(6.5)	(7.0)	(7.0)	(7.0)	(7.0)	(7.0)	(7.0)
Disaster assistance (sec. 492) (old sec. 639)	40.0	35.0	16 ² 20.0	16 ² 20.0	25.0	25.0	16 ² 20.0	16 ² 20.0
International organizations and programs (sec. 302)	165.0	125.0	189.5	214.9	194.5	219.9	194.5	219.9
UNICEF	(18.0)	(17.0)	(15.0)		(20.0)	(20.0)	(20.0)	(20.0)
Indus Basin: (sec. 302)								
Loans	(9)	.4	2 ⁸ 10.0		2 ⁸ 10.0		10.0	
Grants	14.5	9.0	27.0		27.0		27.0	
Portugal and Portuguese col- onies (sec. 496)	25.0	25.0			(11)		17 (30.0)	
Grants	(5.0)							
Loans	(20.0)							
Angola airlift (sec. 494c)					20.0		20.0	
Administrative expenses:								
AID	45.0	40.0						
State	(12)	4.8			(13)	(13)	(13)	(12)
Operating expenses			10 (205.2)	(14)	(15)	(15)	(15)	(15)
Total	1,157.5	830.5	1,286.0	1,454.3	1,407.15	1,516.8	1,325.0	1,473.3

¹ Includes authorization of such amounts as may be necessary for the transition quarter for programs funded in fiscal year 1976, but not to exceed ¼ of the amount authorized for fiscal year 1976.

² Includes operating expenses allocated to the functional accounts for fiscal year 1976 and projected for fiscal year 1977 by AID.

³ Reflects reduction of \$10,000,000 in food and nutrition and corresponding increase of \$10,000,000 in Indus Basin loans.

⁴ In addition, an estimated \$353,000,000 in fiscal year 1976 and \$403,000,000 in fiscal year 1977 would be made available from loan reflows which, under existing law, now revert to the Treasury. \$200,000,000 of the loan reflows would be set aside for U.S. contributions to the International Agricultural Development Fund. \$50,000,000 from loan reflows would be made available in fiscal year 1976 for long-term development in drought stricken areas of Africa.

⁵ Not less than 67 percent of the funds made available shall be used for population planning or such planning as an element in health programs.

⁶ For purposes of sec. 106—Selected development problems.

⁷ For purposes of sec. 107—Selected countries and organizations.

⁸ Replaces secs. 106 and 107.

⁹ Previously authorized.

¹⁰ The Foreign Assistance Act of 1969 authorized \$51,220,000 for loans for the Indus Basin development for use beginning in fiscal year 1969. This bill adds \$10,000,000 to the authorization, to remain available until expended.

¹¹ Authorization is for former African colonies and assistance can be on a grant or loan basis. The total amount authorized for fiscal year 1975 remains the same but the grant authorization was increased by \$2,750,000 and the loan authorization was decreased by the same amount.

¹² Permanent authorization in existing law of such amounts as may be necessary.

¹³ Operating expenses allocated to the functional items above.

¹⁴ And for fiscal year 1977, such amounts as may be necessary. Amount of other funds which may be transferred for this purpose limited to not more than 10 percent of amount initially made available.

¹⁵ H.R. 9005 includes operating expenses in the applicable item authorizations.

¹⁶ Permanent authorization ceiling.

¹⁷ For former Portuguese colonies in Africa. To be funded from other accounts under the Foreign Assistance Act.

The executive branch's proposed country-by-country program of economic assistance for fiscal year 1976, including assistance programs authorized in other legislation is shown in the following tables:

U.S. ECONOMIC ASSISTANCE PROGRAMS PROPOSED BY THE EXECUTIVE BRANCH FOR FISCAL YEAR 1976

[In thousands of dollars]

	Economic assistance programs				Inter- national narcotics control
	Total economic assistance	AID	Peace Corps	Public Law 480	
Africa, total	256,415	169,700	24,665	63,850	
Botswana	2,773		814	1,959	
Burundi	960			960	
Cameroon	2,881	935	1,206	740	
Central African Republic	1,038	275	459	304	
Chad	1,184		334	850	
Congo	651			651	
Dahomey	898		704	294	
Ethiopia	20,973	18,755	1,095	1,123	
Gabon	1,218		671	547	
Gambia, The	429		176	253	
Ghana	16,825	13,440	1,805	1,580	
Guinea	5,686	605		5,081	
Ivory Coast	1,734		686	1,048	
Kenya	14,813	12,805	1,317	691	
Lesotho	2,524		358	2,166	
Liberia	5,774	2,359	2,976	439	
Malagasy Republic	262			3,362	
Malawi	290		142	148	
Mali	4,398	1,050	778	2,570	
Mauritania	3,708	700	184	2,824	
Mauritius	1,864		63	1,801	
Mozambique	3,400			3,400	
Niger	3,999	310	1,100	2,589	
Nigeria	3,223		148	3,075	
Portuguese territories	10,000	10,000			
Rwanda	955	230		725	
Senegal	3,153		839	2,314	
Seychelles	143		45	98	
Sierra Leone	4,092		2,324	1,768	
Sudan	4,574			4,574	
Swaziland	1,013		810	203	
Tanzania	26,032	15,790		8,942	
Togo	2,703	300	1,089	1,314	
Upper Volta	5,225	850	630	3,745	
Zaire	13,437	9,343	2,392	1,702	
Zambia	10			10	
Economic regional programs, Central West Africa and Sahel	41,225	41,225			
East Africa	1,055	1,055			
Southern Africa	16,883	16,833			
Africa regional	24,360	22,840	1,520		
Regional military costs					
East Asia and Pacific, total	362,016	124,140	13,482	206,969	17,425
East Asia ¹	356,867	124,140	8,501	206,801	17,425
Burma	13,315				13,315
China (Taiwan)					60
Indonesia	64,821	30,601		34,160	
Korea	164,980	5,592	1,829	157,559	
Malaysia	2,905		2,670	235	
Malaysia	44,418	31,996	2,183	10,129	110
Philippines	17,151	12,029	1,431		3,691
Thailand	7,688	7,300	388		
Economic regional programs					
Pacific	5,149		4,981	168	
British Solomon Islands	825		657	168	
Fiji	765		765		
Gilbert and Ellice Islands	82		82		
Micronesia	1,940		1,940		
Tonga	470		470		
Western Samoa	808		808		
Economic regional programs	259		259		

Footnote at end of table.

U.S. ECONOMIC ASSISTANCE PROGRAMS PROPOSED BY THE EXECUTIVE BRANCH FOR FISCAL
YEAR 1976—Continued
[In thousands of dollars]

	Economic assistance programs				
	Total economic assistance	AID	Peace Corps	Public Law 480	Inter-national narcotics control
Latin America, total.....	394, 947	258, 200	15, 955	111, 944	8, 848
Argentina.....	80				80
Barbados.....	35			35	
Belize.....	307		307		
Bolivia.....	28, 338	23, 340		4, 553	445
Brazil.....	4, 383	900	1, 651	1, 642	190
Chile.....	83, 693	22, 895	842	59, 786	170
Colombia.....	34, 875	22, 551	1, 189	10, 335	800
Costa Rica.....	8, 444	6, 465	1, 193	729	57
Dominica.....	18				18
Dominican Republic.....	18, 509	12, 750	713	5, 046	
Ecuador.....	4, 470		1, 541	2, 559	370
El Salvador.....	14, 941	12, 800	1, 409	732	
Guatemala.....	20, 661	15, 446	1, 099	4, 116	
Guyana.....	3, 803	3, 675		128	
Haiti.....	14, 839	9, 049		5, 790	
Honduras.....	25, 413	17, 167	744	7, 502	
Jamaica.....	2, 267	953	1, 056	108	150
Mexico.....	6, 500				6, 500
Nicaragua.....	26, 537	24, 220	831	1, 486	
Panama.....	23, 781	22, 678		1, 103	
Paraguay.....	5, 358	4, 491	732	135	
Peru.....	26, 372	20, 174		6, 112	86
Trinidad and Tobago.....	29			29	
Uruguay.....	566	566			
Venezuela.....	807		807		
Caribbean regional.....	11, 538	10, 764	774		
ROCAP/Central America.....	2, 114	2, 114			
Economic regional programs.....	26, 269	25, 202	1, 067		
Near East, South Asia, total.....	722, 414	273, 186	7, 782	438, 074	3, 372
Afghanistan.....	14, 559	11, 742	967	1, 850	
Algeria.....	2, 119			2, 119	
Bahrain.....	508	400	108		
Bangladesh.....	224, 357	67, 683		156, 674	
Bhutan.....	100			100	
Cyprus ¹					
Egypt ¹					
Greece.....					
India.....	219, 206	76, 000	202	143, 004	
Iran.....	1, 457		1, 457		
Israel ¹					
Jordan ¹					
Lebanon.....					
Malta.....	9, 526	9, 500	26		
Morocco.....	30, 115	6, 699	1, 822	21, 594	
Nepal.....	4, 590	3, 082	909	599	
Oman.....	293		293		
Pakistan.....	152, 713	69, 895		79, 546	3, 272
Portugal ¹					
Saudi Arabia.....					
Spain.....	3, 000	3, 000			
Sri Lanka.....	31, 960	8, 000		23, 960	
Syria ¹					
Tunisia.....	9, 675	2, 727	945	6, 003	
Turkey.....	1, 325			1, 325	
Yemen (YAR).....	7, 602	5, 623	579	1, 300	
Economic regional programs.....	9, 309	8, 835	374		100
Middle East special requirements ¹					
Other.....			² 19, 650	³ 511, 144	⁴ 12, 855

Footnotes at end of table.

U.S. ECONOMIC ASSISTANCE PROGRAMS PROPOSED BY THE EXECUTIVE BRANCH FOR FISCAL
YEAR 1976—Continued
[In thousands of dollars]

	Economic assistance programs				
	Total economic assistance	AID	Peace Corps	Public Law 480	Inter-national narcotics control
U.S. contributions to international financial institutions, total.....	449, 127				
International Development Association.....	375, 000				
Asian Development Bank.....	74, 127				
Paid-in capital.....	(24, 127)				
Callable capital.....	(96, 508)				
Special funds.....	(50, 000)				

¹ To be proposed later. The President has ordered a review of Middle East policy; subsequently, we will consider and propose country assistance levels and their composition.

² Includes \$5,700,000 in worldwide support; \$13,900,000 as Peace Corps share of ACTION support.

³ Includes the following: Unallocated reserve, title I \$300,500,000; emergency reserve, unallocated, title II \$47,600,000; ocean freight \$161,000,000; grants of title I currencies \$2,000,000.

⁴ Includes international organizations, \$5,000,000; training and support costs \$7,300,000; treatment and rehabilitation \$500,000.

⁵ Includes funds originally programed for Laos.

Note: Totals may not add due to rounding

COMMITTEE ACTION

The President's foreign assistance message, transmitted to the Congress on May 19, 1975, requested specific authorizations and appropriations for development assistance and related programs. Detailed requests for military, supporting and Middle East assistance were withheld pending further developments. The draft bill which accompanied the President's message, introduced by request as S. 1816, proposed a continuation of past foreign assistance policy.

Rather than delay its deliberations until the full range of foreign assistance programs could be examined, the Subcommittee on Foreign Assistance of the Committee on Foreign Relations, promptly began hearings on economic and development assistance proposals. From the outset the Subcommittee was inclined toward a separate bill for development and humanitarian assistance, leaving political and security oriented programs for authorization in a second bill.

Public hearings began on June 3, 1975, with testimony by distinguished private witnesses on the subject of foreign assistance and foreign policy. The Administrator of the Agency for International Development, Mr. Daniel Parker and his Assistant Administrators, appeared on July 17 to present the program and the views of the Executive Branch. Other hearings dealt with subjects such as food, population, the role of the land-grant colleges in development, and voluntary agency activities. Private individuals, representatives of groups and a spokesman for the American Foreign Service Association were also heard. Testimony on the subject of human rights was also

taken applicable both to the present bill and to be considered subsequently later dealing with military and supporting assistance.

While the Subcommittee hearings were in process, the Committee on International Relations of the House of Representatives reported out an original bill, H.R. 9005, which represented an extensive revision and restructuring of traditional foreign assistance and disaster relief legislation. That bill was passed by the House on September 10, 1975, and was referred to the Committee on Foreign Relations on September 11, 1975. After due consideration, the Subcommittee on Foreign Assistance decided to work on H.R. 9005 rather than the Executive Branch's bill, S. 1816.

Open mark-up sessions on H.R. 9005 were held by the Subcommittee on September 17 and September 23, 1975. Representatives of the Executive Branch and other interested groups were present and provided comments at these sessions. In the course of the Subcommittee's deliberations on September 23, the members invited Senator Mark Hatfield to explain proposals which he had made relative to food aid. Similarly, Congressman Tim Harkin of Iowa was invited to come from the House of Representatives to present his case for an amendment which he had authored on human rights.

The Subcommittee mark-up was completed on September 23 and the amended bill was ordered reported to the full Committee.

The Committee on Foreign Relations considered the bill in executive session on October 1, 1975, and ordered it reported favorably by a vote of 13 to 3. Those voting in favor of reporting the bill were Senators Sparkman, Pell, McGee, McGovern, Humphrey, Clark, Biden, Case, Javits, Scott, Pearson, Percy, and Griffin.

Those opposed were Senators Mansfield, Church, and Symington.

COMMITTEE COMMENTS

After a quarter century of mixed experience with foreign assistance programs, the public interest which has been generated by this bill is remarkable. That response may, in part, be attributed to the following features:

- It draws on the experience of the past;
- It is concerned with food and people, not arms and politics;
- Its programs are practical and its objectives are realistic and understandable;
- It provides greater opportunities for participation in the development process by private American individuals, groups and institutions; and,
- While it assures the neediest of countries of the world a continuing share in our abundance and our knowledge, it demands a greater effort on the part of recipients.

Two years ago in the Foreign Assistance Act of 1973, the Congress initiated the concept of "New Directions" which mandated a shift in our bilateral aid away from large-scale capital transfers in favor of efforts focused on critical problems in functional sectors which affects the lives of the majority of the people in the less developed countries: food production, nutrition, and rural development; population planning and health; and education, public administration and human

resource development. Beginning with the 1973 Act, highest priority has been given to undertakings which directly improve the lives of the poorest people and their capacity to participate in their countries' development.

Although the adoption of the "New Directions" was initially overshadowed by the final drama of the Indochina conflict, the new approach has now begun to take hold in programming within the Agency for International Development, with development planners and field workers around the world and, most importantly, in the imagination of the American people. The principal thrust of H.R. 9005 is to institutionalize, reinforce and expand on that beginning.

In particular, the present bill directs that U.S. development assistance resources are to be allocated primarily to countries and activities which most effectively involve the poor in development by making it possible for them to better their lives through their own effort. By creating new policy sections built around this principle, by conforming previous policy to the new guidelines, by relating existing programs to the new priorities and by creating new authorities and incentives, this bill gives coherence and sharp, new direction to the economic assistance provisions of the Foreign Assistance Act of 1961. In addition, through a series of carefully drawn amendments the bill gives added meaning to the existing goals of the Food for Peace program by setting mandates for the overseas allocation and distribution of food commodities and by providing for closer integration of the food program with programs carried out under the Foreign Assistance Act.

In the sections which follow specific provisions of the new bill are commented upon and explained in detail. Many of the new provisions are the product of past experience and observations in the field. Similarly, if this new legislation is enacted, its faithful implementation must be enhanced by careful oversight. In this connection the Committee believes that Congress may have reached the point where what is needed to make foreign assistance more effective is not more legislation, or tighter restrictions on the Executive Branch, but better Congressional oversight of existing laws. Toward that end, the Committee's newly created Subcommittee on Foreign Assistance intends to pursue an aggressive program of oversight both in Washington and abroad during the coming two-year authorization period.

In addition to the oversight responsibilities, the Committee wants to make it clear a major purpose for establishing the new Foreign Assistance Subcommittee is to provide a focal point for both evaluation of the foreign assistance programs and the definition of policy guidelines within which the Committee expects the Agency to conduct its program under the "New Directions." Continuation of the traditional responsibility of this Committee for policy formulation and oversight will contribute to the proper direction and operational consistency of the program.

Given the interest which the public has demonstrated in this legislation and the total sums involved, the Committee considers that it has a solemn obligation to see that the new laws are properly executed. Accordingly, our Subcommittee will be rigorous and unflinching in its efforts to analyze the impact of the new legislation, the performance of its administrators and the efforts of recipient governments.

This bill contains three separate titles: International Disaster Assistance (Title I); Food Aid to Poor Countries (Title II) and Development Assistance (Title III). Within each of the policy guidelines, general and special authorities are provided. It would authorize funds for fiscal years 1976 and 1977 and the three-month transition period required to adapt to the new October 1 to September 30 spending cycle. For FY 1976 the Committee recommends a total authorization of \$1,325,000,000 or \$19,000,000 more than the President's amended budget request. The Committee's recommendation for FY 1977 is \$1,473,300,000 also a \$19,000,000 increase above the budget request.

The consolidation of disaster relief authorities under Title I of this bill reflects the Committee's recognition of the need for improved coordination of the traditionally generous American response to natural disasters. Accordingly, this bill would provide for a presidentially appointed Special Coordinator whose responsibilities would include research, contingency planning and the coordination of disaster relief. Two other disaster related items are also included in this bill. One is a \$50 million authorization for FY 1976 to assist the Sahelian and other African countries in recovering from the recent drought, and the other is a \$20 million authorization to fund the emergency evacuation of Portuguese settlers from Angola. The latter action was taken by the Committee in response to an Executive Branch request and in anticipation of a corresponding budget amendment in the amount of \$20 million.

The second title of the bill amends several sections of the Agricultural Trade Development Assistance Act of 1954 (P.L. 480). New guidelines for overseas operation are provided, designed to help meet urgent food needs abroad and to promote agricultural production in poor countries. An FY 1975 Congressional directive allocating P.L. 480 Title I food aid between humanitarian and political purposes has been updated to reflect changing international circumstances. The new provision in this bill requires that a minimum of 80 percent of U.S. food aid must be allocated to countries most seriously affected by food problems and not more than 20 percent to the less seriously affected for political purposes. The continuity of food supplies for P.L. 480 Title II grant programs, subject to the availabilities within section 401 of P.L. 480, for distribution by the voluntary agencies and the world food program, is assured by the establishment of minimum levels of commodities to be made available for these programs. Finally, provision is made for the selective forgiveness of debt incurred for food aid as an added incentive to self-help efforts by poor countries in agriculture, rural development and nutrition.

In concurring and, in some cases, modifying the action of the House of Representatives in amending Public Law 480, the Committee was mindful of the expressed jurisdictional interest of the Senate Committee on Agriculture and Forestry in legislation dealing with that program. As food has assumed increasing importance in relations between nations, it is inevitable that some overlapping of interests between the Committees will occur. Out of recognition of the Agriculture Committee's interest particular care was taken by the Committee to ensure that the amendments in this bill to Public Law 480 dealt

strictly with the foreign policy and overseas distributive aspects of the program and did not impinge upon matters of domestic agricultural production and marketing.

The third title of this bill has to do with development assistance. Policy language is provided which reaffirms the application of "New Directions" guidance for development aid, especially in the major fields of agriculture, rural development and nutrition, population planning, health, education and human resource development.

An important provision of this Act provides new authority for the use of dollar receipts from previous aid loans to support various assistance activities in the food and nutrition field. Eligible uses would include \$200 million in funding for the proposed International Fund for Agricultural Development, long-term development assistance to drought-stricken areas of Africa, agricultural research and others. Use of these funds for these purposes would, of course, be contingent upon appropriations action.

Population planning programs are given continued emphasis in this bill, particularly those which are integrated with other broad-scale health delivery efforts. The Committee strongly endorses the concept contained in this bill of coordinating population planning with programs such as those aimed at reducing the infant mortality rate and providing better nutrition to pregnant women and to infants.

Additional authorizations are provided for education and human resource development and public administration. As in the case of food and population programs, the bill provides additional policy guidance which, in this case, calls for programs in formal and non-formal education designed to be of practical use to the rural and urban poor. The new guidance also calls for programs which strengthen the capacity of recipient governments to find ways for the poor to participate in development and to benefit from development.

Other provisions of the bill will rechannel funds traditionally used for political purposes into research on energy problems and technology tailored to the needs and capabilities of the less developed countries. The development of cooperatives receives continued support in the bill as do housing guarantee programs and American schools and hospitals abroad.

The bill contains several sections designed to enhance the integration of private and governmental capabilities in the humanitarian and development fields.

In a major innovation, Title XII of the bill provides the means for enlisting American land and sea grant colleges and other eligible institutions of higher education in the fight against hunger and famine. The Congress firmly believes that a viable foreign assistance program must engage the participation of such private groups. Encouragement of this participation was mandated in the 1973 Act and the new title XII continues to expand this effort. The increasingly important role of private voluntary organizations is also recognized in the bill by amendments increasing the funds available to defray the ocean freight and, as noted earlier, to ensure that adequate and predictable amounts of Title II food are available to them for distribution.

The Committee believes that the comprehensive approach to humanitarian and developmental assistance provided for in this bill is

reinforced by its separation from the more controversial and politically oriented military and security supporting assistance programs. In this respect, the bill reflects the Committee's belief that, insofar as possible, economic and disaster assistance should be insulated from traditional political considerations and the vicissitudes of the day-to-day conduct of foreign policy. The resources provided for in this bill are not to be regarded as tools for the pursuit of short-term political objectives.

There is, inevitably, some political content to these humanitarian and development assistance programs, but the Committee hopes that it will be of indirect, long-term nature. These programs are a manifestation of the American people's strong sense of responsibility and concern for their less fortunate fellow man. The mere offering of this assistance indicates our recognition of a growing global interdependence. If a more pragmatic justification for the assistance authorized in this bill is required, the Committee believes that it can be found in the strong likelihood that, over the long term, these programs will improve our relations with the less developed countries of the world. Given the growing importance of such countries as suppliers in a time of increasingly scarce resources, it is in our own interest to take note of their current needs and problems.

While this authorization is primarily concerned with the offering of assistance, the Committee wishes to call attention to some of the criteria which the Executive should follow in entering into aid agreements. First, the Committee intends for this assistance to go primarily to those whose need is greatest. Second, particular consideration is to be given countries which demonstrate the intent and the capacity to place our assistance at the disposition of those who wish to help themselves. Third, it is the Committee's intent that our assistance be directed toward the achievement of functional goals specified in the "New Directions" policy language. Finally, the Committee wishes to see a greater effort made to develop and apply criteria for measuring progress toward chosen development goals.

In addition to pulling together the various threads of U.S. bilateral economic aid policy, this bill contains a number of important provisions designed to integrate U.S. efforts with those of the international community in the field of food and international economic cooperation. One of these adds a new section to the law urging the President to maintain a significant U.S. contribution to the World Food Conference target of 10 million tons of food assistance annually. Another provision authorizes and encourages the President to seek international agreement for a system of food reserves to meet food emergencies subject, of course, to appropriate safeguards for the protection of American farmers and consumers.

Action by the Congress on this bill is particularly timely and appropriate since it follows within several weeks the seventh special session of the United Nations General Assembly on Development and International Economic Cooperation. At that meeting, after more than 2 weeks of intensive negotiations, during which the U.S. delegation was actively assisted by Senators and Representatives in their capacity

as congressional advisors, basic agreement was reached among participating governments on a wide range of complex issues.

The Special Session is widely credited with success. The spirit of cooperation which characterized the discussions seems to mark a turning point in the pattern of recent relationships between developed and developing countries. The provisions agreed to by governments and the future negotiations planned on points of continuing disagreement embody significant breakthroughs in international economic cooperation. The willingness of the U.S. Government to enter into meaningful negotiations with the less developed nations had a direct bearing on the meeting's successful outcome.

The complexity of the issues makes the accomplishments of the Special Session the more noteworthy. As aptly stated by the U.S. Ambassador to the United Nations, Mr. Daniel Patrick Moynihan, at the Special Session's conclusion:

Perhaps never before in the history of the United Nations has there been so intensive and so genuine a negotiation between so many nations on so profoundly important a range of issues. We have shown that we can negotiate in good faith and doing so, reach genuine accord. Not least we have shown that this can be done in the unique and indispensable setting of the UN.

Mr. President, this system works.

This bill, the basic authorizing legislation for development assistance for Fiscal Years 1976-77, provides a timely vehicle for recognition by the Congress of the results of the Special Session. In fact, it enacts a number of the specific commitments made by the U.S. delegation on that occasion. These include an initial contribution of \$200 million to the new International Fund for Agricultural Development increased funds for food production and nutrition, and expanded programs of agricultural research.

There were, of course, other pledges contained in the address of the U.S. Secretary of State at the Special Session which are not a part of this legislation. These include such items as achieving mutual economic goals through negotiated agreements rather than by threat of disruption, establishing a fund to protect the world's poor nations from extreme fluctuation of world market prices for their raw material exports, the creation of new international institutions to encourage the flow of private capital to poorer nations, and a code of conduct for the transfer of technology to developing countries. These objectives will require additional study before being embodied in law. The Committee wishes here simply to state its continuing interest in addressing these pledges legislatively when that becomes appropriate.

One of the agenda items of the Special Session which is particularly germane to this bill is the level of governmental contributions to development assistance. These contributions have not kept pace with the needs of developing countries or with earlier pledges of aid and governments at the Special Session reaffirmed their intention to reach by 1980 the target of contributing 0.7 percent of their Gross National

Products in the form of official assistance. On this point, the U.S. representative observed that "The United States fully supports the objective of an increase in Official Development Assistance and intends to increase the level of its own assistance. It does not, however, consider the establishment of specific targets as likely to achieve the intended result."

In this connection, the Committee recognizes the importance of U.S. voluntary contributions to the United Nations in general and the United Nations Development Program in particular, in demonstrating to other nations the strength of our commitment to the institution. Therefore, the Committee reaffirms the policy guideline it established in the Foreign Assistance Act of 1973 where it was stated:

The Committee continues its traditional strong support for the United Nations Development Program and other programs financed through voluntary contributions * * *

* * * To many other governments, our support for UNDP serves as an indication of our continuing commitment to multilateral cooperation for development. Since 1970 the contributions of other governments to UNDP have increased by more than 46 percent. Thus, the Committee considers it most important for the United States to continue to maintain its generous support and is pleased with the apparent direction taken by the Administration following the recommendation of the Lodge Commission which stated:

"That our contributions to United Nations voluntary programs be increased by an amount at least corresponding to our reduction in assessed contributions."

As the Committee responsible for formulating the policy guidelines for our participation in both bilateral and multilateral assistance programs, it believes it should state clearly what our commitment to UNDP and other voluntary programs of the United Nations should be. The proposed level for fiscal year 1976 is \$168.7 million.

Given the widening gap between developed and developing countries, and especially the plight of countries most seriously affected by the worldwide economic crisis, the Committee concurs in the view that the United States should strive in the coming years to focus its resources on those countries most in need of such help. The Committee notes, however, that while the U.S. has been a leader in providing such aid in the past and has contributed more than any other single nation in financial and technical assistance to other nations, the needs of developing countries continue to grow. Indeed we find that the lack of basic necessities of life in developing countries and the continued existence of severe hunger and malnutrition constitute a serious impediment to world stability and prosperity. The committee believes that the Congress should give serious consideration to this reality as it addresses the future funding of U.S. development assistance. The enactment of this bill would be a prompt and visible indication that the United States fully supports the sort of development and international economic cooperation on which the world community achieved substantial agreement at the Seventh Special Session.

COST ESTIMATES

Section 252(a)(1) of the Legislative Reorganization Act of 1970 requires that committee reports on bills and joint resolutions contain: "(A) an estimate, made by such committee, of the costs which would be incurred in carrying out such bill or joint resolution in the fiscal year in which it is reported and in each of the five fiscal years following such year..."

The Committee estimates that the cost of implementing this bill will be approximately \$1,678,000 for FY 1976, plus amounts available from reimbursements and recoveries (other than loan reflows which are included in this estimate). The estimated cost for FY 1977 is \$1,881,300,000, including loan reflows but no other recoveries or carryover funds.

The Committee is unable to make any useful estimate of costs beyond FY 1977 at this time.

SECTION-BY-SECTION ANALYSIS

TITLE I—INTERNATIONAL DISASTER RELIEF

Section 101—International disaster assistance

This section consolidates within the Foreign Assistance Act of 1961, as amended, provisions dealing with disaster relief and assistance, and provides an authorization of appropriations for that purpose.

The section creates three new sections of the act:

New Section 491—Policy and general authority

The new section 491 expresses the view of Congress that prompt U.S. assistance to the victims of natural and manmade disasters is an important expression of the humanitarian concern and tradition of the American people, and affirms the willingness of the United States to provide such assistance.

New Section 492—Authorization

The new section 492 is a permanent authorization for appropriations to provide assistance authorized by section 491. The appropriations are limited by a proviso that imposes a ceiling of \$20,000,000 on availabilities of funds which have not been obligated previously. It is the intent of this section to permit AID to have sufficient funds available at all times to meet the relief and rehabilitation needs that may arise from disasters which cannot be foreseen. By making the authorization a permanent one, the Executive Branch will have to seek appropriations (but not new authorizing legislation) to replenish the fund as it is drawn down. This new funding mechanism should assure that the U.S. Government will always have funds available to respond to disasters abroad. It also requires quarterly reports to the Congress on the programming and obligations of funds under the section.

New Section 493—Disaster assistance—Coordination

The new section 493 authorizes the President to appoint a Special Coordinator for International Disaster Assistance whose responsibility would be to promote the maximum effectiveness and coordination in response to foreign disasters by U.S. agencies and between the United States and other donors. Included among the Coordinator's duties are to be the formulation and updating of contingency plans for providing disaster relief.

(14)

Paragraphs (1), (2), (4), (5), and (6) make technical changes to consolidate within the Foreign Assistance Act of 1961 provisions relating to disaster assistance.

Paragraph (7), sponsored by Senator Clark, amends section 639B of the act (the new section 494B) by authorizing a long-term development assistance program for the Sahel region and other drought-stricken areas of Africa. It authorizes the use of up to \$50 million in funds derived from repayments on prior foreign assistance loans to be used in fiscal year 1976 for assistance on such a program. For fiscal year 1977 the authorization is for "such sums as may be necessary" since it is impossible to predict at this time the level of assistance that may be required to implement the type of program needed for these countries. The President is directed to prepare a comprehensive long-term assistance proposal for submission to Congress with the fiscal year 1977 budget materials.

In developing this long-term program, the President shall consider international coordination for the planning and implementation of such a program and seek greater participation and support by African countries and organization in determining development priorities.

He is also directed to begin planning for early implementation, to consult with the appropriate committees regarding such planning, and to devote sufficient resources to the program by 1985 in order to reduce the need for more costly measures later.

Paragraph (8), an amendment offered by Senator McGee, amends the Foreign Assistance Act of 1961 to add a new section 494C which authorizes the appropriation of \$20,000,000 for fiscal year 1976 to assist in financing an airlift from Angola of those persons who seek to escape from the civil and military turmoil presently existing in that country. The section requires the President to submit quarterly reports to the Committee on Appropriations of the Senate and to the Speaker of the House of Representatives on the programming and obligation of funds under the section. The provision is supported by the executive branch.

The United States is confronted with a major humanitarian issue arising from widespread fighting among the three political factions in Angola. Estimates of the number of Portuguese citizens who need evacuation vary from 200,000 to 300,000. Many have appealed to the Government of Portugal for help in returning to Portugal prior to Angolan independence November 11, 1975. The Portuguese government has in turn appealed directly to the United States and other governments for contributions to the effort to evacuate the refugees. The Government of Portugal is directing the entire evacuation operation which it estimates could cost \$80 million. Within its own resources Portugal is now employing 8 aircraft full-time which should permit evacuation of approximately 100,000 persons prior to independence, and is negotiating for additional aircraft that could bring out another 30,000.

To date in response to the Portuguese request, the United States has committed to the airlift two DC-8 aircraft, chartered by the U.S. Military Air Command, which are bringing out slightly more than

500 people per day. The planes began operation on September 7. In addition, the Federal Republic of Germany has contributed a DC-10, France thirteen flights by a Boeing 707, Britain a VC-10, East Germany two Ilyushin-62's, the U.S.S.R. two aircraft and a ship, and Sweden \$1.15 million. These other foreign contributors are expected to evacuate between 25,000 and 30,000. It is currently estimated that up to 50,000 refugees will require evacuation on U.S. chartered aircraft at a cost of up to \$20 million.

The present legislation does not provide disaster assistance for Cyprus. The Committee emphasizes that this results solely from a decision to transfer the funding of aid to Cyprus from the disaster assistance heading in this bill to security supporting assistance legislation which will be considered in a separate bill. In no way does the omission represent a lessened Congressional concern for the people of Cyprus.

TITLE II—FOOD AID TO POOR COUNTRIES

Section 201—Policy

This section adds three subparagraphs to the general policy statement (section 2) which follows the enacting clause of Public Law 480, the Agricultural Trade Development Assistance Act of 1954, as amended. It states that in furnishing food aid under the act the President shall (1) give priority consideration in meeting urgent food needs abroad to those countries most seriously affected by food shortages, (2) continue to urge other donor countries to increase their participation in efforts to address food needs of the developing world, and (3) relate U.S. assistance to self-help by the aid receiving countries, with emphasis on development of labor-intensive, small-farm agriculture.

Section 202—World Food Conference target

Section 202 adds a new section 3 to Public Law 480. Referring to the World Food Conference recommendation that donor countries provide a total of at least 10 million tons of food assistance to needy nations annually, it urges the President to maintain a significant U.S. contribution to this target and to encourage other countries to maintain and increase their contributions as well.

Resolution XVIII adopted by the World Food Conference at Rome in November 1974 includes the following recommendation: "that all donor countries accept and implement the concept of forward planning of food aid, make all efforts to provide commodities and/or financial assistance that will ensure in physical terms at least 10 million tons of grains as food aid a year, starting from 1975, and also to provide adequate quantities of other food commodities."

Section 203—Exercise of authorities

This section amends section 103 of Public Law 480 in three respects:

1. Subsection 103(a) is amended to require the President, in exercising his Title I authority, to take into account self-help efforts aimed at increasing agricultural production through labor-intensive, small-farm agriculture, as well as self-help efforts to reduce population growth rates.

2. Subsection 103(b) is amended to include reference to section 106(b)(2) of Public Law 480 (see section 205(3)) in the proviso in section 103(b). This permits foreign currency proceeds from sales under Title I which are used for the specified purposes of section 106(b)(2) to be considered as advance payment of Title I credits in accordance with agreements between the United States and the foreign government.

3. This paragraph would repeal the second proviso of subsection 103(d) which provides for a waiver, under specified circumstances, of the prohibition on Title I sales to countries which sell or furnish goods to, or permit their ships to carry goods to or from, Cuba or North Vietnam. In lieu of this proviso there is inserted a general national interest waiver authority of the same type now applicable to assistance under the Foreign Assistance Act of 1961.

Section 204—Foreign currencies from overseas sales

Section 204 amends section 104 of Public Law 480.

1. It adds the Senate Committee on Foreign Relations and the House Committee on International Relations to the Senate and House Committees on Agriculture in those instances in which those committees are named in section 104, relating to executive branch reporting requirements.

2. It repeals subsection (c), which provides for the use of local currency proceeds to procure equipment, materials, facilities, and services for the common defense including internal security. Subsection (c) already has been repealed in effect by section 40 of the Foreign Assistance Act of 1973.

Section 205—Use by foreign countries of proceeds of sales of agricultural commodities

Section 205 amends section 106(b) of Public Law 480.

Subsections (1) and (2) add a requirement that the United States, in negotiating agreements with countries receiving Public Law 480, Title I, agricultural commodities, emphasize the use of the foreign currency proceeds from the sale of those commodities for the same general purpose set forth in section 102(b)(5) of the Foreign Assistance Act of 1961, for activities which directly improve the lives of the poorest of their people and their capacity to participate in the development of their countries.

Section 205(3) amends section 106(b) of Public Law 480 to authorize the Executive Branch to conclude agreements under which the use of local currency proceeds for agreed development purposes will, to that extent, be deemed payment of the dollar obligation to the U.S. Government. This paragraph directs that, in determining the use of proceeds of sale, greatest emphasis shall be placed on carrying out programs of agricultural development, rural development, and nutrition in those countries which are undertaking self-help measures (enumerated in section 109 of Public Law 480), consistent with the policy objectives of section 103 of the Foreign Assistance Act of 1961. The final portion of the paragraph provides that where a cooperating government agrees that some portion of sales proceeds will be used to carry out programs

of the nature described in section 106(b)(2), the executive branch is authorized, to that extent, to accept such use as an advance payment of the earliest installments of the dollar obligation incurred, pursuant to the mechanism established by section 103(b) of Public Law 480.

This new authority is prospective only and is not to be used to modify existing agreements. The committee expects the executive branch to proceed cautiously in using this authority and to consult closely with the Congress in formulating an implementation policy.

Section 206—Sales agreements with developing countries

Section 206 amends section 109(a) of Public Law 480 to add a requirement that, in considering self-help measures by developing countries before entering into Title I sales agreements with these countries, the President shall take into particular account the extent to which such measures are being carried out so as to contribute directly to development progress in poor rural areas and to enable the poor to participate actively in increased production through small-farm agriculture.

Section 207—Assistance to most seriously affected countries

Section 207 adds a new section 111 at the end of Title I of Public Law 480. It requires that not more than 20 percent of food aid under Public Law 480 Title I shall be allocated to countries other than those countries most seriously affected (MSA countries) by inability to obtain enough food for their immediate requirements through domestic production or commercial purchase from abroad. The calculations are to be made by commodity weight, not by dollar value. ~~The President may waive the percentage limitation if he certifies to Congress that such use of food assistance is required for humanitarian food purposes.~~

In that event, such food assistance may be provided if neither House of Congress disapproves by resolution within 30 calendar days after the certification. In determining which countries are most seriously affected, the President shall be guided by the United Nations list of countries most seriously affected by the current economic crisis.

A reduction below 80 percent in the proportion of food aid allocated to MSA countries resulting from critical and unforeseeable circumstances occurring after initial allocation shall not constitute a violation of the percentage requirement. Any reallocation of food aid due to changed circumstances shall be in accordance with this section so far as practicable, and the President shall promptly report to Congress any reduction below the 80 percent, if it occurs, and the reasons therefor. This emergency provision is intended to apply only to circumstances which were unforeseeable, and the time so critical, that the President cannot wait thirty days for Congressional action on a deviation from the 80-20 formula. It would apply, for example, in the case of an immediate need for Title I food aid in a non-MSA country due to a disaster. It would also apply if there were a cancellation of a major allocation to an MSA country that was so large it could not be re-distributed among other MSAs and so late in the year that the President could not wait thirty days for Congress to act. In all cases where action is less than thirty days is not essential, the President

is expected to follow the waiver and certification procedure outlined in this section.

This section is similar to, but stronger than section 55(a)(5) of the Foreign Assistance Act of 1974 which expired June 30, 1975. That provision provided for a 70-30 ratio. Under this provision the 80-20 ratio "shall" apply, rather than "should" as in the 1974 law, and it carries no termination date. It requires a Presidential certification to Congress for any waiver, compared with the 1974 provision for waiver when the President "demonstrates to the appropriate committees of Congress" the humanitarian purpose therefore; and it provides that no such waiver can take effect until 30 calendar days after certification, during which period the waiver can be rejected by either House or Senate by simple resolution.

The 70/30 ratio of last year no longer is a meaningful limitation of political food aid because of changes in the UN's MSA list which added Egypt, along with seven other countries. Once Egypt was added to the MSA list, the actual split in allocations for fiscal year 1976 was 80-20 percent, as shown in the table below:

FISCAL YEAR 1973-75 PUBLIC LAW 480 TITLE I FOOD SHIPMENTS TO MSA/NON-MSA COUNTRIES
[By total tonnage and dollar value, with percentage MSA/non-MSA]

	Fiscal year—					
	1973		1974		1975 ¹	
	Number	Percent	Number	Percent	Number	Percent
Total tons (thousands MT).....	4,802.51		1,756.86		3,495.9	
MSA.....	1,097.58	22.9	567.88	32.3	2,788.4	79.8
Non-MSA.....	3,704.93	77.1	1,188.98	67.7	707.5	20.2
Total value (thousands).....	\$528,581		\$504,492		\$725,694	
MSA.....	113,597	21.5	219,561	43.5	571,497	78.8
Non-MSA.....	414,984	78.5	284,931	56.5	145,197	21.2

¹ In late April 1975, the United Nations emergency operation declared Egypt an MSA country. As a consequence, all 400,000 MT of wheat shipped to Egypt in fiscal year 1975 has been counted as shipment to an MSA country. The inclusion of Egypt in the MSA list produced an 11.5 percent increase in fiscal year 1975 shipments to MSA's, and a concomitant drop in fiscal year 1975 shipments to non-MSA's. There were no Public Law 480 title I food programs or shipments to Egypt in fiscal years 1973 and 1974.

Source: A.I.D.

This year's Title I program is projected to be \$876.4 million. 30 percent of this amount for political purposes would equal \$262 million. That compares to only \$182 million which was allocated last fiscal year to non-MSA countries. Thus, a 70-30 split this year would actually increase political food aid by \$80 million. The food deficit for this year in the MSA countries is projected to be between 14-20 million tons, compared to last year's 15.9 need. Thus, the need is likely to be greater in fiscal year 1976. Yet, this year's projection with a 70-30 split, would allow for only \$614 million allocated for MSA countries in Title I food aid, compared to last year's \$679 million. The 80-20 ratio recommended by the committee, thus, has only the effect of maintaining last year's effort.

The Public Law 480 Title I program proposed by the executive branch is shown below:

PUBLIC LAW 480 TITLE I SUMMARY

Region and country	Fiscal year 1974 (thousands)	Fiscal year 1975 (thousands) ¹	Amount (thousands)	Wheat		Fiscal year 1976 proposed Rice		Feedgrains		Vegetable oil		Nonfood amount
				000MT	Amount	000MT	Amount	000MT	Amount	000MT	Amount	
Africa:												
Guinea.....	\$1,583	\$11,980	\$4,500	10	1,400	10	3,100					
Malagasy Republic.....		10,100	3,100			10	3,100					
Mozambique.....			3,400	25	3,400							
Sudan.....	3,023	809										
Tanzania.....		8,040	6,200			20	6,200					
Subtotal.....	4,606	30,929	17,200	35	4,800	40	12,400					
Europe: Portugal subtotal.....	10,031											
Latin America:												
Bolivia.....	12,762											
Chile.....		57,800	55,100	400	55,100							
Colombia.....	6,989											
Dominican Republic.....	5,733											
Ecuador.....	1,092											
Haiti.....		2,400	3,400	25	3,400							
Honduras.....		8,020	6,500	25	3,400	10	3,100					
Jamaica.....	516	1,500										
Subtotal.....	27,092	69,720	65,000	450	61,900	10	3,100					

20

East Asia:												
Cambodia.....	168,305	\$45,600										30,100
Indonesia.....	7,649	46,600	30,100									
Korea.....	5,200	74,000	150,000	192	26,500	400	123,500					
Philippines.....	4,724	1,400										
Thailand.....	9,933											
Vietnam.....	230,084	\$15,600										
Subtotal.....	425,895	183,200	180,100	192	26,500	400	123,500					30,100
Near East-South Asia:												
Bangladesh.....	18,902	240,500	154,900	700	96,400	150	46,300			15	12,200	
Egypt.....		120,000	(²)									
India.....		128,000	68,900	500	68,900							
Israel.....	29,305	9,000	(²)									
Jordan.....	6,897	6,800	(²)									
Morocco.....	6,928		13,800	100	13,800							
Pakistan.....	30,360	83,800	77,100	500	68,900					10	8,200	
Sri Lanka.....	5,219	24,500	19,000	138	19,000							
Syria.....		26,520	(²)									
Tunisia.....	10,410											
Subtotal.....	108,021	639,120	(²)									
Worldwide reserve ⁴	1,182	152,031	280,400	1,139.5	157,000	209.2	64,600	38.7	4,200	3.5	3,600	51,000
Grand total.....	576,827	1,075,000	876,400	3,754.5	517,200	809.2	249,900	38.7	4,200	28.5	24,000	81,100

21

¹ Dollar amounts are based on current price projections from the U.S. Department of Agriculture. Fiscal year 1976 country allocations are illustrative only, and are subject to change contingent upon commodity availability, price, and program needs.

² Estimated deliveries.

³ Public Law 480 programs for Middle Eastern countries will be proposed later.

⁴ Includes amounts for programs for Middle East countries now under review as well as a worldwide reserve for contingent food requirements.

Source: A.I.D.

The nations on the current U.N. list of most seriously affected nations (MSA's) are:

Afghanistan.	Lesotho.
Bangladesh.	Madagascar.
Burma.	Malawi.
Cambodia.	Mali.
Burundi.	Mauritania.
Cape Verde Islands.	Mozambique.
Central African Republic.	Niger.
Chad.	Pakistan.
Dahomey.	Rwanda.
El Salvador.	Senegal.
Egypt.	Sierra Leone.
Ethiopia.	Somalia.
Ghana.	Sri Lanka.
Guinea.	Sudan.
Guinea-Bissau.	Cameroon.
Guyana.	Tanzania.
Haiti.	Upper Volta.
Honduras.	Uganda.
India.	Western Samoa
Ivory Coast.	Democratic Republic of Yemen.
Kenya.	Yemen Arab Republic.
Laos.	

Section 208—Continuity of distribution under title II

This section adds a new subsection (b) to Public Law 480, section 201. The new subsection provides that the minimum quantity of agricultural commodities distributed under Public Law 480 Title II shall be 1,300,000 tons for each fiscal year, and the minimum distributed through nonprofit voluntary agencies and the World Food Program shall be 900,000 tons each fiscal year, unless the President determines and reports to Congress, with his reasons, that such quantity cannot be used effectively for Title II purposes. A proviso states that such minimum quantity shall not exceed the total quantity of commodities determined to be available for Public Law 480 (under Public Law 480, section 401) less the quantity required for famine or other urgent or extraordinary relief requirements. The administrations fiscal year 1976 program for all of title II totals 1,300,000 tons.

The minimum for nonprofit voluntary agencies and the World Food Program was adopted following widespread criticism that past uncertainties about the variations in quantities of Public Law 480 supplies for these humanitarian programs had caused disruption and impaired their effectiveness. The minimum is designed to assure availability of at least 900,000 tons of food a year for these programs, thereby promoting their effectiveness and permitting better forward planning. There is no minimum in the present law.

The 1.3-million-ton minimum for Title II as a whole assures an annual minimum for all three types of food distributions abroad under Title II—through voluntary agencies, the World Food Program, and government-to-government agreements. The 400,000 ton margin above the minimum for voluntary agencies/World Food Program provides assurance that this additional amount will be available for allocation to these programs or to government-to-government programs, as desired.

The following tables provide information on the fiscal year 1976 Title II program of the executive branch:

FISCAL YEAR 1976 TITLE II DONATION PROGRAM
(Dollars in thousands)

	Fiscal year 1974	Fiscal year 1975	Total	Wheat		FY 1976 Feedgrain		Vegetil	
				Amount	MT	Amount	MT	Amount	MT
Grand total	\$384,842	\$473,561	\$406,181	\$138,354	650,000	\$103,700	630,000	\$50,527	47,015
Commodity summary by region—Subtotal	281,600	363,400	292,581						
Africa	83,537	74,712	46,650	9,627	58,650	27,146	180,118	9,877	9,232
East Asia	31,348	35,185	26,869	16,331	85,381	9,072	58,331	1,466	1,487
Near East and South Asia	126,313	173,835	124,539	71,774	282,168	27,008	139,855	25,757	23,757
Latin America	39,716	64,932	46,944	17,403	75,372	16,114	73,483	13,427	12,539
Emergency reserve/unallocated		14,736	47,579	23,219	148,519	24,360	178,213		
Title II miscellaneous recoveries	1,314								
Grants of Title I currencies	1,681	1,500	2,000						
Ocean freight	101,661	108,661	111,600						

Source: A.I.D., May 1975.

PUBLIC LAW 480 TITLE I AND II
[Thousands of MTGE]

Item	Fiscal year—					
	1971	1972	1973	1974	1975 estimated	1976 projected
Title I total.....	7,490	7,167	4,919	1,753	3,523	4,631
Title II, total.....	2,316	2,706	2,271	1,504	1,283	1,285
Emergency.....	467	1,266	913	616	286	283
Regular.....	1,849	1,440	1,358	888	997	1,002
Voluntary agency.....	1,100	1,637	1,066	706	716	1,600
Emergency.....	142	783	201	166	116	-----
Regular.....	958	854	865	540	600	600
World food program.....	494	380	361	342	366	1,310
Emergency.....	90	81	43	100	31	-----
Regular.....	404	299	318	242	335	310
Government-to-government.....	722	689	844	456	201	1,92
Emergency.....	235	402	669	350	139	-----
Regular.....	487	287	106	62	-----	92
Total titles I and II.....	9,806	9,873	7,190	3,257	4,806	5,916

¹ Emergency tonnage by sponsor for the current fiscal year is not available and is therefore included in the emergency reserve/unallocated. (283,000 MTGE).

Source: AID.

Section 209—Limitation on use of foreign currencies

Section 209 would add a new section 206 to Title II of Public Law 480 providing that, except in the case of famine or other urgent or extraordinary relief requirements, no assistance shall be provided under title II of Public Law 480 pursuant to agreements providing for the sale of commodities and the generation of foreign currency proceeds unless (1) the recipient country is undertaking satisfactory self-help measures in accordance with section 109 of Public Law 480; (2) the proposed uses of the proceeds are specifically set forth in the agreement between the parties; and (3) that such currencies are used for agricultural, rural development, or nutrition programs in keeping with the objectives of section 103 of the Foreign Assistance Act of 1961. Information on such uses must be included in the reports required by section 408 of Public Law 480 and section 657 of the Foreign Assistance Act of 1961.

It is the committee's intent that the agreements for use of the proceeds, contemplated by this section, would be entered into either simultaneously with the Title II agreement or within a reasonable period thereafter and that they would set forth in detail the policies, programs or projects to be supported.

Section 210—Advisory Committee

This section amends section 407 of Public Law 480 to allow members of the Public Law 480 Advisory Committee to designate, within limits, persons to represent them on the Committee.

The Advisory Committee as presently established under section 407 of Public Law 480 is composed of the Secretary of State, the Secretary of the Treasury, the Secretary of Agriculture, the Director of the

Office of Management and Budget, the Administrator of the Agency for International Development, the chairman and the ranking minority member of the House Committee on Agriculture and the House Committee on International Relations, and the chairman and ranking minority member of both the Senate Committee on Agriculture and Forestry and the Senate Committee on Foreign Relations.

Section 211—Reports to the Congress

This section amends section 408 of Public Law 480 by adding new subsections 408(b) and 408(c).

Subsection 408(b) requires the President, in his annual report to designated committees of the Congress of planned programming of food assistance for each fiscal year, to include a global assessment of food production and needs; self-help steps being taken under Public Law 480, section 109(a); steps being taken to encourage other donors to increase their food assistance efforts; and the relationship between Public Law 480 food assistance and other assistance provided to each country by the United States and other donors.

Subsection 408(c) requires the President to submit to the appropriate committees by October 1 each year a revised global assessment of food production and needs, and revised planned programming of food assistance for the current fiscal year, reflecting to the maximum feasible extent the actual availability of commodities for food assistance.

The term current fiscal year shall mean, following the planned change in fiscal year timing, the year commencing with the October 1 deadline for submission of the revised assessment and programming.

Section 212—International Food Reserve System

Section 212 creates a new section 412 in Public Law 480. It authorizes and encourages the President to seek international agreement for a system of national food reserves to meet food shortage emergencies and to provide insurance against unexpected food production shortfalls, with costs of such a system to be equitably shared among nations and firm safeguards to be given to farmers and consumers against market price disruption therefrom.

The cornerstone of any attack on global poverty is increased food production. The United States must act with other nations to help the food deficit countries achieve a greater food self-sufficiency. The development of a more self-sufficient food policy for the Third World should be accompanied by creation of a world food policy in which the United States can and should play a major role. The major components of this policy should be international food reserves and a full and free exchange of food production and marketing information. Reserves are needed not only in the United States but in other countries as well. The world can no longer depend on the United States to be the sole food reserve country. The burden must be shared. The development of an international food reserve system in which both exporting and importing countries participate should be a priority matter on the international agenda.

Section 213—Reports regarding implementation of recommendations of World Food Conference

Section 213, sponsored by Senator Humphrey, relates to the 1974 World Food Conference, as does the amendment to Public Law 480

contained in section 202 of the bill. Section 213 calls upon the President to strengthen the efforts of the United States to carry out the recommendations of that Conference and requires the President to submit a detailed report to the Congress not later than 90 days after the date of enactment of this section describing the steps he has taken to carry out the recommendations of the Conference, including steps taken to fulfill the commitment of the United States and to encourage other nations to increase their participation in efforts to improve the food security of the poorest portion of the world's population.

TITLE III—DEVELOPMENT ASSISTANCE

Section 301—Development assistance policy

This section adds a new subsection (c) to section 102 of the Foreign Assistance Act of 1961, which sets forth policies under which programs authorized by that act are carried out.

The policy for development assistance stated in new subsection (c) is a reaffirmation of the main thrust of the reforms enacted in the Foreign Assistance Act of 1973.

The new subsection specifies that AID's development assistance should be used not simply to transfer financial resources to developing countries, but to help them solve development problems in ways that substantially increase the participation of the poor. This expression of congressional intent is meant to clarify and reaffirm the policies contained in sections 102(b) (1), (2), and (5), enacted in 1973.

Section 302—Food and nutrition

This section, in subsection 302(a) (1), amends section 103 of the Foreign Assistance Act of 1961 to authorize the appropriation of \$603.8 million for fiscal year 1976 and \$735 million for fiscal year 1977 for activities in the fields of agriculture, rural development, and nutrition.

Both authorizations include funds for operating expenses as well as program costs.

Comparative data on the food and nutrition category

	Millions
Fiscal year 1975 authorization.....	\$500
Fiscal year 1975 appropriation.....	300
Fiscal year 1976 request.....	¹ 534.5
Fiscal year 1976 H.R. 9005.....	² 603.8

¹ Does not include operating expenses.

² Includes operating expenses.

In addition to the funds to be made available pursuant to the authorization recommended by the committee, other funds will be available for programs in this category out of loan reflows, as authorized in the new section 103(e) which would be added under paragraph (2) below.

The committee believes that the level of assistance recommended in this bill for food production and nutrition is the minimum that the United States should provide in view of the vast needs in this area. The materials needed to boost food production in the poor countries are much more costly now than several years ago due to the impact of inflation and increased energy costs. Last fall the World Food Conference highlighted the need for a worldwide effort to help increase food production in the developing countries. The race between

population growth and food production becomes more acute yearly and both problems must be attacked simultaneously. The authorizations contained in this bill for assistance in both areas will help to get nations off the food dole through stimulation of greater efforts to achieve maximum self-sufficiency.

The AID program proposed for fiscal year 1976 and the transition quarter is shown in the table below:

SUMMARY OF FOOD AND NUTRITION PROGRAM PROPOSAL, FISCAL YEAR 1976 AND 5TH QUARTER

(In millions of dollars)

	Fiscal year 1976			5th quarter		
	Total	Grants	Loans	Total	Grants	Loans
Total program.....	582.3	116.1	466.2	151.0	21.9	129.1
Africa, total.....	122.4	39.7	82.7	31.3	5.8	25.5
Ethiopia.....	18.4	7.7	10.7	10.2	.2	10.0
Ghana.....	11.0	1.0	10.0	.1	.1	.....
Kenya.....	11.9	1.9	10.0	.4	.4	.....
Liberia.....	.4	.4	.....	8.1	.1	8.0
Rwanda.....	.1	.1	.....	.1	.1	.....
Tanzania.....	14.8	2.8	12.0	2.0	2.0	.....
Zaire.....	2.2	2.2	.....	8.0	.5	7.5
East Africa regional.....	.7	.7	.....	.1	.1	.....
Southern Africa programs.....	14.0	4.0	10.0	.4	.4	.....
Sahel and other Central West Africa programs.....	36.6	11.6	25.0	1.2	1.2	.....
Portuguese territories.....	7.5	2.5	5.0	.....	.....	.....
Africa regional.....	4.7	4.7	.....	.7	.7	.....
East Asia, total.....	38.1	6.1	32.0	5.4	.8	4.6
Indonesia.....	16.1	1.1	15.0	.3	.3	.....
Korea.....	.3	.3	.....	.....	.....	.....
Philippines.....	14.6	2.6	12.0	4.9	.3	4.6
Thailand.....	7.1	2.1	5.0	.2	.2	.....
Latin America, total.....	159.3	14.8	144.5	40.9	4.9	36.0
Bolivia.....	8.1	.6	7.5	.7	.7	.....
Chile.....	22.8	.8	22.0	.1	.1	.....
Colombia.....	13.7	.7	13.0	6.2	.2	6.0
Costa Rica.....	6.2	.2	6.0	(1)	(1)	.....
Dominican Republic.....	12.3	.3	12.0	.1	.1	.....
El Salvador.....	11.7	.7	11.0	.1	.1	.....
Guatemala.....	14.1	1.1	13.0	.2	.2	.....
Guyana.....	3.7	.2	3.5	.2	.2	.....
Haiti.....	7.5	2.5	5.0	8.7	.7	8.0
Honduras.....	9.7	.7	9.0	.2	.2	.....
Jamaica.....	.1	.1	.....	(1)	(1)	.....
Nicaragua.....	.5	.5	.....	.4	.4	.....
Panama.....	4.1	.1	4.0	7.0	.....	7.0
Paraguay.....	3.6	1.1	2.5	.4	.4	.....
Peru.....	19.1	1.1	18.0	.2	.2	.....
Uruguay.....	.3	.3	.....	(1)	(1)	.....
Latin America regional.....	10.4	2.4	8.0	.4	.4	.....
Caribbean regional.....	10.3	.3	10.0	.1	.1	.....
ROCAP.....	1.4	1.4	.....	15.9	.9	15.0
Near East and South Asia, total.....	219.2	12.2	207.0	67.5	4.5	63.0
Afghanistan.....	7.3	2.3	5.0	5.7	.7	5.0
Bangladesh.....	60.3	2.3	58.0	20.5	.5	20.0
India.....	75.6	.6	75.0	.1	.1	.....
Morocco.....	6.3	1.3	5.0	8.6	.6	8.0
Nepal.....	.7	.7	.....	.4	.4	.....
Pakistan.....	57.8	1.8	56.0	25.3	.3	25.0
Sri Lanka.....	8.0	.....	8.0	.....	.....	.....
Tunisia.....	1.6	1.6	.....	5.5	.5	5.0
Yemen.....	1.2	1.2	.....	.9	.9	.....
Near East and South Asia regional.....	.4	.4	.....	.4	.4	.....
Worldwide technical assistance and research programs.....	41.8	41.8	.....	5.4	5.4	.....
Ocean freight differential.....	1.2	1.2	.....	.4	.4	.....
Inspector General of Foreign Assistance.....	.3	.3	.....	.1	.1	.....

¹ Less than \$50,000.

Note: Totals may not add due to rounding.

Source: AID.

Subsection 302(a) (2) adds three new subsections to section 103 of the Foreign Assistance Act of 1961.

New Subsection 103(c)—Policy

This new subsection sets forth policy guidance for development assistance activities in agricultural and rural development.

It specifies that assistance provided under section 103 shall be used primarily for activities which are designed to increase the productivity and income of the rural poor, through such means as creation and strengthening of local institutions linked to the regional and national levels; organization of a system of financial institutions which provide both savings and credit services to the poor; stimulation of small, labor-intensive enterprises in rural towns; improvement of marketing facilities and systems; expansion of local or small-scale rural infrastructure and utilities such as farm-to-market roads, land improvement, energy, and storage facilities; establishment of more equitable and more secure land tenure arrangements; and creation and strengthening of systems to provide other services and supplies needed by farmers, such as extension, research, training, fertilizer, water, and improved seed, in ways which assure access to them by small farmers.

The new subsection (d) requires that foreign currency proceeds from sales of commodities provided under the Agricultural Trade Development and Assistance Act of 1954 which are owned by foreign governments be used whenever practicable to carry out the provisions of this section.

The new subsection (e) added to section 103 authorizes repayments on prior year aid loans to be made available for specified purposes. First priority, for which the bill earmarks \$200 million, is a U.S. contribution to the proposed \$1.25 billion International Agricultural Development Fund, subject to appropriate participation by other donors.

The Secretary of State has pledged U.S. support for the fund, and negotiations are now under way on its establishment. The level of the U.S. contribution, therefore, has not yet been fixed. However, it should be noted that a U.S. contribution of \$200 million would amount to 16 percent of a \$1.25 billion fund, and that the OPEC countries may contribute about half of the fund's assets. The committee, in setting a floor of \$200 million, does not intend to compel the Executive to contribute that amount if other countries are not willing to make substantial contributions as well. On the other hand, it does not mean to restrict the U.S. contribution to that amount if, on the basis of negotiations, a somewhat greater U.S. contribution would make it possible to increase significantly the contributions of other countries. The committee has approved this contribution with the understanding that U.S. participation in the Fund, when agreement is reached, will be approved by appropriate legislative action of the Congress.

The bill also allows use of the loan reflows, estimated at \$353 million in fiscal year 1976 and \$403 million in fiscal year 1977, for agricultural research, loans and grants for other food and nutrition projects and for providing long-term development assistance to the drought-stricken areas of Africa in accordance with the new section 494B.

The use of loan repayments to contribute a fair share to the International Agricultural Development Fund, to spearhead a major agricultural research effort, to increase U.S. support for other important activities in the fields of agriculture, rural development, and nutrition and to provide aid to the most needy areas of Africa will go far toward helping meet the challenge of world poverty and world hunger.

Section 302(b) repeals section 203 of the Foreign Assistance Act of 1961, which would prevent loan repayments from being used for the purposes specified in new subsection 103(e).

Section 303—Agricultural research

Section 303 adds a new section 103A to the Foreign Assistance Act of 1961 which sets forth policy intended to apply to all agricultural research carried out under the Foreign Assistance Act, including but not limited to that undertaken pursuant to section 103 (general authority for AID activities in the field of agriculture), section 107 (intermediate technology), Title XII of chapter 2 of part I (Famine Prevention and Freedom from Hunger), or any other provision authorizing such research.

The new provision requires that agricultural research carried out under the act take account of the special needs of small farmers in the determination of research priorities, that research be carried out on the interrelationships among technology, institutions, and economic, social, and cultural factors affecting small-farm agriculture, and that extensive use be made of field testing to adapt basic research to local conditions such as brackish water problems. It also specifies that special emphasis shall be placed on disseminating research results to the farms on which they can be put to use, and especially on institutional and other arrangements needed to assure that small farmers have effective access to both existing technology and to new technology resulting from further research.

The table below provides data concerning AID-funded research and research support in the field of food and nutrition for fiscal year 1974-75, proposed for fiscal year 1976-77, and projected for fiscal year 1980:

AID-FUNDED FOOD AND NUTRITION RESEARCH AND RESEARCH SUPPORT OBLIGATIONS, 1974-80

(In fiscal years and thousands of dollars)

Location of research	1974 (actual)	1975 (estimate)	Proposed by AID			
			1976	5th quarter	1977	1980
1. Developing-country national and regional research and research centers.....	17,041	8,150	18,950	6,930	25,000	40,000
2. U.S. institutions.....	8,586	8,344	9,468	1,278	18,000	28,000
3. International centers:						
Consultative group on international agricultural research (CGIAR) and related institutions.....	7,350	10,655	14,900	.....	17,000	25,000
International Fertilizer Development Center (IFDC).....	.....	4,100	5,100	.....	5,700	7,000
Other international centers.....	600	600	800	.....	800	.....
Grand total.....	33,577	31,849	49,218	8,208	66,500	100,000

Source: AID.

Section 304—Population planning and health

Section 304 authorizes an appropriation for population planning and health, including operating expenses, of \$243.1 million for fiscal year 1976 and \$275.6 million for fiscal year 1977. It provides that not less than 67 percent of the funds made available under this section in any fiscal year shall be used for population planning either in separate programs or as an element of health programs.

The language adopted by the committee, which includes integrated health and population planning programs in the 67 percent earmarking for population planning, is designed to give impetus to the integrated approach to family planning. The committee recognizes that there are a significant number of population planning programs that legitimately do not contain a child and maternal health care component, but agrees with the language in the report of the House Committee on International Relations on this bill (H. Rept. 94-442) that simply making birth control devices and advice available may not be the most effective way of reducing the rate of population growth. An integrated program, as contemplated by this provision, is one aimed at providing low cost child and maternal health care and directly integrated into a population planning program, consistent with the language contained in the new section 104(b).

Because of substantial cuts in appropriations for population planning and health in the last 2 years, there is a backlog of country requests and needs. Therefore, the committee has approved an additional \$24 million above the executive branch request for provisions in this category.

The new section 104(b) is a statement of policy which stresses coordination between health and population activities with emphasis on low cost integrated delivery systems to provide health and family planning services; health programs which emphasize disease prevention; population planning programs which include education and are coordinated with health, nutrition, and other programs aimed at raising the standard of living of the poor.

Comparative data concerning funding for population planning and health is as follows:

COMPARATIVE DATA CONCERNING FUNDING FOR POPULATION PLANNING AND HEALTH

[In millions]

Appropriation, fiscal year—		Request, fiscal year—		Authorization, H.R. 9005, fiscal year—	
1974	1975	1976	1977	1976	1977
\$135	\$125	\$219.1	\$251.6	\$243.1	\$275.6

¹ Includes operating expenses.

Section 305—Education and human resource development

Section 305 authorizes the appropriation of \$89.2 million for fiscal year 1976 and \$101.8 million for fiscal year 1977 for activities in the fields of education, human resource development, and public administration. The amount authorized corresponds to the President's request, including funds for operating expenses as well as program costs in this area.

Section 305, like the comparable provisions in previous sections, sets forth additional policy guidance for development aid activities in this area, based largely on existing legislative history. The section specifies that assistance under this section shall be used primarily for programs in both nonformal and formal education which are designed to be of practical use to both the rural and urban poor, as well as for programs which strengthen the management capabilities of government agencies and private organizations that play an important role in enabling the poor to participate in development.

Although programs in education and human resource development benefiting major urban centers are not by any means precluded under this authorization category—especially in the context of establishing or improving national educational programs or systems—the primary emphasis should remain on rural areas.

COMPARATIVE DATA ON FUNDING OF EDUCATION AND HUMAN RESOURCE DEVELOPMENT PROGRAMS

[In millions]

Appropriation		Executive branch authorization request		H.R. 9005	
Fiscal year 1974	Fiscal year 1975	Fiscal year 1976	Fiscal year 1977	Fiscal year 1976	Fiscal year 1977
\$89.0	\$82.0	\$89.2	\$101.8	\$89.2	\$101.8

¹ Includes operating expenses.

The committee has earmarked \$1,000,000 of the funds to be made available pursuant to this authorization for expanding educational assistance to South Africa. The bulk of the assistance is intended to be used for expanding educational assistance to Rhodesian Africans. This assistance represents a small but important investment in future good relations between the United States and Rhodesia. The Rhodesian African leadership places a high value on education in the United States and these funds will provide education and training opportunities in the United States and Africa for a significant number of Rhodesians. It is intended that approximately one-third of the funds will be used to provide additional educational opportunities for South African blacks.

Section 306—Technical assistance, energy, research, reconstruction, and selected development problems; intermediate technology

This section provides authority and funds for activities outside the major functional areas covered by sections 103-105 of the Foreign Assistance Act of 1961. The section also authorizes funds for an expanded and coordinated private effort in the field of intermediate technology. It creates two new sections of the Foreign Assistance Act:

New Section 106—Technical assistance, energy, research, reconstruction, and selected development problems

At present, development aid programs which do not fit within the three functional categories authorized by sections 103-105 are funded under two additional categories—selected development programs (section 106) and selected countries and organizations (section 107). Those two authorization categories were included in the Foreign Assistance Act of 1973 in order to cover certain AID activities which at that time

formed a very substantial part of the total program. From the outset, these additional categories were expected to decline as the emphasis of the AID program shifted away from program lending and major infrastructure projects in fields such as transportation and power. The amounts proposed for fiscal year 1976 for these two categories have now been reduced to the point where the two can be merged into one. Section 306 therefore consolidates the two in a new section 106 of the Foreign Assistance Act, for which certain program emphases are also specified. These are:

(1) Technical assistance, particularly through U.S. private and voluntary organizations and regional and international development organizations. Almost all of the activities proposed by AID for fiscal year 1976 under existing section 107 of the Foreign Assistance Act are for grants to and contracts with private or international agencies. This paragraph in effect continues the authority of present section 107 with respect to programs carried out through such agencies.

(2) Programs to help developing countries increase their production or conservation of energy.

(3) Research activities, to the extent that they are not carried out under sections 103-105. The repeal of section 241 of the Foreign Assistance Act of 1961, dealing with research, and the inclusion of similar language in this paragraph does not imply that all research should be funded under this section, but only that research is one of the important functions carried out under the development assistance program which cannot always be confined within the major functional areas authorized by sections 103-105.

(4) Disaster reconstruction. Often reconstruction following natural or manmade disasters requires funds for urban housing or other activities which fall outside the scope of the major functional development assistance areas. AID's proposed program for fiscal year 1976 contains disaster reconstruction projects for both Honduras and Nicaragua, amounting to \$9 million.

(5) Special development problems faced by the very poorest and least developed countries, especially in Africa, and programs which may be necessary to make possible the proper use of projects previously funded by assistance from the United States.

(6) Urban development—not in the sense of elaborate planning and construction in large metropolitan centers, but the financing of activities which can directly help the urban poor who are crowded into the slum areas of big cities.

Subsection (b) of new section 106 authorizes the appropriation of \$92.4 million for fiscal year 1976 and \$96.0 million for fiscal year 1977 for programs in these various areas. These amounts represent the authorizations requested by the President, including operating costs.

It is this committee's intent that funds shall be made available from this authorization to help pay for the increased ocean freight costs expected to be incurred by private and voluntary agencies in transporting commodities overseas, costs estimated at \$7.15 million for fiscal year 1976 and \$8.5 million for fiscal year 1977.

The committee understands that because of the unprecedented response of the American people to the food shortages facing poor people in the developing countries, coupled with increases in shipping

costs for private and voluntary agencies, the funds available to AID to reimburse those organizations for their ocean freight shipments during fiscal year 1975 were insufficient. While AID was able to make some budgetary shifts to ease the situation, according to recent estimates, about \$500,000 in unreimbursed ocean freight expenditures could not be funded by AID at the end of fiscal year 1975. This amount remains unpaid on the ledgers of some private and voluntary agencies as of September 1975.

The committee understands that AID cannot, under normal circumstances, use fiscal year 1976 funds to meet those needs on a retroactive basis. However, because of the unusual and difficult conditions which prompted the private and voluntary agencies to use monies which they did not have in hand and which exceeded the amounts allocated by AID for this purpose, the committee approves the use of fiscal year 1976 funds authorized in this bill to meet the unmet needs of fiscal year 1975, up to a level of \$500,000.

The committee has reached this judgment reluctantly, based on the fact that beginning with fiscal year 1976, the private and voluntary agencies working with AID are implementing a system for more accurate projection of their ocean freight needs and that this bill provides almost \$15 million for ocean freight reimbursement in fiscal year 1976, the amount that the private and voluntary agencies jointly determined was needed. The committee cautions, however, that the amount of fiscal year 1976 funds used to cover costs incurred in fiscal year 1975 will reduce fiscal year 1976 availabilities by that amount, and that the acquiescence of the committee in this use is not intended to establish a precedent.

In noting the increasing requirement for ocean freight funds, the committee appreciates that the spontaneous and generous response of the American people to tragedies abroad has precipitated the recent large amounts necessary for this purpose. But the committee wishes to note that the humanitarian response is a joint undertaking between government and the voluntary agencies. It anticipates that the agencies will not continue to be wholly dependent upon government funds for their overseas shipping costs. To this end the committee urges the agencies and AID to work out a system of priorities using mutually acceptable criteria to assure that limited funds will be directed to shipment of goods for the more critical uses, and develop a matching formula which would have as its purpose establishment of an absolute ceiling on the amount of government funds used for this purpose while bringing about at the same time the use of a greater proportion of private funds for ocean freight requests.

Comparative data concerning the funding of programs under this section follow:

	[In millions]					
	Appropriation, fiscal year—		Executive authorization request, fiscal year—		H. R. 9005, fiscal year—	
	1974 ¹	1975 ¹	1976	1977	1976	1977
1. Selected developed problems (106).....	\$40.5	\$37	\$45.3	\$40	.....	.....
2. Selected countries and org. (107).....	36.5	30	32.0	40	.....	.....
3. Operating expenses.....	.....	.....	15.1	16	.....	.....
4. Technical assistance, etc. (new 106).....	.....	.....	.....	.....	\$92.4	\$96.0
Total.....	77.0	67	92.4	196	192.4	196.0

¹ Includes operating expenses.

New Section 107—Intermediate technology

The new section 107 of the Foreign Assistance Act of 1961 permits a total of up to \$20 million of the funds made available under sections 103-106 over the 3-year period covering fiscal years 1976-78 to be used for grants to support an expanded and centralized private effort in the field of intermediate technology.

The experience of more than a quarter century of development assistance programs overseas has demonstrated that much of the technology used in the United States and other industrialized countries is not well suited to the economies of developing countries. It is too big, too expensive, and does not create the jobs needed to absorb rapidly expanding labor forces in countries which already have an abundance of labor. It is not appropriate for use on the small farms and in the small business enterprises that make up so much of the economic activity in the developing world.

The new section 107 is designed to encourage AID to place greater emphasis on coordinating and expanding private efforts to develop and disseminate technology which is appropriate for the developing countries. It does not authorize additional appropriations.

Section 307—Development and use of cooperatives

This provision amends section 111 of the Foreign Assistance Act of 1961 in two major ways:

(1) It adds a policy statement requiring that high priority be given to increasing the use of funds made available under the Foreign Assistance Act for assistance in the development of cooperatives in less-developed countries.

(2) It earmarks \$20 million over the period comprising fiscal years 1976 and 1977 and the interim quarter to be used for technical assistance for that purpose.

In the committee's view, strong cooperatives constitute one of the most important aspects of broad-based economic development. Properly structured, financially sound cooperatives and cooperative federations can not only make it possible for numerous small farmers and other poor people in developing countries to gain access to productive opportunities and other economic benefits, but they can also have a positive impact on how people understand their ability to organize to help themselves.

Section 308—Integrating women into national economies

Existing section 113 of the Foreign Assistance Act of 1961 requires that development aid programs authorized under sections 103 through 107 of that act be administered so as to give particular attention to integration of women into the national economies of foreign countries.

This section would extend that requirement to cover all programs authorized under part I of the Foreign Assistance Act. Among the additional programs covered by this amendment are the American schools and hospitals abroad program, the housing and other guaranty programs carried out by AID, and the programs of the Overseas Private Investment Corporation.

Section 309—Human rights and development assistance

This section is designed to provide safeguards against the possibility that authoritarian governments which deprive their citizens of basic

political and human liberties do not divert U.S. assistance from its intended purposes or use such assistance to bolster their repressive regimes. Should either House of Congress believe that basic human rights are being denied by an aid recipient government the Administrator of the Agency for International Development must provide assurances that the U.S. assistance program can still accomplish its stated objectives. Implicit in the procedure established by this section is the expectation that if the Congress finds such assurance inadequate or unconvincing, assistance to the government in question may then be terminated by a concurrent resolution under section 617 of the Foreign Assistance Act of 1961, as amended.

The language of this section was adopted by the committee as a substitute for language inserted in H.R. 9005 during floor action in the House of Representatives. As it came to the Senate, the provision stated that no assistance could be provided to a government which engaged in specified repressive practices *unless* the President first determined that its continuation would aid the needy and that such assistance would, in fact, reach them and *provided*, neither House of Congress vetoed the continuation of such aid. In the view of the committee the House language was deficient in that unless and until the President made a determination in effect condemning an aid recipient government, the provisions of the section were not operative. The committee has noted that the executive branch is reluctant to make such determinations. Indeed, under the House language, the executive branch might well argue that the Congress could not terminate aid on the grounds stated until the President had made the requisite determination and that determination had been rejected by one House or the other. Finally, it was also the view of the committee that the provision of the House language which would have permitted one house alone to terminate an ongoing aid program was an unwise procedure.

By contrast, the language recommended by this committee clearly states what the Congress believes the linkage to be between U.S. assistance and human rights but it does not rule out assistance to needy people simply because they are also politically oppressed. The committee language provides a mechanism whereby either House, without any action on the part of the Executive can, in effect, compel the Executive to "show cause" why aid should not be terminated. Upon receipt of the Executive's views the Congress may then, by action of both Houses, proceed to work its will in accordance with existing procedures.

The committee believes that the inclusion of this language in the bill should serve to remind the Executive of Congress' increasing concern over the issue of human rights in our foreign affairs. At the same time, the language does not seek to define what the U.S. Congress believes is acceptable practice by other governments in their internal affairs. Nevertheless, a procedure is available under this section which would permit either House to register its concern and to compel the executive branch to take note of that concern.

The committee believes that to go further than this in establishing criteria would risk interjecting a political element in the development assistance program, which the committee has sought insofar as possible to insulate from political considerations. Although the committee believes quite firmly that U.S. support for human rights

must be unequivocally expressed, it would not agree that aid to needy people should be conditioned on their having political freedom.

Section 310—Development assistance

This section deals with several matters relating to U.S. development assistance programs: (1) Criteria to measure progress in development, (2) U.S. contributions to multilateral lending organizations, (3) housing guaranties, and (4) American schools and hospitals abroad.

Section 310(1)—Criteria to measure progress in development

This section relates to and is intended to reinforce the principles and objectives set forth in sections 102 and 103. Its intent is to see that U.S. assistance funds are directed increasingly to those countries which demonstrate the most dedication and discipline in mobilizing their development efforts. The President is directed to develop criteria for measuring progress toward the following objectives: increased land ownership or ownership-like tenure, increased self sufficiency in food production, reduced infant and child mortality, and population planning.

“Ownership-like tenure” in the sense used in this section means a possession by the farmer, even if not accompanied by a formal title in the Western style, that is accompanied by two clear practical and economic indicators of full, effective rights over the land: the farmer’s entitlement to stay on the land for as long as he wants to remain there, without doubt or uncertainty, and the farmer’s entitlement to keep all of the crop he produces each year (possibly minus insignificant equitable local taxes), without paying any significant portion of it over to another. Such “ownership-like tenure” is, for example, often found in the customary tenures of African nations.

While the committee recognizes the difficulties in seeking to quantify the measurement of complex objectives, it also believes that a more serious effort must be made to appraise realistically our own efforts and those of aid recipients. Moreover, it is increasingly apparent that unless aid recipients make certain fundamental political decisions about development policy and priorities, U.S. efforts and dollars may well be wasted.

It is not the intent of the committee that this section be used to force potential recipients into drastic or sudden decisions affecting their domestic policy. The committee does believe, however, that AID should begin to develop a capacity for measuring the progress of programs and to be more selective than they perhaps have been in the past. In this connection, the committee suggests that the Agency for International Development support a series of random sample surveys and such other methods of data development in selected less developed countries as offer of a reasonable basis for establishing benchmarks and measuring progress toward the specified objectives.

Section 310(2)—U.S. contributions to multilateral lending organizations

This provision expresses the sense of the Congress that the President should increase the funds provided by the United States to multi-

lateral lending institutions and multilateral organizations in which the United States participates for use for making loans to developing countries.

The intention of this provision is to reaffirm, in repealing the existing statement in section 209(c) of the Foreign Assistance Act of 1961 (stating that the President should reduce bilateral lending to \$100 million by the end of fiscal year 1975) that greater amounts of U.S. foreign assistance funds should be provided through multilateral agencies.

Section 310(3)—American schools and hospitals abroad

This provision amends section 214 of the Foreign Assistance Act of 1961 by authorizing funds for the American schools and hospitals program for fiscal years 1976 and 1977.

It authorizes the appropriation of \$25 million in dollars and \$7 million equivalent in excess foreign currencies to carry out the program, including operating expenses of the program for each of the fiscal years 1976 and 1977. The committee believes that this program is worthwhile and should be continued at a somewhat increased level over the next 2 fiscal years.

The dollar authorization recommended compares with an appropriation of \$17.5 million for fiscal year 1975 and a budget request of \$10 million, including operating costs, for fiscal year 1976.

The fiscal year 1975 program of grants to American schools and hospitals abroad is shown in the table below:

<i>Institution</i>	<i>Fiscal year 1975 program</i>	<i>Amount</i>
American Children's Hospital in Poland.....		¹ \$750,000
Admiral Bristol Hospital, Istanbul.....		200,000
American Farm School, Greece.....		600,000
American Hospital in Paris.....		1,525,000
American Hospital in Rome.....		250,000
American Library in Paris.....		275,000
American University of Beirut.....		6,000,000
American University in Cairo.....		² 350,000
Athens College, Greece.....		150,000
Bologna Center, Italy.....		550,000
Cheng Hsin Rehabilitation Center, Taiwan.....		160,000
Chemke Hospital, Nigeria.....		150,000
Ch'san Sofer Chasan Yechezkel Institute.....		75,000
Damavand College, Iran.....		200,000
Educational Center of Galilee, Israel.....		550,000
Escuela Agricola Panamericana, Honduras.....		125,000
Feinberg Graduate School of Weimann Institute, Israel.....		1,000,000
Hadera Institute, Israel.....		350,000
Indek Vocational School, Korea.....		250,000
Presbyterian Medical Center, Korea.....		100,000
Project HOPE.....		1,700,000
Robert College, Istanbul.....		150,000
Sogang University, Korea.....		425,000
University of the Americas, Mexico.....		650,000
Working Boys' Center, Ecuador.....		250,000
Program Support.....		215,000
Total		17,500,000

¹ Plus \$4,462,811 equivalent in zlotys (fiscal years 1974 and 1975 funds).

² Plus \$5,000,000 equivalent in Egyptian pounds.

AID has received fiscal year 1976 requests for grants totaling \$66 million from American institutions abroad.

Section 310(4)—Housing guaranty program

This provision amends Title III of chapter 2 of part I of the act as follows:

(1) It amends section 221 to increase worldwide housing investment guaranty ceiling from \$355,000,000 to \$505,000,000 through fiscal year 1978;

(2) It amends section 222(c) to increase the Latin America housing investment guaranty ceiling from \$550,000,000 to \$650,000,000 through fiscal year 1978; and

(3) It amends section 223(i) to extend the duration of the housing investment guaranty program from June 30, 1976, to September 30, 1978.

Section 311—Famine prevention

This section adds a new title—Title XII—Famine Prevention and Freedom From Hunger—at the end of chapter 2 of part I of the Foreign Assistance Act of 1961. It is based on legislation introduced by Senator Humphrey and Congressman Paul Findley.

The food crisis has short- and long-term dimensions. While the United States should be prepared to be as helpful as possible in providing food aid to address the short-term problem, the major focus of our policy must be on the longer range problem of increasing agricultural production.

In the United States there are 69 land-grant universities and many other institutions with vast experience in agricultural and fisheries development. They represent a unique resource and have played a vital role in America in conducting research and carrying out extension programs. The record of American agriculture in producing food and fiber for the world is unparalleled anywhere.

Title XII is intended to capitalize on the capabilities and experience of these institutions in helping solve the growing problem of how to increase world food production sufficiently to keep pace with the population explosion in the developing countries. In the long run, the food crisis must be solved by each individual nation. But the talent and experience of American colleges and universities should be brought to bear in a more concentrated manner to help these nations solve their food problems. The program authorized by this title will insure that these resources are mobilized in the most effective ways possible.

The committee has amended this title to make it clear that the programs it authorizes include aquaculture and fisheries on an equal basis with agriculture. In many of the nations with underdeveloped food resources, fisheries and aquaculture represent a significant portion of existing food production, and in many of these nations, the potential for increased food production from improved aquaculture and fisheries practices is substantial. The committee believes that the inclusion of aquaculture and fisheries is essential to a balanced and comprehensive famine prevention program.

To assure such a balanced and comprehensive program, the committee has adopted amendments proposed by Senator Pell that (1) specify that aquaculture and fisheries are included in the provisions of the title; (2) broaden the definition of universities eligible to participate in the program to include institutions designated as Sea Grant Colleges under the National Sea Grant College and Program Act of 1966 as well as the land-grant institutions specified in the House bill; (3) rename the proposed Board for International Agricultural Development the Board for International Food Resource Development; (4) require that the members of the board shall include, in addition to four members from land-grant institutions, one member from a Sea Grant institution; and (5) in cognizance of the administration of the Sea Grant College program and other fisheries programs by the Department of Commerce, provides that the department's programs, as well as those of the Agriculture Department and other institutions, shall be utilized wherever practicable as a basis for new program efforts.

The committee recognizes that many institutions, other than land-grant and Sea Grant institutions, have important capabilities in food resource development. Accordingly, although the bill specifies land grant and Sea Grant institutions as qualified institutions, the provisions of the bill include other U.S. universities which have demonstrable capacity in teaching, research and extension services in agriculture, aquaculture and fisheries that can contribute to attainment of the objectives of the title.

The sections of the new title XII are as follows:

Section 296—General provisions

Subsection 296(a) contains a congressional declaration that, in order to prevent famine and establish freedom from hunger, the United States should strengthen the capacities of land-grant and other U.S. universities eligible under this title in program-related agricultural (including aquatic) institutional development and research; should improve the participation of these universities in U.S. governmental efforts internationally to apply agricultural sciences more effectively to increasing world food production; and should provide increased and longer term support to the application of science to solving developing countries' food and nutrition problems. The strengthening of university capacities is to be consistent with Foreign Assistance Act sections 103 and 103A, which set forth development assistance policy for agriculture, rural development, nutrition, and for agricultural research.

The declaration contained in section 296 is based on congressional findings that (1) governmental creation and support of land-grant universities has promoted U.S. agricultural progress; (2) U.S. universities long have shown their ability to cooperate with foreign agricultural institutions in expanding food production abroad; (3) the greatest potential for increasing food production is in the developing countries, and that this is necessary not only to prevent hunger but to build the base for economic growth; (4) increasing the supply and security of supply of food is of greatest benefit to the poorest majority in the developing world; (5) research, teaching, and extension work, and institutional

development to this end are prime factors in increasing food production abroad; (6) agricultural research abroad has and will continue to provide benefits for U.S. agriculture and food benefits to all; and (7) universities need a dependable source of Federal and other financing in order to expand or continue their efforts to help in increasing agricultural production in developing countries.

In subsection 296(b) Congress declares that various components must be brought together to increase world food production, including: (1) strengthening the capabilities of universities to aid in increasing agricultural production in developing countries; (2) institution-building programs for developing of agricultural research and extension capacities in developing countries which need assistance; (3) international agricultural research centers; (4) contract research; and (5) grants for research programs.

In reference to (1) above, capacity-strengthening assistance to universities under this title is to relate only to their overseas development responsibility and is to be limited to instances where university capacity is clearly lacking and is clearly required for the purposes of this title. (For further reference see discussion under "Title XII—Famine Prevention".) The reference to need for assistance in (2) of this subsection relates to financial need, the intent being to rule out such assistance under this title to countries such as oil-exporting states which do not require external financial aid.

Subsection 296(c) calls on the United States to (1) involve U.S. universities more extensively in each component named in subsection 296(b); (2) provide mechanisms for the eligible universities to participate and advise on the planning, development, implementation, and administration of each component; and (3) assist the universities in cooperative joint efforts with agricultural institutions in developing nations, and with regional and international agricultural research centers, these efforts being directed to strengthening their capabilities to engage more effectively in research, teaching, and extension work for solving food production, distribution, storage, marketing, and consumption problems in agriculturally underdeveloped nations.

Subsection 296(d) defines the term "universities" as used in this title.

As used in this title, the term "universities" means those colleges or universities in each State, territory, or possession of the United States, or the District of Columbia, now receiving, or which may hereafter receive, benefits under the Act of July 2, 1862 (known as the First Morrill Act), or the Act of August 30, 1890 (known as the Second Morrill Act), which are commonly known as land grant universities; institutions now designated or which may hereafter be designated as sea-grant colleges under the act of October 15, 1966 (known as the National Sea Grant College and Program Act), which are commonly known as sea grant colleges; and other United States universities which (1) have demonstrable capacity in teaching, research, and extension activities in the agricultural sciences; and (2) can contribute effectively to the attainment of the objectives of this title.

Subsection 296(e) defines the term "Administrator" to mean the Administrator of the Agency for International Development.

Subsection (f) states that the term "agriculture" shall be considered to include aquaculture and fisheries.

Subsection (g) specifies that the term "farmers" shall be considered to include fishermen and other persons employed in cultivating and harvesting food resources from salt and fresh waters.

Section 297—General authority

Subsection 297(a) authorizes the President to provide assistance on such terms and conditions as he shall determine, to:

(1) Strengthen the capabilities of universities in teaching, research, and extension work to enable them to carry out current programs authorized by paragraphs (2), (3), (4), and (5) of this subsection, and those projected for the next 5 years as mentioned in the annual report required by section 300 of this title.

(2) Build the institutional and human resource capacities of developing countries so they can participate more fully in the international agricultural problem-solving effort and supply new solutions to local circumstances;

(3) Provide support for long-term research on food production, distribution, storage, marketing, and consumption, which is undertaken by universities in a collaborative manner.

(4) Involve universities more fully in the international network of agricultural science, including activities of the international research centers and international organizations such as the United Nations Development Program and the Food and Agriculture Organization, and with the institutions of agriculturally developing nations;

(5) Provide support for international agricultural research centers, for research projects designed to solve specific problems, and to develop and strengthen national research systems in developing countries.

Subsection 297(b) requires that programs under this title shall be carried out so as to:

(1) Use and strengthen the capabilities of universities in (A) developing capacities in the developing nations for teaching in agriculture and relevant fields appropriate to local needs; (B) agricultural research in the developing countries, at international agricultural research centers, or in the United States; (C) the planning, initiation, and development of extension services in developing nations; or (D) educational and scientific exchanges for assisting in development in developing countries;

(2) Take into account the value of such programs to U.S. agriculture, integrating them so far as practical with other U.S. Federal- or state-supported programs so as to maximize their contribution to agricultural development in the United States and in the developing countries; and

(3) Build on existing programs and institutions including those of the universities and the U.S. Departments of Agriculture and Commerce, whenever practicable.

Subsection 297(c) requires that to the maximum practicable extent, the activities under this section shall (1) be designed for the most effective interrelationship between teaching, research, and extension work in agriculture, (2) focus primarily on the needs of farmers, (3) be adapted to local circumstances, and (4) be carried out within the developing countries.

Subsection 297(d) states that the Presidential authority under this section shall be exercised through the Administrator of the Agency for International Development.

Section 298—Board for International Food Resource Development

Subsection 298(a) states that the President shall establish a Board for International Food Resource Development to assist in administering the programs authorized by this title. The Board is to consist of not less than seven members. Not less than four are to be chosen from the universities. One of the Board shall be from a non-land-grant university and not less than one shall be from a sea grant institution. The Board is to be permanent, and thus not subject to the 2-year expiration requirement of the Federal Advisory Committee Act. The President is to set terms of members at the time of appointment. Board members will be entitled to reimbursement for expenses incurred in performance of their duties.

Subsection 298(b) includes in the Board's responsibilities the participation in the planning, development, and implementation of the initiation of recommendations for, and the monitoring of, the activities set forth under section 297 (General Authority) of this title.

Subsection 298(c) includes in the Board's duties: (1) participation in formulating policy, procedures and criteria for project proposal review, selection, and monitoring; (2) maintaining a current roster of universities interested in and capable of partaking in programs under this title; (3) recommending which countries could benefit from programs under this title and identifying countries interested in developing agricultural institutions for teaching, research, or extension work; (4) reviewing agreements between the Administrator and universities engaged in programs under this title; (5) reviewing activities by universities under this title to assure compliance with the title's purposes; (6) recommending to the Administrator the apportionment of funds under section 297 of this title; and (7) assessing the impact of programs under this title in solving developing countries' agricultural problems.

Under subsection 298(d) the President may authorize the Board to create such subordinate units as may be necessary for the performance of its duties, including:

(1) A Joint Research Committee, to take part in the administration and development of programs for long-term collaborative research described in section 297(a)(3) of this title; and

(2) A Joint Committee on Country Programs, to assist in implementing the bilateral activities described in sections 297(a)(2), 297(a)(4), and 297(a)(5) of this title.

Additionally, under subsection 298(e), the Board is to be consulted in the preparation of the annual report required by section 300 of this title and on other agricultural development activities related to programs under this title.

Section 299—Authorization

Subsection 299(a) authorizes for the purposes of this title any funds hereafter made available under section 103 (Food and Nutrition) of

the Foreign Assistance Act. Funds for these purposes are not subject to the \$10 million ceiling in section 211(d) of the act on assistance to U.S. research and educational institutions, or to the 40-country limitation in section 211(a) of the act.

To allow for long-term funding needed for programs under this title and to encourage support by others, including the university community, funds under this title are exempted from the 3-year funding limitation contained in section 110(b) of the Foreign Assistance Act. Also, it is expected that, for programs under this title, the Administrator will fully use existing authorities such as under section 635(h) of the act, permitting commitments of assistance for not more than 5 years, subject to any future action of the Congress.

Subsection 299(b) provides that foreign currencies owned by the United States and determined by the Secretary of the Treasury to be excess to the needs of the United States shall be used to the maximum extent possible in lieu of dollars in carrying out programs under this title. This provision, while seeking to make maximum use of U.S.-owned excess foreign currencies, does not constitute an exemption from the appropriations process.

Subsection 299(c) provides that funding authorized under this title shall be in addition to any allotments or grants from other authorizations.

Subsection 299(d) provides that universities may receive and spend funds from other sources, public and private, to carry out the purposes of this title. However, all such funds shall be disclosed to the Administrator periodically, and at least once a year.

It is the committee's intent that to the maximum extent possible, funds under this title will be spent in recipient countries and within recipient countries at the field level. Assistance to universities is to be limited to where clearly required for purposes of this title.

Although Title XII promises to become a highly innovative approach involving American universities, it is extremely important to develop the program in the closest consultation with the Congress. AID should consult with the committee prior to the adoption of projects and programs under this Title to ensure that it is following the congressional mandate in this new area.

It is vital that the costs of this program be carefully considered and constantly monitored, as university contracts in the past have often been rather expensive. It is also essential that programs of agricultural research contain an effective outreach program to provide the small farmer with the benefits of the research being carried on. Inadequate extension services are often the weakest link between proved methods of increasing agricultural yields and their application at the level of the average farmer.

Section 300—Annual report

This section requires the President to transmit a report to Congress no later than April 1 each year. The report is to detail the activities carried out under this title during the preceding fiscal year, and to contain a projection of programs and activities to be conducted over the ensuing 5 fiscal years. Each report shall contain a summary of

the Board's activities, and can include separate views of the Board concerning any aspect of the programs under this title.

Section 312—International organizations and programs

Subsection 312(a) (1) amends section 302(a) of the Foreign Assistance Act by authorizing \$194.5 million for fiscal year 1976 and \$219.9 million for fiscal year 1977 for international organizations and programs. This authorization includes funds for the Organization of American States (OAS), which previously had been funded under a different section of the act. This is an increase of \$5 million in the executive branch request and reflects the committee's decision to authorize an additional \$5 million contribution to UNICEF.

The executive branch's proposed program of voluntary contributions to be financed under this authorization is shown in the following table:

VOLUNTARY CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS AND PROGRAMS				
[In thousands of dollars]				
	Fiscal year—			5th quarter
	1974 actual	1975 estimate	1976 proposed	
INTERNATIONAL ORGANIZATIONS AND PROGRAMS				
United Nations programs.....	125,025	125,000	168,700	13,400
U.N. development program.....	90,203	77,897	120,000	
U.N. children's fund.....	15,000	17,000	15,000	
International Atomic Energy Agency, operational fund.....	2,000	2,500	3,500	
World meteorological organization, voluntary assistance program.....	1,500	1,500	1,500	
U.N. food and agriculture organization, world food program.....	1,500	1,500	1,500	
U.N. Institute for Training and Research.....	400	400	400	
International Secretariat for Voluntary Service.....	72	60		
U.N. Relief and Works Agency.....	14,300	23,200	26,700	13,400
U.N. funds for southern Africans.....	50	50	50	
World heritage fund.....		143	50	
U.N. disaster relief organization.....		750		
Organization of American States.....			20,800	5,800
Special multilateral fund for education, science and culture.....			7,590	2,080
Special multilateral fund, special projects.....			6,000	1,740
Special development assistance fund.....			6,410	1,760
Inter-American Export Promotion Center.....			800	220
Total, United Nations and OAS programs.....	125,025	125,000	189,500	19,200

Source: AID.

The committee has also earmarked contributions of \$250,000 in fiscal year 1976 and \$500,000 in fiscal year 1977 for the Namibia Institute, now being established by the United Nations to train Namibians in the skills that will be necessary in administering the country once it becomes independent. The committee urges that the Executive Branch move expeditiously to facilitate the early inauguration of this program and that it not allow disagreement over funding formulas to occasion undue delay.

The \$120 million contribution for the UNDP recommended by the committee for fiscal year 1976 is appropriate in terms of the UNDP program, the contributions of other countries and our efforts to main-

tain leadership in this key U.N. program. The UNDP program is organized in 5-year "Development Cycle" segments. 1976 will be the last year in the current 1972-76 cycle. The \$120 million contribution will result in the U.S. share for the cycle standing at 23.9 percent of total contributions for the cycle (\$1,859 million). This is less than the 25-percent limit established for the U.S. assessed contributions and is appropriate in terms of relative GNP's of the donors participating in the program. For 1976 the proposed contribution would represent 25.9 percent of total contributions. A contribution at the \$120 million level is recommended in the context of the substantial decline in U.S. financial support which occurred in 1974-75.

U.S. financial support for the UNDP has over the years been a key factor in encouraging other, developed countries to generously support the program. This effort has been extremely successful. For example, in 1975 the combined contributions of Sweden and Denmark exceeded that of the United States. Failure of the United States to continue to set the pace for financial support of the program, as it has in the past, could slow or reverse this trend.

The following list shows the level of U.S. support for U.N. and OAS voluntary programs for fiscal year 1977 and proposed for fiscal year 1976 by the executive branch:

U.S. CONTRIBUTIONS TO VOLUNTARY PROGRAMS AS PERCENT OF TOTAL CONTRIBUTION—1975, 1976

	[Dollar amounts in millions]			
	1975		1976 ¹	
	Amount	Percent	Amount	Percent
UNDP.....	\$77.9	19.35	\$120	25.9
UNICEF.....	17.0	25.4	15	19.4
IAEA, operational program.....	2.5	24.6	3.5	27.6
WHO, voluntary assistance program.....	1.5	23.0	1.5	24.0
WFP.....	1.5	29.7	1.5	29.7
UNITAR.....	.4	26.7	.4	26.7
UNRWA.....	23.2	22.5	26.7	21.0
UNETFSA.....	.05	.04	.05	.04
UNEP.....	5.0	31.0	7.5	31.0
WTFE.....	.143	87.0	.05	87.0
UNFPA.....	20	31.0	25	28.0
OAS programs.....		66.0	20.8	66.0

¹ Not including interim (5th) quarter.

² Cash element.

³ Percent of administrative budget target.

⁴ Excluding a special contribution of \$16,000,000.

⁵ Percent of total contributions to date, 1974-76.

Source: AID.

Subsection 312(a) (2) increases the ceiling on U.S. loans for Indus Basin development from \$51,220,000 to \$61,220,000.

In August 1971, the Tarbela Dam, near completion, was damaged. The structural failure is being repaired at a cost of approximately \$60 million. This additional cost of completing the project is being shared by six contributors, with the U.S. share being \$10 million.

Subsection 312(a) (3) provides \$27 million for fiscal year 1976 and for the transition quarter for Indus Basin development. This is the final U.S. grant contribution to the construction of the Tarbela Dam and completes the U.S. contribution to the Indus Basin development project.

Subsection 312(a)(4) earmarks \$20,000,000 for UNICEF in each of the fiscal years 1976 and 1977.

Subsection 312(b) corrects a technical error in the Foreign Assistance Act of 1974. It amends section 54 of that act in order to place that provision properly in part I rather than in part III of the Foreign Assistance Act of 1961.

Subsection (C), added by the committee, authorizes U.S. participation in the International Fertilizer Development Center located in Muscle Shoals, Ala. The justification for this provision is set forth in the following letter to the chairman of the committee from Mr. Daniel Parker, Administrator, Agency for International Development:

DEPARTMENT OF STATE,
AGENCY FOR INTERNATIONAL DEVELOPMENT,
Washington, D.C., September 17, 1975.

HON. JOHN J. SPARKMAN,
*Chairman of Committee on Foreign Relations,
U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: I would like to call your attention to a problem involving the official recognition of the International Fertilizer Development Center (IFDC), located in Muscle Shoals, Alabama, as an international organization under U.S. law.

As you know the IFDC was created as a nonprofit scientific and educational institution under Alabama law through grants both from the Agency for International Development and the International Development Research Centre (IDRC) of Canada. The IFDC's purpose is to devise new fertilizers for developing countries, especially tropical countries, to seek better ways for these countries to utilize their own resources to produce fertilizers and to study and evaluate better systems of management and distribution, making fertilizer available to all farmers even those with the lowest income.

The IFDC is unique among the international centers in being located in a developed country. Although the location has caused doubts to be raised in the minds of some potential donors, the potential contribution of TVA and its National Fertilizer Development Center with its physical plant, library and information processing capability and, above all, its professional staff to the new center has provided incontrovertible justification for establishing the IFDC in Muscle Shoals, Alabama.

It has been AID's intention from the beginning that the IFDC be a truly international center. We are encouraging a wide base of financial support as well as a professional staff and board of directors representing as many countries as practicable. Members of the Consultative Group for International Agricultural Research (CGIAR) which funds the other centers, have indicated that recognition of the international status by the U.S. Government would remove a major barrier to the group's acceptance of full responsibility for the IFDC.

Recognition of the IFDC as an international organization under U.S. law will encourage foreign donors whether they are now members of the CGIAR or not. Many country representatives have reflected the reluctance of their governments to donate development funds which

will eventually go to the United States rather than to a developing country. While exemption of U.S. citizens from the income tax is not expected, foreign nations employed by the center will be expected to pay taxes as required by their own governments only.

Employee tax relief will make it easier to recruit the most competent foreign professionals and could have the effect of augmenting the IFDC budget without requiring additional appropriated funds. Fear of double taxation is a current concern of two Chileans currently employed by the IFDC.

U.S. recognition of the international status of the IFDC will provide it with a status in the U.S. equivalent to that enjoyed by the other 12 international agricultural research centers in their host countries. Thus, the IFDC will be on a footing similar to these other centers, including the International Rice Research Institute in the Philippines and the International Center for Corn and Wheat Improvement in Mexico.

A detailed statement of the purposes of the IFDC and an outline of the Center's initial program is attached. [Not printed.]

I trust that you will find my proposal consistent with your own thinking on the matter. If you require any further information about the IFDC or our analysis of the situation, I will be very happy to supply everything possible.

Legislative recognition of this status is required, and the most appropriate vehicle for such recognition would appear to be H.R. 9005, the International Development and Food Assistance Act of 1975, now pending before your Committee.

Sincerely,

DANIEL PARKER, *Administrator.*

Section 313—Assistance to former Portuguese colonies in Africa

Section 313 would amend section 496 of the Foreign Assistance Act of 1961. It would add a new subsection (c) which would permit a \$3 million loan made to the Cape Verde Islands to be turned into a grant. Cape Verde is in serious economic difficulty and almost totally dependent on external aid because of an 8-year drought. Assistance from the United States to start labor-intensive rural works programs in the areas of agriculture—dikes for gullies, simple irrigation ditches, and hand-laid stone farm-to-market roads—could not be provided on a grant basis because of the provisions of section 496 of the Foreign Assistance Act. The assistance therefore was provided in the form of a loan for \$3 million. However, the extreme poverty of the people of Cape Verde and the islands' precarious economic situation make it inappropriate for the United States to require repayment on the loan. Since section 620(r) of the Foreign Assistance Act of 1961 prohibits relieving any country of liability for repayment of a loan made under the Foreign Assistance Act, specific legislation waiving the requirement for repayment is necessary.

Subsection 313(c), an amendment offered by Senator McGee, would authorize for fiscal year 1976 the use of up to \$30,000,000 from funds appropriated to carry out programs under the Foreign Assistance Act of 1961 as amended to provide economic and relief and rehabili-

tation assistance to countries or colonies in Africa which were, prior to April 25, 1974, colonies of Portugal.

The committee believes that the United States should provide assistance to new Portuguese-speaking African states to demonstrate our support for their independence, to promote their economic development, and to indicate our desire to establish mutually beneficial bilateral relations. Economic, political, and social conditions in all these countries are changing so rapidly that precise allocations of this authorization are not feasible at the present time. However, the committee recognizes the desperate need for assistance that exists in these countries, and expects that it will be kept informed by the Agency for International Development regarding obligations, by country, which are made pursuant to this authorization.

It is also the intent of the committee that these funds be distributed among all the Portuguese-speaking African states as conditions permit. The funds are to be used to initiate or augment bilateral assistance programs or for U.S. contributions to multilateral assistance efforts. They are not authorized to be made available for refugee or economic assistance that would constitute political support for any one of the liberation movements in Angola. Funds can be drawn from any program under the Act, including Supporting Assistance and Military Assistance, to implement this authority.

Section 314—Furnishing of services and commodities

Section 314, offered by Senator Case, amends section 607(a) of the Foreign Assistance Act of 1961. Section 607(a) contains authority to provide reimbursable services and commodities to friendly countries, international organizations, the American Red Cross, and certain non-profit relief agencies, in furtherance of the purposes of the Foreign Assistance Act. Section 607 currently provides that such reimbursements continue to be available for future use in AID programs if reimbursement is made within 180 days after the close of the fiscal year in which the services or commodities are delivered. This amendment to section 607(a) would permit a deferred repayment schedule, with interest, for a period up to 3 years. A maximum of \$1 million per year of the funds available under chapter 1 of part I could be used for this purpose. The recipient country would have to repay the full value of the services performed with interest calculated at the same rate charged by the Export-Import Bank.

This amendment would permit AID to make up to \$1,000,000 available from part I funds to provide technical services on a deferred payment basis for high priority projects identified by developing countries. The services provided would be on a fully reimbursable basis, with interest calculated at Export-Import Bank rates. The services would be provided by government agencies, universities, and U.S. independent contractors identified by AID or the recipient government. The committee has no intention that this authority be used to permit deferred payments by countries able to pay for services rendered and it will follow closely AID's use of this limited authority.

A list of determinations which have already been made, and determinations that are pending, under the existing section 607 authority follows:

ON-GOING 607 DETERMINATIONS

Agency, country, and subject	Date of approval	Estimated amount	Remarks
AID:			
Kuwait—Housing assistance	February 1975	\$415,000	
Qatar—Housing assistance	January 1975	30,000	
Agriculture, Department of:			
Iran—Agricultural development	May 1975	125,250,000	
Iran—Livestock	March 1973	450,000	
BuRec:			
Malaysia—Flood control assistance	February 1975	1,111,000	
Zaire—Hydroelectric project	January 1973	1,290,000	
Commerce (IATC): Brazil—Auditing Adviser	June 1975	1,600	
Coast Guard (United States):			
Barbados—Establishment of Coast Guard	December 1974	8,000	
Bermuda—Assistance in event of oil spills	July 1974	None	
Corps of Engineers: Brazil—Waterways project	January 1975	8,400	
Customs: UAE—Modernizing and strengthening Abu Dhabi's customs.	August 1975	None	1 yr (possible extension addition year).
Australia—Air navigation equipment	Mar. 23, 1967	10,000	Amount per year for 10 yr.
Brazil—Air navigational equipment	January 1973	150,000	5 yr.
Chile—Calibration and repair work on aircraft and equipment	do.	200,000	5 yr (\$40,000 per year).
China—Navigational equipment	August 1972	50,000	
Iran—Automation and improvement on airspace system.	April 1975	47,500,000	5 yr.
New Zealand—Commodities	Agreement signed April 1966.	None	5 yr (607 before 1970).
Nigeria—Airways' specialists	April 1972	9,770,000	
Pakistan—Navigational equipment	April 1970	50,000	5 yr.
Tunisia—Air navigation equipment	August 1973	100,000	To March 1978.
COCESNA—Parts and services in Central America	May 1973	100,000	\$20,000 per year for 5 yr.
ICAO—Supply of manuals, materials and training aids.	March 1975	100,000	\$10,000 per year for 10 yr.
FHWA:			
Iran—Highway improvement program	February 1975	1,750,000	
Kuwait—Highway study	July 1968	264,000	
Argentina—Public road assistance and advisers as needed.	May 1975	408,420	6 yr.
SSA (HEW): Iran—Developing a social security system.	January 1975	9,000	
IRS:			
Guyana—Tax adviser	August 1973	125,000	
Trinidad and Tobago—Tax assistance	June 1973 (approximately).	400,000	ARA/LA/CAR drafted 607 no copy.
Navy: Ethiopia—Supply surplus electricity	March 1975	None	
D O L/HEW: Iran—Manpower planning	April 1975	420,345	
USGS:			
Algeria—Satellite photo interpretation	August 1974	1,116,000	2 yr.
Bolivia—Natural resources	February 1975	25,125	5 yr.
Ecuador—Survey of sources of rock phosphate	December 1974	4,000	Uncertain future.
Peru—Geologic study	do.	354,000	5 yr.
Saudi Arabia—Mineral study	September 1970	22,000,000	
Venezuela—Remote mineral sensing	March 1975	20,000	
United Nations/Thailand—Offshore mineral prospecting.	July 1973	60,000	

PENDING 607 DETERMINATIONS

Agency, country, and subject	Date sent out	Estimated amount	Remarks
USDA: Canada—Fire management services (to fight forest fires) continuing 607.	July 24, 1975	(C)	Legal issue unsolved.
USGS:			
Chile—Consult on oil exploration programs	Aug. 4, 1975	\$5,000	Legal problems solved; moving on for clearances.
Iran—Mineral surveys	Aug. 12, 1975	287,000	For 2 projects.
Peru—Geology investigations	Aug. 18, 1975	61,700	5 yr.
Saudi Arabia—Computer center	July 25, 1975	2,159,000	3 yr. 5 USGS.
BuRec: Republic of China—Engineering advisers for Tsengwen Reservoir project. ²			

¹ \$25,000 to \$40,000 for each service.

² Draft.

Section 315—Reimbursable development programs

Section 315, an amendment to section 661 of the act sponsored by Senators Case, Humphrey, and Javits, would prohibit any assistance under the Foreign Assistance Act or the making of sales under the Foreign Military Sales Act to any country which objects, on the basis of race, religion, national origin, or sex, to U.S. personnel assigned to carry out programs under this act or the Foreign Military Sales Act. In order to provide a reasonable period for negotiating compliance, this provision is made effective six months after enactment or on such earlier date as the President may determine.

In assigning officers and employees of the United States to serve in any foreign country, the President is prohibited from taking into account the race, religion, national origin, or sex of any officer or employee. Assignments are to be made solely on the basis of ability and relevant experience. The Secretary of State is required to promulgate appropriate rules and regulations to carry out the provisions of the new requirement.

This section also extends through fiscal year 1977 the authority enacted last year to use AID funds for programs in countries, especially those in which U.S. development programs have been concluded or those not receiving economic assistance, in order (1) to facilitate open and fair access to natural resources of interest to the United States, and (2) to stimulate programs consistent with the provisions applicable to economic assistance for which the foreign country agrees to reimburse the United States.

This provision also increases from \$1 million to \$2 million the amount of AID funds that may be used for this purpose.

*Section 316—Transition provisions for interim quarter**Section 665—Transition provisions for interim quarter*

Section 316 adds a new section 665 to the Foreign Assistance Act of 1961 (FAA) authorizing appropriations during the interim quarter (July 1–September 30, 1976) at a rate not to exceed one-fourth the fiscal year 1976 authorization rate, for development programs and extends during the quarter the FAA authorities and restrictions applicable during fiscal year 1976.

This provision is necessary not only to fund development activities but also to continue authorities and restrictions, which establish a legal framework for the development program.

SUPPLEMENTAL VIEWS

H.R. 9005 as reported by the Senate Committee on Foreign Relations is, on the whole, an excellent initiative in the direction of reforming our foreign economic assistance programs. New directions in this bill will help assure that the limited amounts we can offer developing countries will be used in the most productive possible ways.

I do have some concerns, however, about the language on human rights, section 309, which was adopted in lieu of the approach adopted by the House of Representatives.

In the first instance, this language appears to restrict the right of the Senate Foreign Relations Committee, the House International Relations Committee, and individual Senators and Representatives to question AID administrators about AID programs. The amendment can be interpreted, and may be used by the executive branch, to delay responses to questions about the effect of AID's programs on denial of human rights in recipient countries until a resolution has been adopted by the Senate or House. These committees should certainly have the opportunity to question AID administrators about such matters, which are clearly within their jurisdiction, without going to the Senate or House floor for permission. To limit that opportunity would reduce the oversight capacity of these committees on vital human rights questions.

Second, the House amendment focused directly on the human rights issue, and attempted to set standards by which AID programs could be judged. The committee's language is much broader, dealing also with freedom of "individual economic and political choice" and opportunity for "citizen participation." These are commendable considerations with which each member of the committee identifies. But they are so broad as to raise serious problems of definition, and dilute the emphasis on human rights which was the primary purpose of the House amendment. Since few governments can meet those standards, the committee language can be advisory only. It would be better to set more realistic standards, and provide methods to assure that we can at least have an impact on the most flagrant denials of human dignity.

That means we should include a specific concern for human rights in the standards we set for AID programs. The Congress may also wish to note the value of freedom of economic and political choice and citizen participation, but it would seem desirable to do so in a way which does not detract from our concern for policies of recipient nations which engage in "a consistent pattern of gross violations of internationally recognized human rights," in the wording of the House amendment.

It is important to note that the human rights standard set forth in the House amendment has already been adopted once by the Congress. It appears in section 502B added by section 46 of the Foreign

Assistance Act of 1974. In that "sense of Congress" section the executive branch has already been advised that whenever it proposes to furnish security assistance to any government which is "engaged in a consistent pattern of gross violations of internationally recognized human rights, including torture or cruel, inhuman or degrading treatment or punishment; prolonged detention without charges; or other flagrant denials of the right to life, liberty, and the security of the person * * * the President shall advise the Congress of the extraordinary circumstances necessitating the assistance." That language creates a valid and useful precedent for what the House has attempted to do in this legislation.

There is no question here of denying aid to impoverished people on the grounds that they also suffer from a lack of political freedom. The language of the House amendment does permit assistance to needy people regardless of the repressive nature of their government. But it does, quite properly, require a demonstration that aid in such cases will directly benefit needy people. That should have a salutary effect, by redirecting aid away from programs which primarily benefit the government in power or have only a minimal impact on the well-being of the poorest people in the country.

There may be some deficiency in the way the issue is raised procedurally in the House version. This problem could be resolved by the following language, which also stresses Senate concern for human rights:

SECTION—HUMAN RIGHTS.

(a) No assistance may be provided under this part to the government of any country which engages in a consistent pattern of gross violations of internationally recognized human rights, including torture or cruel, inhuman, or degrading treatment or punishment, prolonged detention without charges, or other flagrant denial of the right to life, liberty, and the security of person, unless such assistance will directly benefit the needy people in such country.

(b) In determining whether this standard is being met with regard to funds allocated under this Part, the Committee on Foreign Relations of the Senate or the Committee on International Relations of the House may require the Administrator primarily responsible for administering Part 1 of this Act to submit in writing information demonstrating either,

(1) that the Government of such country is not engaging in a consistent pattern of gross violations of internationally recognized human rights, or,

(2) that existing or proposed programs will directly benefit the needy people in such country.

If either Committee disagrees with the Administrator's justification it may initiate action to terminate such assistance under Section 617 of this Act.

GEORGE MCGOVERN.

CHANGES IN EXISTING LAW

In compliance with paragraph 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman) :

THE FOREIGN ASSISTANCE ACT OF 1961

* * * * *

Chapter 9—[Refugee Relief] *International Disaster Assistance*

[SEC. 491. REFUGEE RELIEF ASSISTANCE.—There is authorized to be appropriated to the President for the fiscal year 1972, in addition to funds otherwise available for such purposes, not to exceed \$250,000,000, to remain available until expended, for use by the President in providing assistance for the relief and rehabilitation of refugees from East Pakistan and for humanitarian relief in East Pakistan. Such assistance shall be distributed, to the maximum extent practicable, under the auspices of and by international institutions and relief agencies or United States voluntary agencies.]

SEC. 491. POLICY AND GENERAL AUTHORITY.—(a) The Congress, recognizing that prompt United States assistance to alleviate human suffering caused by natural and manmade disasters is an important expression of the humanitarian concern and tradition of the people of the United States, affirms the willingness of the United States to provide assistance for the relief and rehabilitation of people and countries affected by such disasters.

(b) Subject to the limitation on appropriations in section 492, and notwithstanding any other provision of this or any other Act, the President is authorized to furnish assistance to any foreign country or international organization on such terms and conditions as he may determine, for international disaster relief and rehabilitation, including assistance relating to disaster preparedness, and to the prediction of, and contingency planning for, natural disasters abroad.

(c) In carrying out the provisions of this section the President shall insure that the assistance provided by the United States shall, to the greatest extent possible, reach those most in need of relief and rehabilitation as a result of natural and manmade disasters.

SEC. 492. AUTHORIZATION.—In addition to amounts otherwise available for such purposes, there is authorized to be appropriated to the President from time to time such amounts as may be necessary to provide availabilities for obligations for disaster relief and rehabilitation assistance authorized by this sections Provided, however, That availabilities of funds which have not been previously obligated shall

at no time exceed \$20,000,000. Amounts appropriated hereunder shall remain available until expended. The President shall submit quarterly reports to the Committee on Foreign Relations of the Senate and to the Speaker of the House of Representatives on the programming and obligation of funds under this section.

SEC. 493. DISASTER ASSISTANCE—COORDINATION.—The President is authorized to appoint a Special Coordinator for International Disaster Assistance whose responsibility shall be to promote maximum effectiveness and coordination in responses to foreign disasters by United States agencies and between the United States and other donors. Included among the Special Coordinator's responsibilities shall be the formulation and updating of contingency plans for providing disaster relief.

DISASTER RELIEF ASSISTANCE

SEC. [452] 494.—There are authorized to be appropriated, in addition to other sums available for such purposes, \$65,000,000 for use by the President for disaster relief and emergency recovery needs in Pakistan, and Nicaragua, under such terms and conditions as he may determine, such sums to remain available until expended.

SEC. [639A] 494A. FAMINE AND DISASTER RELIEF TO DROUGHT-STRIKEN AFRICAN NATIONS.—(a) The Congress affirms the response of the United States Government in providing famine and disaster relief and related assistance in connection with the drought in the nations of Africa. The President shall report to Congress as soon as possible on solutions to this problem of famine and further propose how any of these solutions may be carried out by multilateral organizations.

(b) Notwithstanding any prohibitions or restrictions contained in this or any other Act, there is authorized to be appropriated to the President, in addition to funds otherwise available for such purposes, \$110,000,000 to remain available until expended, for use by the President, under such terms and conditions as he may determine, for emergency and recovery needs, including drought, famine, and disaster relief, and rehabilitation and related assistance, for the drought-stricken nations of Africa. Of the amount authorized to be appropriated under this subsection, not more than \$10,000,000 shall be available for Ethiopia.

SEC. [639B] 494B. (a) AFRICAN [SAHEL] DEVELOPMENT PROGRAM.—The Congress [supports] reaffirms its support of the initiative of the United States Government in undertaking consultations and planning with the countries concerned, with other nations providing assistance, with the United Nations, and with other concerned international and regional organizations, toward the development and support of a comprehensive long-term African Sahel development program.

(b) The President is authorized to furnish assistance, on such terms and conditions as he may determine, to carry out a long-term comprehensive development program for the Sahel and other drought-stricken nations in Africa.

(c) In developing this long-term program, the President shall—

(1) consider international coordination for the planning and implementation of such program;

(2) seek greater participation and support by African countries and organizations in determining development priorities;

(3) begin such planning and implementation immediately; and

(4) devote sufficient resources to such program by 1985 to reduce the need for more costly measures later.

To meet these objectives, the President shall submit to the Congress, together with the fiscal year 1977 budget materials, a comprehensive proposal for carrying out the provisions of this section.

(d) There are authorized to be made available to the President, to carry out the purposes of this section, in addition to funds otherwise available for such purposes, \$50,000,000 for the fiscal year 1976 and such sums as may be necessary for fiscal year 1977, from the funds made available pursuant to section 103(e) of this Act, which amounts are authorized to remain available until expended.

SEC. 494C. ANGOLAN AIRLIFT.—In order to assist persons who seek to escape from the conditions of civil and military turmoil presently existing in Angola, the President is authorized to furnish assistance, on such terms and conditions as he may determine, to facilitate the movement of persons from Angola by aircraft. There are authorized to be appropriated for the purposes of this section, \$20,000,000 for the fiscal year 1976. The President shall submit quarterly reports during such fiscal year to the Committee on Appropriations of the Senate and to the Speaker of the House of Representatives on the programming and obligation of funds under this section.

* * * * *

[SEC. 639. FAMINE OR DISASTER RELIEF.—Notwithstanding any other provision of this or any other Act, the President may provide famine or disaster relief assistance to any foreign country on such terms and conditions as he may determine. For fiscal year 1975 there is authorized to be appropriated not to exceed \$40,000,000, to provide such assistance. The President shall submit quarterly reports during such fiscal year to the Committee on Foreign Relations and the Committee on Appropriations of the Senate and to the Speaker of the House of Representatives on the programming and obligation of funds under this section.]

* * * * *

AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

AN ACT To increase the consumption of United States agricultural commodities in foreign countries, to improve the foreign relations of the United States, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural Trade Development and Assistance Act of 1954"

SEC. 2. The Congress hereby declares it to be the policy of the United States to expand international trade; to develop and expand export markets for United States agricultural commodities; to use the abundant agricultural productivity of the United States to combat hunger and malnutrition and to encourage economic development in the developing countries, with particular emphasis on assistance to those

countries that are determined to improve their own agricultural production; and to promote in other ways the foreign policy of the United States.

In furnishing food aid under this Act, the President shall—

(1) *give priority consideration, in helping to meet urgent food needs abroad, to making available the maximum feasible volume of food commodities (with appropriate regard to domestic price and supply situations) to those countries most seriously affected by food shortages and inability to meet immediate food requirements;*

(2) *continue to urge all traditional and potential new donors of food, fertilizer, or the means of financing these commodities to increase their participation in efforts to address the emergency and longer term food needs of the developing world; and*

(3) *relate United States assistance to efforts by aid-receiving countries to increase their own agricultural production, with emphasis on development of labor-intensive, small-farm agriculture.*

SEC. 3. Pursuant to the World Food Conference recommendation that donor countries provide a total of at least ten million tons of food assistance annually, the President is urged to maintain a significant United States contribution to this goal and to encourage other countries to maintain and increase their contributions as well.

TITLE I

* * * * *

SEC. 103. In exercising the authorities conferred upon him by this title, the President shall—

(a) take into account efforts of friendly countries to help themselves toward a greater degree of self-reliance, including efforts to [meet their problems of food production and population growth;] *increase their own agricultural production, especially through labor-intensive, small-farm agriculture, and to reduce their rate of population growth;*

(b) take steps to assure a progressive transition from sales for foreign currencies to sales for dollars (or to the extent that transition to sales for dollars under the terms applicable to such sales is not possible, transition to sales for foreign currencies on credit terms no less favorable to the United States than those for development loans made under section 201 of the Foreign Assistance Act of 1961, as amended, and on terms which permit conversion to dollars at the exchange rate applicable to the sales agreement) at a rate whereby the transition can be completed by December 31, 1971; *Provided, That, except where he determines that it would be inconsistent with the objectives of the Act, the President shall determine the amount of foreign currencies needed for the uses specified in subsections (a), (b), (c), (e), and (h) of section 104 and in section 106(b)(2), and the agreements for such credit sales shall provide for payment of such amounts in dollars or in foreign currencies upon delivery of the agricultural commodities. Such payment may be considered as an advance payment of the earliest installments;*

* * * * *

(d) makes sales agreements only with those countries which he determines to be friendly to the United States: *Provided, That the President shall periodically review the status of those countries which are eligible under this subsection and report the results of such review to the Congress. As used in this Act "friendly country" shall not include (1) any country or area dominated or controlled by a foreign government or organization controlling a world Communist movement, or (2) for the purpose only of sales of agricultural commodities for foreign currencies under title I of this Act, any country or area dominated by a Communist government, or (3) for the purpose only of sales of agricultural commodities under title I of this Act, any nation which sells or furnishes or permits ships or aircraft under its registry to transport to or from Cuba or North Vietnam (excluding United States installations in Cuba) any equipment, materials, or commodities so long as they are governed by a Communist regime: [Provided, That with respect to furnishing, selling, or selling and transporting to Cuba medical supplies, non-strategic raw materials for agriculture, and non-strategic agricultural or food commodities, sales agreements may be entered into if the President finds with respect to each such country, and so informs the Senate and the House of Representatives of the reasons therefor, that the making of each such agreement would be in the national interest of the United States and all such findings and reasons therefor shall be published in the Federal Register, Provided, That this exclusion from the definition of "friendly country" may be waived by the President if he determines that such waiver is in the national interest and reports such determination to the Congress or (4) for the purposes only of sales under title I of this Act the United Arab Republic, unless the President determines that such sale is in the national interest of the United States. No sales to the United Arab Republic shall be based upon the requirements of that nation for more than one fiscal year. The President shall keep the President of the Senate and the Speaker of the House of Representatives fully and currently informed with respect to sales made to the United Arab Republic under title I of this Act. Notwithstanding any other Act, the President may enter into agreements for the sale of agricultural commodities for dollars on credit terms under title I of this Act with countries which fall within the definition of "friendly country" for the purpose of such sales and no sales under this Act shall be made with any country if the President finds such country is (a) an aggressor, in a military sense, against any country having diplomatic relations with the United States, or (b) using funds, of any sort, from the United States for purposes inimical to the foreign policies of the United States;*

* * * * *

SEC. 104. Notwithstanding any other provision of law, the President may use or enter into agreements with foreign countries or international organizations to use the foreign currencies, including principal and interest from loan repayments, which accrue in connection with sales for foreign currencies under this title for one or more of the following purposes:

(a) For payment of United States obligations (including obligations entered into pursuant to other legislation);

(b) For carrying out programs of United States Government agencies to—

(1) help develop new markets for United States agricultural commodities on a mutually benefiting basis. From sale proceeds and loan repayments under this title not less than the equivalent of 5 per centum of the total sales made each year under this title shall be set aside in the amounts and kinds of foreign currencies specified by the Secretary of Agriculture and made available in advance for use as provided by this paragraph over such period of years as the Secretary of Agriculture determines will most effectively carry out the purpose of this paragraph: *Provided*, That the Secretary of Agriculture may release such amounts of the foreign currencies so set aside as he determines cannot be effectively used for agricultural market development purposes under this section, except that no release shall be made until the expiration of thirty days following the date on which notice of such proposed release is transmitted by the President to the Senate Committee on Agriculture and Forestry and the Senate Committee on Foreign Relations and to the House Committee on Agriculture and the House Committee on International Relations, if transmitted while Congress is in session, or sixty days following the date of transmittal if transmitted while Congress is not in session. Provision shall be made in sale and loan agreements for the convertibility of such amount of the proceeds thereof (not less than 2 per centum) as the Secretary of Agriculture determines to be needed to carry out the purpose of this paragraph in those countries which are or offer reasonable potential of becoming dollars markets for United States agricultural commodities. Such sums shall be converted into the types and kinds of foreign currencies as the Secretary deems necessary to carry out the provisions of this paragraph and such sums shall be deposited to a special Treasury account and shall not be made available or expended except for carrying out the provisions of this paragraph. Notwithstanding any other provision of law, if sufficient foreign currencies for carrying out the purpose of this paragraph in such countries are not otherwise available, the Secretary of Agriculture is authorized and directed to enter into agreements with such countries for the sale of agricultural commodities in such amounts as the Secretary of Agriculture determines to be adequate and for the use of the proceeds to carry out the purpose of this paragraph. In carrying out agricultural market development activities, nonprofit agricultural trade organizations shall be utilized to the maximum extent practicable. The purpose of this paragraph shall include such representation of agricultural industries as may be required during the course of discussions on trade programs relating either to individual commodities or groups of commodities;

(2) finance with not less than 2 per centum of the total sales proceeds received each year in each country activities to assist international educational and cultural exchange and to provide for the strengthening of the resources of American schools, colleges, universities, and other public and nonprofit private educational agencies for international studies and research under the programs authorized by title VI of the National Defense Education Act, the Mutual Educational and Cultural Exchange Act of 1961, the International Education Act of 1966, the Higher Education Act of 1965, the Elementary and Secondary Education Act of 1965, the National Foundation on the Arts and the Humanities Act of 1965, and the Public Broadcasting Act of 1967;

(3) collect, collate, translate, abstract, and disseminate scientific and technological information and conduct research and support scientific activities overseas including programs and projects of scientific cooperation between the United States and other countries such as coordinated research against diseases common to all of mankind or unique to individual regions of the globe, and promote and support programs of medical and scientific research, cultural and educational development, family planning, health, nutrition, and sanitation;

(4) acquire by purchase, lease, rental, or otherwise, sites and buildings and grounds abroad, for United States Government use including offices, residence quarters, community and other facilities, and construct, repair, alter, and furnish such buildings and facilities;

(5) finance under the direction of the Librarian of Congress, in consultation with the National Science Foundation and other interested agencies, (A) programs outside the United States for the analysis and evaluation of foreign books, periodicals, and other materials to determine whether they would provide information of technical or scientific significance in the United States and whether such books, periodicals, and other materials are of cultural or educational significance, (B) the registry, indexing, binding, reproduction, cataloging, abstracting, translating, and dissemination of books, periodicals, and related materials determined to have such significance; and (C) the acquisition of such books, periodicals, and other materials and the deposit thereof in libraries and research centers in the United States specializing in the areas to which they relate;

* * * * *

(3) No agreement or proposal to grant any foreign currencies (except as provided in subsection (c) of this section), or to use (except pursuant to appropriation Act) any principal or interest from loan repayments under this section shall be entered into or carried out until the expiration of thirty days following the date on which such agreement or proposal is transmitted by the President to the Senate Committee on Agriculture and Forestry and the Senate Committee on Foreign Relations and to the House Committee on Agriculture and the House Committee on International Relations, if transmitted while

Congress is in session, or sixty days following the date of transmittal if transmitted while Congress is not in session.

* * * * *

Provided, further, That paragraphs (2), (3), and (4) of the foregoing proviso shall not apply in the case of any nation where the foreign currencies or credits owned by the United States and available for use by it in such nation are determined by the Secretary of the Treasury to be in excess of the normal requirements of the departments and agencies of the United States for expenditures in such nations for the fiscal years following the fiscal year in which such determination is made. The amount of any such excess shall be devoted to the extent practicable and without regard to paragraph (1) of the foregoing proviso, to the acquisition of sites, buildings, and grounds under paragraph (4) of subsection (b) of this section and to assist such nation in undertaking self-help measures to increase its production of agricultural commodities and its facilities for storage and distribution of such commodities. Assistance under the foregoing provision shall be limited to self-help measures additional to those which would be undertaken without such assistance. Upon the determination by the Secretary of the Treasury that such an excess exists with respect to any nation, the President shall advise the Senate Committee on Agriculture and Forestry and the Senate Committee on Foreign Relations and the House Committee on Agriculture and the House Committee on International Relations of such determination; and shall thereafter report to each such Committee as often as may be necessary to keep such Committee advised as to the extent of such excess, the purposes for which it is used or proposed to be used, and the effects of such use.

* * * * *

[(c) To procure equipment, materials, facilities, and services for the common defense including internal security;]

* * * * *

SEC. 106. (a) Payment by any friendly country for commodities purchased for dollars on credit shall be upon terms as favorable to the United States as the economy of such country will permit. Payment for such commodities shall be in dollars with interest at such rates as the Secretary may determine but not less than the minimum rate required by section 201 of the Foreign Assistance Act of 1961 for loans made under that section. Payment may be made in reasonable annual amounts over periods of not to exceed twenty years from the date of the last delivery of commodities in each calendar year under the agreement, except that the date for beginning such annual payment may be deferred for a period not later than two years after such date of last delivery, and interest shall be computed from the date of such last delivery. Delivery of such commodities shall be made in annual installments for not more than ten years following the date of the sales agreement and subject to the availability of the commodities at the time delivery is to be made.

(b) (1) Agreements hereunder for the sale of agricultural commodities for dollars on credit terms shall include provisions to assure that

the proceeds from the sale of the commodities in the recipient country are used for such economic development purposes as are agreed upon in the sales agreement or any amendment thereto. *In negotiating such agreements with recipient countries, the United States shall emphasize the use of such proceeds for purposes which directly improve the lives of the poorest of their people and their capacity to participate in the development of their countries.*

(2) *Greatest emphasis shall be placed on the use of such proceeds to carry out programs of agricultural development, rural development, and nutrition in those countries which are undertaking self-help measures to increase agricultural production, improve storage and distribution of food commodities, and reduce population growth in accordance with section 109 of this Act, and which programs are directed at and likely to achieve the policy objectives of section 103 of the Foreign Assistance Act of 1961, pursuant to agreements between the United States and foreign governments under which uses of such proceeds shall be made for such purposes. Such uses shall be deemed payments for the purpose of section 103(b) of this Act and shall be described in the reports required by section 408 of this Act and section 657 of the Foreign Assistance Act of 1961.*

(3) *In entering into agreements for the sale of agricultural commodities for dollars on credit terms, priority shall be given to countries which agree to use the proceeds from the sale of the commodities in accordance with the country's agricultural development plan which—*

(A) *is designed to increase the access of the poor in the recipient country to an adequate, nutritious, and stable food supply;*

(B) *provides for such objectives as—*

(i) *making farm production equipment and facilities available to farmers,*

(ii) *credit on reasonable terms and conditions for small farmers, and*

(iii) *farm extension and technical information services designed to improve the marketing, storage, and distribution system for agricultural commodities and to develop the physical and institutional infrastructure supporting the small farmer;*

(C) *provides for participation by the poor, insofar as possible, in the foregoing at the regional and local levels; and*

(D) *is designed to reach the largest practicable number of farmers in the recipient country.*

* * * * *

SEC. 109. (a) Before entering into agreement with developing countries for the sale of United States agricultural commodities on whatever terms, the President shall consider the extent to which the recipient country is undertaking wherever practicable self-help measures to increase per capita production and improve the means for storage and distribution of agricultural commodities, including:

(1) *devoting land resources to the production of needed food rather than to the production of nonfood crops—especially nonfood crops in world surplus;*

(2) development of the agricultural chemical, farm machinery and equipment, transportation and other necessary industries through private enterprise;

(3) training and instructing farmers in agricultural methods and techniques;

(4) constructing adequate storage facilities;

(5) improving marketing and distribution systems;

(6) creating a favorable environment for private enterprise and investment, both domestic and foreign, and utilizing available technical know-how;

(7) establishing and maintaining Government policies to insure adequate incentives to producers;

(8) establishing and expanding institutions for adaptive agricultural research;

(9) allocating for these purposes sufficient national budgetary and foreign exchange resources (including those supplied by bilateral, multilateral and consortium aid programs) and local currency resources (resulting from loans or grants to recipient governments of the proceeds of local currency sales);

(10) carrying out voluntary programs to control population growth.

In taking these self-help measures into consideration the President shall take into particular account the extent to which they are being carried out in ways designed to contribute directly to development progress in poor rural areas and to enable the poor to participate actively in increasing agricultural production through small farm agriculture.

* * * * *

SEC. 111. *Not more than 20 per centum of the food aid commodities provided under this title shall be allocated to countries other than those most seriously affected by inability to secure sufficient food for their immediate requirements through their own production or commercial purchase from abroad, unless the President certifies to the Congress that the use of such food assistance is required for humanitarian food purposes and neither House of Congress disapproves such use, by resolution, within thirty calendar days after such certification. In determining which countries are most seriously affected, for the purpose of this section, the President shall be guided by the United Nations designation of countries as "Most Seriously Affected" by the current economic crisis. A reduction below 80 per centum in the proportion of food aid allocated to most seriously affected countries which results from critical and unforeseeable circumstances occurring after the initial allocation shall not constitute a violation of the requirements of this section. Any reallocation of food aid shall be in accordance with this section so far as practicable. The President shall report promptly any such reduction, and the reasons therefor, to the Congress.*

TITLE II

SEC. 201. (a) The President is authorized to determine requirements and furnish agricultural commodities on behalf of the people of the United States of America, to meet famine or other urgent or extraor-

dinary relief requirements; to combat malnutrition, especially in children; to promote economic and community development in friendly developing areas; and for needy persons and nonprofit school lunch and preschool feeding programs outside the United States. The Commodity Credit Corporation shall make available to the President such agricultural commodities determined to be available under section 401 as he may request.

(b) *The minimum quantity of agricultural commodities distributed under this title shall be 1,300,000 tons and the minimum distributed through nonprofit voluntary agencies and the World Food Program shall be 900,000 tons in each fiscal year, unless the President determines and reports to the Congress, together with his reasons, that such quantity cannot be used effectively to carry out the purposes of this title: Provided, That such minimum quantity shall not exceed the total quantity of commodities determined to be available for disposition under this Act pursuant to section 401, less the quantity of commodities required to meet famine or other urgent or extraordinary relief requirements.*

* * * * *

SEC. 206. *Except to meet famine or other urgent or extraordinary relief requirements, no assistance under this title shall be provided under an agreement permitting generation of foreign currency proceeds unless (1) the country receiving the assistance is undertaking self-help measures in accordance with section 109 of this Act, (2) the specific uses to which the foreign currencies are to be put are set forth and agreed to by the United States and recipient country, and (3) such agreement provides that the currencies will be used for purposes specified in section 103 of the Foreign Assistance Act of 1961. The President shall include information on currencies used in accordance with this section in the reports required under section 408 of this Act and section 657 of the Foreign Assistance Act of 1961.*

TITLE IV

* * * * *

SEC. 407. There is hereby established in Advisory Committee composed of the Secretary of State, the Secretary of the Treasury, the Secretary of Agriculture, the Director of the Bureau of the Budget, the Administrator of the Agency for International Development, the chairman and the ranking minority member of both the House Committee on Agriculture and the House Committee on Foreign Affairs, and the chairman and the ranking minority member of both the Senate Committee on Agriculture and Forestry and the Senate Committee on Foreign Relations, or their designees (who shall be members of such committees or, in the case of members from the executive branch, who shall have been confirmed by the Senate). The Advisory Committee shall survey the general policies relating to the administration of the Act, including the manner of implementing the self-help provisions, the uses to be made of foreign currencies which accrue in connection with sales for foreign currencies under title I, the amount

of currencies to be reserved in sales agreements for loans to private industry under section 104(e), rates of exchange, interest rates, and the terms under which dollar credit sales are made, and shall advise the President with respect thereto. The Advisory Committee shall meet not less than four times during each calendar year, at the call of the Acting Chairman of such Committee who shall preside in the following order: The chairman of the House Committee on Agriculture, the chairman of the Senate Committee on Foreign Relations, the chairman of the Senate Committee on Agriculture and Forestry, and the chairman of the House Committee on Foreign Affairs.

SEC. 408. (a) The President shall make a report to Congress not later than April 1 each year with respect to the activities carried out under this Act during the preceding calendar year. Such report shall describe the progress of each country with which agreements are in effect under title I in carrying out its agreement under such title.

(b) *In his presentation to the Congress of planned programming of food assistance for each fiscal year, the President shall include a global assessment of food production and needs, self-help steps which are being taken by food-short countries under section 109(a) of this Act, steps which are being taken to encourage other countries to increase their participation in food assistance or the financing of food assistance, and the relationship between food assistance provided to each country under this Act and other foreign assistance provided to such country by the United States and other donors.*

(c) *Not later than October 1 of each calendar year the President shall submit to the House Committee on Agriculture, the House Committee on International Relations, the Senate Committee on Agriculture and Forestry, and the Senate Committee on Foreign Relations a revised global assessment of food production and needs, and revised planned programming of food assistance for the current fiscal year, to reflect, to the maximum extent feasible, the actual availability of commodities for food assistance.*

* * * * *

SEC. 412. *The President is authorized and encouraged to seek international agreement for a system of national food reserves to meet food shortage emergencies and to provide insurance against unexpected shortfalls in food production, with costs of such a system to be equitably shared among nations and with farmers and consumers to be given firm safeguards against market price disruption from such a system.*

FOREIGN ASSISTANCE ACT OF 1961

* * * * *

PART I

CHAPTER 1—POLICY; DEVELOPMENT ASSISTANCE AUTHORIZATIONS

SEC. 102. STATEMENT OF POLICY.—(a) * * *

* * * * *

(c) *Assistance under this chapter should be used not simply for the purpose of transferring financial resources to developing countries, but to help countries solve development problems in accordance with a strategy that aims to increase substantially the participation of the poor. Accordingly, greatest emphasis shall be placed on countries and activities which effectively involve the poor in the development, by expanding their access to the economy through services and institutions at the local level, increasing labor-intensive production, spreading productive investment and services out from major cities to small towns and outlying rural areas, and otherwise providing opportunities for the poor to better their lives through their own effort.*

SEC. 103. FOOD AND NUTRITION.—(a) In order to alleviate starvation, hunger, and malnutrition, and to provide basic services to poor people, enhancing their capacity for self-help, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for agriculture, rural development, and nutrition. There are authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, \$291,000,000 for the fiscal year 1974, and \$500,000,000 for the fiscal year 1975, \$603,800,000 for the fiscal year 1976 and \$735,000,000 for the fiscal year 1977, which amounts are authorized to remain available until expended.

(b) The Congress finds that, due to rising world food, fertilizer, and petroleum costs, human suffering and deprivation are growing in the poorest and most slowly developing countries. The greatest potential for significantly expanding world food production at relatively low cost lies in increasing the productivity of small farmers who constitute a majority of the nearly one billion people living in those countries. Increasing the emphasis on rural development and expanded food production in the poorest nations of the developing world is a matter of social justice as well as an important factor in slowing the rate of inflation in the industrialized countries. In the allocation of funds under this section, special attention should be given to increasing agricultural production in the countries with per capita incomes under \$300 a year and which are the most severely affected by sharp increases in worldwide commodity prices.

(c) Assistance provided under this section shall be used primarily for activities which are specifically designed to increase the productivity and income of the rural poor, through such means as creation and strengthening of local institutions linked to the regional and national levels; organization of a system of financial institutions which provide both savings and credit services to the poor; stimulation of small, labor-intensive enterprises in rural towns; improvement of marketing facilities and systems; expansions of local or small-scale rural infrastructure and utilities such as farm-to-market roads, land improvement, energy, and storage facilities; establishment of more equitable and more secure land tenure arrangements; and creation and strengthening of systems to provide other services and supplies needed by farmers, such as extension, research, training, fertilizer, water, and improved seed, in ways which assure access to them by small farmers.

(d) Foreign currency proceeds from sales of commodities provided under the Agricultural Trade Development and Assistance Act of 1954 which are owned by foreign governments shall be used whenever practicable to carry out the provisions of this section.

(e) Dollar receipts from loans made pursuant to this part and from loans made under predecessor foreign assistance legislation, which are received by the United States on and after July 1, 1975, are authorized to be made available for each of the fiscal years 1976 and 1977 for use, in addition to funds otherwise available for such purposes, for the purposes of supporting the activities of the proposed International Fund for Agricultural Development (a total of \$200,000,000 of such receipts may be used only for such purpose, subject to appropriate participation by other donors), undertaking agricultural research in accordance with section 103A, providing long-term development assistance to drought stricken areas of Africa in accordance with section 494B, and making loans and grants for other activities under this section. Such amounts shall remain available until expended.

* * * * *

[SEC. 203. FISCAL PROVISIONS.—Not more than 50 per centum of dollar receipts scheduled to be paid during each of the fiscal year 1974 and 1975 from loans made pursuant to this part and from loans made under predecessor foreign assistance legislation are authorized to be made available for each such fiscal year for use for purposes of making loans under chapter 1 of this part. Such receipts shall remain available until expended.]

[On and after July 1, 1975, none of the dollar receipts paid during any fiscal year from loans made pursuant to this part or from loans made under predecessor foreign assistance legislation are authorized to be made available during any fiscal year for use for purposes of making loans under chapter 1 of this part. All such receipts shall be deposited in the Treasury as miscellaneous receipts.]

SEC. 103A. AGRICULTURAL RESEARCH.—Agricultural research carried out under this Act shall (1) take account of the special needs of small farmers in the determination of research priorities, (2) include research on the interrelationships among technology, institutions, and economic, social, and cultural factors affecting small-farm agriculture, and (3) make extensive use of field testing to adapt basic research to

local conditions. Special emphasis shall be placed on disseminating research results to the farms on which they can be put to use, and especially on institutional and other arrangements needed to assure that small farmers have effective access to both new and existing improved technology.

SEC. 104. POPULATION PLANNING AND HEALTH.—(a) In order to increase the opportunities and motivation for family planning, to reduce the rate of population growth, to prevent and combat disease, and to help provide health services for the great majority, the President is authorized to furnish assistance on such terms and conditions as he may determine, for population planning and health. There are authorized to be appropriated to the President for the purposes of this section, in addition to the funds otherwise available for such purposes, \$145,000,000 for the fiscal year 1974, and \$165,000,000 for the fiscal year 1975, \$243,100,000 for the fiscal year 1976 and \$275,600,000 for the fiscal year 1977, which amounts are authorized to remain available until expended. Not less than 67 percent of the funds made available under this section for any fiscal year shall be used for population planning, either in separate programs or as an element of health programs.

(b) Assistance provided under this section shall be used primarily for extension of low-cost, integrated delivery systems to provide health and family planning services, especially to rural areas and to the poorest economic sectors, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems, and other modes of community outreach; health programs which emphasize disease prevention, environmental sanitation, and health education; and population planning programs which include education in responsible parenthood and motivational programs, as well as delivery of family planning services and which are coordinated with programs aimed at reducing the infant mortality rate, providing better nutrition to pregnant women and infants, and raising the standard of living of the poor.

SEC. 105. EDUCATION AND HUMAN RESOURCES DEVELOPMENT.—(a) In order to reduce illiteracy, to extend basic education and to increase manpower training in skills related to development, the President is authorized to furnish assistance on such terms and conditions as he may determine, for education, public administration, and human resource development. There are authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, \$90,000,000 for the fiscal year 1974, and \$92,000,000 for the fiscal year 1975, \$89,200,000 for the fiscal year 1976 and \$101,800,000 for the fiscal year 1977, which amounts are authorized to remain available until expended.

(b) Assistance provided under this section shall be used primarily to expand and strengthen nonformal education methods, especially those designed to improve productive skills of rural families and the urban poor and to provide them with useful information; to increase the relevance of formal education systems to the needs of the poor, especially at the primary level, through reform of curricula, teaching materials, and teaching methods, and improved teacher training; and

to strengthen the management capabilities of institutions which enable the poor to participate in development.

SEC. 106. SELECTED DEVELOPMENT PROBLEMS.—The President is authorized to furnish assistance on such terms and conditions as he may determine, to help solve economic and social development problems in fields such as transportation, power, industry, urban development, and export development. There are authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, \$53,000,000 for each of the fiscal years 1974 and 1975, which amounts are authorized to remain available until expended.

SEC. 107. SELECTED COUNTRIES AND ORGANIZATIONS.—The President is authorized to furnish assistance on such terms and conditions as he may determine, in support of the general economy of recipient countries or for development programs conducted by private or international organizations. There are authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, \$39,000,000 for each of the fiscal years 1974 and 1975, which amounts are authorized to remain available until expended.]

SEC. 106. TECHNICAL ASSISTANCE, ENERGY, RESEARCH, RECONSTRUCTION, AND SELECTED DEVELOPMENT PROBLEMS.—(a) The President is authorized to furnish assistance, on such terms and conditions as he may determine, for the following activities, to the extent that such activities are not authorized by sections 103, 104, and 105 of this Act:

(1) programs of technical cooperation and development, particularly the development efforts of United States private and voluntary agencies and regional and international development organizations;

(2) programs to help developing countries alleviate their energy problems by increasing their production and conservation of energy, through such means as research and development of suitable energy sources and conservation methods, collection and analysis of information concerning countries' potential supplies of and needs for energy, and pilot projects to test new methods of production or conservation of energy;

(3) programs of research into, and evaluation of, the process of economic development in less developed countries and areas, into the factors affecting the relative success and costs of development activities, and into the means, techniques, and such other aspects of development assistance as the President may determine in order to render such assistance of increasing value and benefit;

(4) programs of reconstruction following natural or manmade disasters;

(5) programs designed to help solve special development problems in the poorest countries and to make possible proper utilization of infrastructure and related projects funded with earlier United States assistance; and

(6) programs of urban development, with particular emphasis on small, labor intensive enterprises, marketing systems for small producers, and financial and other institutions which enable the urban poor to participate in the economic and social development of their country.

(b) There is authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, \$92,400,000 for the fiscal year 1976 and \$96,000,000 for the fiscal year 1977, which amounts are authorized to remain available until expended.

SEC. 107. INTERMEDIATE TECHNOLOGY.—Of the funds made available to carry out this chapter for the fiscal years 1976, 1977, and 1978, a total of \$20,000,000 may be used for activities in the field of intermediate technology, through grants in support of an expanded and coordinated private effort to promote the development and dissemination of technologies appropriate for developing countries.

* * * * *

SEC. 111. DEVELOPMENT AND USE OF COOPERATIVES.—In order to strengthen the participation of the urban and rural poor in their country's development, not less than \$20,000,000 of the funds made available for the purposes of this chapter shall be available during the fiscal years 1974 and 1975 only for assistance in the development of cooperatives in the less developed countries which will enable and encourage greater numbers of the poor to help themselves toward a better life.]

SEC. 111. DEVELOPMENT AND USE OF COOPERATIVES.—In order to strengthen the participation of the rural and urban poor in their country's development, high priority shall be given to increasing the use of funds made available under this Act for assistance in the development of cooperatives in the less developed countries which will enable and encourage greater numbers of the poor to help themselves toward a better life. Not less than \$20,000,000 of such funds shall be used during the fiscal years 1976 and 1977, including the period from July 1, 1976, through September 30, 1976, only for technical assistance to carry out the purposes of this section.

SEC. 112. PROHIBITING POLICE TRAINING.— * * * [Repealed 1974]

SEC. 113. INTEGRATING WOMEN INTO NATIONAL ECONOMIES.—[Sections 103 through 107] Part I of this Act shall be administered so as to give particular attention to those programs, projects, and activities which tend to integrate women into the national economies of foreign countries, thus improving their status and assisting the total development effort.

* * * * *

SEC. 116. HUMAN RIGHTS.—(a) The Congress recognizes that the economic assistance and development programs authorized in this Act are most likely to be successful where individual economic and political choices can be freely expressed, where an open opportunity exists for citizen participation, and where basic human rights are respected.

(b) Where the Congress, by simple resolution of either House, indicates concern regarding denial of basic human rights in a potential recipient country, the Administrator primarily responsible for administering part 1 of this Act shall transmit to the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House a detailed description of how proposed assistance under this chapter can be provided in a manner which will accomplish the purposes of this Act without contributing to the perpetuation of practices inimical to human rights.

SEC. 208A. CRITERIA TO MEASURE PROGRESS IN DEVELOPMENT.—(a) United States programs of bilateral development assistance shall be increasingly concentrated on those less developed countries which are making maximum efforts to (1) carry out land reforms and cooperative arrangements designed to insure that persons who make their living from farming hold, as owners or in ownership-like tenure, all or substantially all of the land they farm; (2) seek to achieve a greater degree of self-sufficiency in food production; (3) reduce infant mortality; and (4) control population growth. The President shall establish appropriate criteria to measure progress by recipient countries in meeting these objectives.

(b) The President shall endeavor to bring about the adoption by international development organizations in which the United States participates of criteria which would make assistance through such organizations conditional on satisfactory progress by recipient countries in carrying out land reforms, achieving a greater degree of self-sufficiency in food production, reducing infant mortality, and controlling population growth.

(c) The congressional presentation materials for development assistance programs proposed for the fiscal year 1977 and each subsequent year shall contain detailed information concerning the steps being taken to carry out the provisions of this section.

SEC. 209. MULTILATERAL AND REGIONAL PROGRAMS.—(a) The Congress recognizes that the planning and administration of development assistance by, or under the sponsorship of the United Nations, multilateral lending institutions, and other multilateral organizations may contribute to the efficiency and effectiveness of that assistance through participation of other donors in the development effort, improved coordination of policies and programs, pooling of knowledge, avoidance of duplication of facilities and manpower, and greater encouragement of self-help performance.

(b) It is further the sense of the Congress (1) that where problems or opportunities are common to two or more countries in a region, in such fields as agriculture, education, transportation, communications, power, watershed development, disease control, and establishment of development banks, these countries often can more effectively resolve such problems and exploit such opportunities by joining together in regional organizations or working together on regional programs, (2) that assistance often can be utilized more efficiently in regional programs than in separate country programs, and (3) that to the maximum extent practicable consistent with the purposes of this Act assistance under this Act should be furnished so as to encourage less developed countries to cooperate with each other in regional development programs.

[(c) Notwithstanding any other provision of law, the President should reduce the amounts and numbers of loans made by the United States directly to individual foreign countries with the objective of reducing the total amount of bilateral loans made under this Act so that, by not later than June 30, 1975, such total amount shall not exceed \$100,000,000.]

(c) It is the sense of the Congress that the President should increase, to the extent practicable, the funds provided by the United States

to multilateral lending institutions and multilateral organizations in which the United States participates for use by such institutions and organizations in making loans to foreign countries.

* * * * *

TITLE II—TECHNICAL COOPERATION AND DEVELOPMENT GRANTS

* * * * *

SEC. 214. AMERICAN SCHOOLS AND HOSPITALS ABROAD.—(a) The President is authorized to furnish assistance, on such terms and conditions as he may specify, to schools and libraries outside the United States founded or sponsored by United States citizens and serving as study and demonstration centers for ideas and practices of the United States.

(b) The President is authorized, notwithstanding the provisions of the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1611 et seq.) to furnish assistance, on such terms and conditions as he may specify, to institutions referred to in subsection (a) of this section, and to hospital centers for medical education and research outside the United States, founded or sponsored by United States citizens.

(c) To carry out the purposes of this section, there are authorized to be appropriated to the President for each of the fiscal years 1974 and 1975 \$19,000,000, and for each of the fiscal years 1976 and 1977, \$25,000,000, which amounts are authorized to remain available until expended.

(d) There are authorized to be appropriated to the President to carry out the purposes of this section, in addition to funds otherwise available for such purposes, for each of the fiscal years 1974 and 1975 \$6,500,000 and for each of the fiscal years 1976 and 1977, \$7,000,000, in foreign currencies which the Secretary of the Treasury determines to be excess to the normal requirements of the United States.

* * * * *

TITLE III—HOUSING AND OTHER CREDIT GUARANTY PROGRAMS

SEC. 221. WORLDWIDE HOUSING GUARANTIES.—In order to facilitate and increase the participation of private enterprise in furthering the development of the economic resources and productive capacities of less developed friendly countries and areas, and promote the development of thrift and credit institutions engaged in programs of mobilizing local savings for financing the construction of self-liquidating housing projects and related community facilities, the President is authorized to issue guaranties, on such terms and conditions as he shall determine, to eligible investors as defined in section 238(c), assuring against loss of loan investments for self-liquidating housing projects. The total face amount of guaranties issued hereunder, outstanding at any one time, shall not exceed [\$355,000,000] \$505,000,000. Such guaranties shall be issued under the conditions set forth in section 222(b) and section 223.

SEC. 222. HOUSING PROJECTS IN LATIN AMERICAN COUNTRIES.—(a) The President shall assist in the development in the American Repub-

lics of self-liquidating housing projects, the development of institutions engaged in Alliance for Progress programs, including cooperatives, free labor unions, savings and loan type institutions, and other private enterprise programs in Latin America engaged directly or indirectly in the financing of home mortgages, the construction of homes for lower income persons and families, the increased mobilization of savings and improvement of housing conditions in Latin America.

(b) To carry out the purposes of subsection (a), the President is authorized to issue guaranties, on such terms and conditions as he shall determine, to eligible investors, as defined in section 238(c), assuring against loss of loan investment made by such investors in—

(1) private housing projects in Latin America of types similar to those insured by the Department of Housing and Urban Development and suitable for conditions in Latin America;

(2) credit institutions in Latin America engaged directly or indirectly in the financing of home mortgages, such as savings and loan institutions and other qualified investment enterprises;

(3) housing projects in Latin America for lower income families and persons, which projects shall be constructed in accordance with maximum unit costs established by the President for families and persons whose incomes meet the limitations prescribed by the President;

(4) housing projects in Latin America which will promote the development of institutions important to the success of the Alliance for Progress, such as free labor unions, cooperatives, and other private programs; or

(5) housing projects in Latin America, 25 per centum or more of the aggregate of the mortgage financing for which is made available from sources within Latin America and is not derived from sources outside Latin America which projects shall, to the maximum extent practicable, have a unit cost of not more than \$8,500.

(c) The total face amount of guaranties issued hereunder or heretofore under Latin American housing guaranty authority repealed by the Foreign Assistance Act of 1969, outstanding at any one time, shall not extend ~~[\$550,000,000]~~ \$650,000,000: *Provided*, That \$325,000,000 of such guaranties may be used only for the purposes of subsection (b) (1).

SEC. 223. GENERAL PROVISIONS.—(a) * * *

* * * * *

(i) The authority of section 221 and section 222 shall continue until ~~[June 30, 1976]~~ September 30, 1978.

TITLE XII—FAMINE PREVENTION AND FREEDOM FROM HUNGER

SEC. 296. GENERAL PROVISIONS.—(a) *The Congress declares that, in order to prevent famine and establish freedom from hunger, the United States should strengthen the capacities of the United States land-grant and other eligible universities in program-related agricultural institutional development and research, consistent with sections 103 and 103A, should improve their participation in the United States Government's international efforts to apply more effectively*

agricultural sciences to the goal of increasing world food production, and in general should provide increased and longer term support to the application of science to solving food and nutrition problems of the developing countries.

The Congress so declares because it finds—

(1) *that the establishment, endowment, and continuing support of land-grant universities in the United States by Federal, State, and county governments has led to agricultural progress in this country;*

(2) *that land-grant and other universities in the United States have demonstrated over many years their ability to cooperate with foreign agricultural institutions in expanding indigenous food production for both domestic and international markets;*

(3) *that, in a world of growing population with rising expectations, increased food production and improved distribution, storage, and marketing in the developing countries is necessary not only to prevent hunger but to build the economic base for growth, and moreover, that the greatest potential for increasing world food supplies is in the developing countries where the gap between food need and food supply is the greatest and current yields are lowest;*

(4) *that increasing and making more secure the supply of food is of greatest benefit to the poorest majority in the developing world;*

(5) *that research, teaching, and extension activities, and appropriate institutional development therefor are prime factors in increasing agricultural production abroad (as well as in the United States) and in improving food distribution, storage, and marketing;*

(6) *moreover, that agricultural research abroad has in the past and will continue in the future to provide benefits for agriculture in the United States and that increasing the availability of food of higher nutritional quality is of benefit to all; and*

(7) *that universities need a dependable source of Federal funding, as well as other financing, in order to expand, or in some cases to continue, their efforts to assist in increasing agricultural production in developing countries.*

(b) *Accordingly, the Congress declares that, in order to prevent famine and establish freedom from hunger, various components must be brought together in order to increase world food production, including—*

(1) *strengthening the capabilities of universities to assist in increasing agricultural production in developing countries;*

(2) *institution-building programs for development of national and regional agricultural research and extension capacities in developing countries which need assistance;*

(3) *international agricultural research centers;*

(4) *contract research; and*

(5) *research program grants.*

(c) *The United States should—*

(1) *effectively involve the United States land-grant and other eligible universities more extensively in each component;*

(2) provide mechanisms for the universities to participate and advise in the planning, development, implementation, and administration of each component; and

(3) assist such universities in cooperative joint efforts with—
 (A) agricultural institutions in developing nations, and
 (B) regional and international agricultural research centers,

directed to strengthening their joint and respective capabilities and to engage them more effectively in research, teaching, and extension activities for solving problems in food production, distribution, storage, marketing, and consumption in agriculturally underdeveloped nations.

(d) As used in this title, the term "universities" means those colleges or universities in each State, territory, or possession of the United States, or the District of Columbia, now receiving, or which may hereafter receive, benefits under the Act of July 2, 1862 (known as the First Morrill Act), or the Act of August 30, 1890 (known as the Second Morrill Act), which are commonly known as "land grant" universities; institutions now designated or which may hereafter be designated as sea-grant colleges under the act of October 15, 1966 (known as the National Sea Grant College and Program Act), which are commonly known as sea grant colleges; and other United States universities which—

(1) have demonstrable capacity in teaching, research, and extension activities in the agricultural sciences; and

(2) can contribute effectively to the attainment of the objectives of this title.

(e) As used in this title, the term "Administrator" means the Administrator of the Agency for International Development.

(f) As used in this title, the term "agriculture" shall be considered to include aquaculture and fisheries.

(g) As used in this title, the term "farmers" shall be considered to include fishermen and other persons employed in cultivating and harvesting food resources from salt and fresh waters.

SEC. 297. GENERAL AUTHORITY.—(a) To carry out the purposes of this title, the President is authorized to provide assistance on such terms and conditions as he shall determine—

(1) to strengthen the capabilities of universities in teaching, research, and extension work to enable them to implement current programs authorized by paragraphs (2) (3) (4), and (5) of this subsection, and those proposed in the report required by section 300 of this title;

(2) to build and strengthen the institutional capacity and human resource skills of agriculturally developing countries so that these countries may participate more fully in the international agricultural problem-solving effort and to introduce and adapt new solutions to local circumstances;

(3) to provide program support for long-term collaborative university research on food production, distribution, storage, marketing, and consumption;

(4) to involve universities more fully in the international network of agricultural science, including the international research

centers, the activities of international organizations such as the United Nations Development Program and the Food and Agriculture Organizations, and the institutions of agriculturally developing nations; and

(5) to provide program support for international agricultural research centers, to provide support for research projects identified for specific problem-solving needs, and to develop and strengthen national research systems in the developing countries.

(b) Programs under this title shall be carried out so as to—

(1) utilize and strengthen the capabilities of universities in—

(A) developing capacity in the cooperating nation for classroom teaching in agriculture, plant and animal sciences, human nutrition, and vocational and domestic arts and other relevant fields appropriate to local needs;

(B) agricultural research to be conducted in the cooperating nations, at international agricultural research centers, or in the United States;

(C) the planning, initiation, and development of extension services through which information concerning agriculture and related subjects will be made available directly to farmers and farm families in the agriculturally developing nations by means of education and demonstration; or

(D) the exchange of educators, scientists, and students for the purpose of assisting in successful development in the cooperating nations;

(2) take into account the value to United States agriculture of such programs, integrating to the extent practicable the programs and financing authorized under this title with those supported by other Federal or State resources so as to maximize the contribution to the development of agriculture in the United States and in agriculturally developing nations; and

(3) whenever practicable, build on existing programs and institutions including those of the universities and the United States Department of Agriculture and the United States Department of Commerce.

(c) To the maximum extent practicable, activities under this section shall (1) be designed to achieve the most effective interrelationship among the teaching of agricultural sciences, research, and extension work, (2) focus primarily on the needs of agricultural producers, (3) be adapted to local circumstances, and (4) be carried out within the developing countries.

(d) The President shall exercise his authority under this section through the Administrator.

SEC. 298. BOARD FOR INTERNATIONAL FOOD RESOURCE DEVELOPMENT.—(a) To assist in the administration of the programs authorized by this title, the President shall establish a permanent Board for International Food Resource Development (hereafter in this title referred to as the "Board") consisting of not less than seven members, not less than four to be selected from the universities, not less than one to be selected from a sea-grant institution, as defined in section 295(d) of this title, and one to be selected from other than a land-grant or sea-grant institution. Terms of members shall be set by the President

at the time of appointment. Members of the Board shall be entitled to such reimbursement for expenses incurred in the performance of their duties (including per diem in lieu of subsistence while away from their homes or regular place of business) as the President deems appropriate.

(b) The Board's general areas of responsibility shall include, but not be limited to—

(1) participating in the planning, development, implementation of,

(2) initiating recommendations for, and

(3) monitoring of,

the activities described in section 297 of this title.

(c) The Board's duties shall include, but not necessarily be limited to—

(1) participating in the formulation of basic policy, procedures, and criteria for project proposal review, selection, and monitoring;

(2) developing and keeping current a roster of universities—

(A) interested in exploring their potential for collaborative relationships with agricultural institutions, and with scientists working on significant programs designed to increase food production in developing countries,

(B) having capacity in the agricultural sciences,

(C) able to maintain an appropriate balance of teaching, research, and extension functions,

(D) having capacity, experience, and commitment with respect to international agricultural efforts, and

(E) able to contribute to solving the problems addressed by this title;

(3) recommending which developing nations could benefit from programs carried out under this title, and identifying those nations which have an interest in establishing or developing agricultural institutions which engage in teaching, research, or extension activities;

(4) reviewing and evaluating memorandums of understanding or other documents that detail the terms and conditions between the Administrator and universities participating in programs under this title;

(5) reviewing and evaluating agreements and activities authorized by this title and undertaken by universities to assure compliance with the purposes of this title;

(6) recommending to the Administrator the apportionment of funds under section 297 of this title; and

(7) assessing the impact of programs carried out under this title in solving agricultural problems in the developing nations.

(d) The President may authorize the Board to create such subordinate units as may be necessary for the performance of its duties, including but not limited to the following:

(1) a Joint Research Committee to participate in the administration and development of the collaborative activities described in section 297 (a) (3) of this title; and

(2) a Joint Committee on Country Programs which shall assist in the implementation of the bilateral activities described in sections 297 (a) (2), 297 (a) (4), and 297 (a) (5).

(e) In addition to any other functions assigned to and agreed to by the Board, the Board shall be consulted in the preparation of the annual report required by section 300 of this title and on other agricultural development activities related to programs under this title.

SEC. 299. AUTHORIZATION.—(a) The President is authorized to use any of the funds hereafter made available under section 103 of this Act to carry out the purposes of this title. Funds made available for such purposes may be used without regard to the provisions of sections 110 (b), 211 (a), and 211 (d) of this Act.

(b) Foreign currencies owned by the United States and determined by the Secretary of the Treasury to be excess to the needs of the United States shall be used to the maximum extent possible in lieu of dollars in carrying out the provisions of this title.

(c) Assistance authorized under this title shall be in addition to any allotments or grants that may be made under other authorizations.

(d) Universities may accept and expend funds from other sources, public and private, in order to carry out the purposes of this title. All such funds, both prospective and in hand, shall be periodically disclosed to the Administrator as he shall by regulation require, but no less often than in an annual report.

SEC. 300. ANNUAL REPORT.—The President shall transmit to the Congress, not later than April 1 of each year, a report detailing the activities carried out pursuant to this title during the preceding fiscal year and containing a projection of programs and activities to be conducted during the subsequent five fiscal years. Each report shall contain a summary of the activities of the Board established pursuant to section 298 of this title and may include the separate views of the Board with respect to any aspect of the programs conducted or proposed to be conducted under this title.

* * * * *

CHAPTER 3—INTERNATIONAL ORGANIZATIONS AND PROGRAMS

* * * * *

SEC. 302. AUTHORIZATION.—(a) There is authorized to be appropriated to the President for grants to carry out the purposes of this chapter, in addition to funds available under any other Act for such purposes, for the fiscal year 1974, \$127,822,000 and for the fiscal year 1975, \$165,000,000, and for the fiscal year 1976, \$194,500,000 and for the fiscal year 1977, \$219,900,000. Of such amounts, not to exceed \$250,000 during the fiscal year 1976 and \$500,000 during the fiscal year 1977 shall be available for contributions to the Namibia Institute.

(b) (1) There is authorized to be appropriated to the President for loans for Indus Basin Development to carry out the purposes of this section, in addition to funds available under this or any other Act for such purposes, for use beginning in the fiscal year 1969, \$51,220,000, \$61,220,000. Such amounts are authorized to remain available until expended.

(2) There is authorized to be appropriated to the President for grants for Indus Basin Development, in addition to any other funds available for such purposes, for use in the fiscal year 1974, \$14,500,000, and for use in the fiscal year 1975, \$14,500,000, and for use beginning in the fiscal year 1976, \$27,000,000, which amounts shall remain available until expended. The President shall not exercise any special authority granted to him under section 610(a) or 614(a) of this Act to transfer any amount appropriated under this paragraph to, and to consolidate such amount with, any funds made available under any other provisions of this Act.

* * * * *

(d) Of the funds made available to carry out this chapter for each of the fiscal years [1974 and 1975, \$18,000,000] 1976 and 1977, \$20,000,000 shall be available in each such fiscal year only for contributions to the United Nations Children's Fund.

* * * * *

(f) The President is hereby authorized to permit United States participation in the International Fertilizer Development Center and is authorized to use any of the funds made available under this part for the purpose of furnishing assistance to the Center on such terms and conditions as he may determine.

SECTION 54 OF THE FOREIGN ASSISTANCE ACT OF 1974

INTEGRATION OF WOMEN

SEC. 54. Chapter 3 of part [III] I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 305. Integration of Women.—The President is requested to instruct each representative of the United States to each international organization of which the United States is a member (including but not limited to the International Bank for Reconstruction and Development, the Asian Development Bank, the Inter-American Development Bank, the International Monetary Fund, the United Nations, and the Organization for Economic Cooperation and Development) to carry out their duties with respect to such organizations in such a manner as to encourage and promote the integration of women into the national economies of member and recipient countries and into professional and policy-making positions within such organizations, thereby improving the status of women."

* * * * *

CHAPTER 10—ASSISTANCE TO PORTUGAL AND PORTUGUESE COLONIES IN AFRICA GAINING INDEPENDENCE

SEC. 496. ASSISTANCE TO PORTUGAL AND PORTUGUESE COLONIES IN AFRICA GAINING INDEPENDENCE.—(a) There are authorized to be appropriated to the President for the fiscal year 1975, in addition to funds otherwise available for such purposes, not to exceed—

- (1) [\$5,000,000] \$7,750,000 to make grants; and
- (2) [\$20,000,000] \$17,250,000 to make loans;

to remain available until expended, for use by the President in providing economic assistance, on such terms and conditions as he may determine, for Portugal and the countries and colonies in Africa which were, prior to April 25, 1974, colonies of Portugal. (b) Notwithstanding the provisions of section 620(r) of this Act, the United States is authorized to forgive the liability incurred by the Government of the Cape Verde Islands for the repayment of a \$3,000,000 loan on June 30, 1975.

(c) Notwithstanding any other provision of law, there is authorized to be made available to the President for the fiscal year 1976, from sums appropriated to carry out this Act, in addition to such other sums as may be available, \$30,000,000 to remain available until expended, for use by the President to provide economic and relief and rehabilitation assistance (including assistance through international or private voluntary organizations), to countries and colonies in Africa which were, prior to April 25, 1974, colonies of Portugal.

SEC. 607.—FURNISHING OF SERVICES AND COMMODITIES.—(a) Whenever the President determines it to be consistent with and in furtherance of the purposes of part I and within the limitations of this Act, any agency of the United States Government is authorized to furnish services and commodities on an advance-of-funds or reimbursement basis to friendly countries, international organizations, the American Red Cross, and voluntary nonprofit relief agencies registered with and approved by the Advisory Committee on Voluntary Foreign Aid. [Such advances or reimbursements which are received under this section within one hundred and eighty days after the close of the fiscal year in which such services and commodities are delivered, may be credited to the current applicable appropriation, account, or fund of the agency concerned and shall be available for the purposes for which such appropriation, account, or fund is authorized to be used.] Such advances or reimbursements may be credited to the currently applicable appropriation, account, or fund of the agency concerned and shall be available for the purposes for which such appropriation, account, or fund is authorized to be used, under the following circumstances:

- (1) Advances or reimbursements which are received under this section within one hundred and eighty days after the close of the fiscal year in which such services and commodities are delivered; or
- (2) Advances or reimbursements received pursuant to agreements executed under this section in which reimbursement will not be completed within one hundred and eighty days after the close of the fiscal year in which such services and commodities are delivered: Provided, That such agreements require the payment of interest at the current rate established pursuant to section 2(b)(1)(B) of the Export-Import Bank of Act of 1945 (59 Stat. 526), and repayment of such principal and interest does not exceed a period of three years from the date of signing of the agreement to provide the service: Provided further, That funds available for this paragraph in any fiscal year shall not exceed \$1,000,000 of the total funds authorized for use in such fiscal year by chapter 1 of part I of this Act. Interest shall accrue as of the

date of disbursement to the agency or organization providing such services.

CHAPTER 3—MISCELLANEOUS PROVISIONS

* * * * *

SEC. 661. REIMBURSABLE DEVELOPMENT PROGRAMS.—(a) The President is authorized to use up to \$1,000,000 of the funds made available for the purposes of this Act [in each of the fiscal years 1975 and 1976] in the fiscal year 1975 and \$2,000,000 in each of the fiscal years 1976 and 1977 to work with friendly countries, especially those in which United States development programs have been concluded or those not receiving assistance under part I of this Act, in (1) facilitating open and fair access to natural resources of interest to the United States and (2) stimulation of reimbursable aid programs consistent with part I of this Act. Any funds used for purposes of this section may be used notwithstanding any other provision of this Act.

(b) (1) *The President shall not take into account, in assigning officers and employees of the United States to serve in any foreign country, the race, religion, national origin, or sex of any such officer or employee. Such assignments shall be made solely on the basis of ability and relevant experience.*

(2) *Effective six months after the date of enactment of the International Development and Food Assistance Act of 1975 or on such earlier date as the President may determine, no assistance may be provided under this Act or sales made under the Foreign Military Sales Act to any country which objects to the presence of any officer or employee of the United States who is present in such country for the purpose of carrying out the provisions of this Act or the Foreign Military Sales Act, on the basis of the race, religion, national origin, or sex of such officer or employee.*

(3) *The Secretary of State shall promulgate such rules and regulations as he may deem necessary to carry out the provisions of this subsection.*

SEC. 665. TRANSITION PROVISIONS FOR INTERIM QUARTER.—*There are authorized to be appropriated for the period July 1, 1976, through September 30, 1976, such amounts as may be necessary to conduct programs and activities for which funding was authorized for fiscal year 1976 by the International Development and Food Assistance Act of 1975, in accordance with the provisions applicable to such programs and activities for such fiscal year, except that the total amount appropriated for each program or activity for such period shall not exceed one-fourth of the total amount authorized to be appropriated for the fiscal year 1976 for such programs and activities.*

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INTERNATIONAL DEVELOPMENT AND
FOOD ASSISTANCE ACT OF 1975

REPORT
OF THE
COMMITTEE ON AGRICULTURE
AND FORESTRY
UNITED STATES SENATE

ON
TITLE II AND SECTION 311
OF

H.R. 9005

TO AUTHORIZE ASSISTANCE FOR DISASTER RELIEF AND
REHABILITATION, TO PROVIDE FOR OVERSEAS DISTRIBUTION
AND PRODUCTION OF AGRICULTURAL COMMODITIES,
TO AMEND THE FOREIGN ASSISTANCE ACT OF 1961, AND
FOR OTHER PURPOSES



OCTOBER 28, 1975.—Ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

CONTENTS

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(II)

	Page
Background.....	1
Short explanation.....	2
List of differences from Foreign Relations Committee bill.....	4
Committee consideration.....	7
Section-by-section description of title II and section 311 of H.R. 9005.....	15
Title II—Food aid to poor countries.....	15
Section 201—Policy.....	15
Section 202—World Food Conference target.....	15
Section 203—Exercise of authorities.....	16
Section 204—Foreign currencies from overseas sales.....	16
Section 205—Use by foreign countries of proceeds of sales of agricultural commodities.....	16
Section 206—Sales agreements with developing countries.....	17
Section 207—Assistance to most seriously affected countries.....	17
Section 208—Continuity of distribution under title II.....	18
Section 209—Limitation on use of foreign currencies.....	18
Section 210—Advisory Committee.....	19
Section 211—Reports to the Congress.....	19
Section 212—International food reserve system.....	19
Section 213—World Food Conference.....	20
Section 214—Long-term commercial agreements.....	20
Section 215—Amendment of farmer-to-farmer program.....	20
Section 311—Famine prevention.....	20
Section 501—General provisions.....	20
Section 502—General authority.....	22
Section 503—Board for International Food Resources Development.....	22
Section 504—Authorization.....	23
Section 505—Annual report.....	24
Cost estimates.....	25
Departmental views.....	25
Roll Call Votes.....	28
History of Public Law 480.....	29
Outline of legislation authorizing and amending Public Law 480.....	36
History of legislation relating to land-grant institutions.....	42
Statistical tables relating to Public Law 480:	
I. Value of U.S. farm products shipped under Public Law 480 annually, 1955-76.....	44
II. Annual volume of total Public Law 480 shipments for fiscal years 1955-76.....	45
III. Annual volume of Public Law 480 title I shipments for fiscal years 1955-76.....	46
IV. Annual volume of Public Law 480 title II shipments for fiscal years 1955-76.....	47
V. Projected programing for fiscal year 1976—Public Law 480 title I value and volume of commodities by country.....	48
VI. Projected programing for fiscal year 1976—Public Law 480 title II value and volume of commodities by country.....	50
VII. Volume of Public Law 480 title II shipments by program sponsor annually, fiscal year 1972 through fiscal year 1976.....	54
VIII. Financial statistics of countries designated by the U.N. as "Most Seriously Affected" by the current economic crisis.....	55
IX. Per capita gross national product of the countries of the world.....	56
X. Land-grant institutions with contracts with AID, during fiscal years 1974 and 1975.....	58
Changes in existing law.....	59

OCTOBER 26, 1975

Calendar No. 420

94TH CONGRESS }
1st Session

SENATE }

REPORT
No. 94-434

**INTERNATIONAL DEVELOPMENT AND FOOD
ASSISTANCE ACT OF 1975**

OCTOBER 28, 1975.—Ordered to be printed

Mr. TALMADGE, from the Committee on Agriculture and Forestry,
submitted the following

REPORT

[To accompany H.R. 9005]

The Committee on Agriculture and Forestry, to which was referred the bill (H.R. 9005) to authorize assistance for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961, and for other purposes, having considered title II and section 311 thereof, reports favorably thereon with amendments, and recommends that the bill as amended do pass.

BACKGROUND

H.R. 9005, the International Development and Food Assistance Act of 1975, was reported by the International Relations Committee of the House of Representatives on August 1, 1975 (H. Rept. 94-442). It passed the House on September 10, 1975.

In the Senate, the bill was referred to the Foreign Relations Committee on September 11, 1975. It was reported to the Senate on October 1 (legislative day, September 11), 1975 (S. Rept. 94-406), and referred to the Committee on Agriculture and Forestry by unanimous consent on October 2, 1975.

That bill, to authorize assistance for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961, and for other purposes, includes Title II, which amends Public Law 480,

the Agricultural Trade Development and Assistance Act of 1954, in a number of ways. In addition, it includes section 311, which authorizes assistance to land-grant universities and other eligible institutions in the United States, to enable them to carry out programs overseas in cooperation with agricultural institutions and research centers in solving the food, agriculture, and nutrition problems of the developing countries.

Both those sections relating to Public Law 480, the Agricultural Trade Development and Assistance Act of 1954, and the section dealing with land-grant universities are clearly within the jurisdiction of the Senate Committee on Agriculture and Forestry.

Not only do the Standing Rules of the Senate give this Committee jurisdiction over:

1. Agriculture generally.
5. Agricultural colleges and experiment stations.
7. Agricultural economics and research.
11. Human nutrition and home economics.
13. Agricultural educational extension services.
16. Agricultural production and marketing and stabilization of prices of agricultural products.

but, the legislative history of Public Law 480 and the land-grant universities clearly establishes the Committee on Agriculture and Forestry as the committee of jurisdiction.

The Committee has no jurisdiction over sections of H.R. 9005 other than Title II and section 311. It does not expect to participate in the probable conference with the House of Representatives except as to those provisions within its jurisdiction. However, as to those provisions within its jurisdiction, the Committee expects to participate on an equal basis with the House Conferees.

SHORT EXPLANATION

Title II and section 311 of H.R. 9005, as amended by the Committee on Agriculture and Forestry, would amend the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480). The principal provisions would—

- (1) Expand the statement of the purposes of Public Law 480 to include certain humanitarian and other policy objectives.
- (2) Authorize the President to credit, or grant back up to 10 percent of Title I loan repayment obligations if proceeds derived by the recipient government from the sales of Title I commodities are used for certain specified self-help purposes.
- (3) Provide more general authority for the President to waive the prohibition of Title I sales to countries trading with Cuba or North Vietnam.
- (4) Establish a minimum volume of food assistance to be distributed under Title II of 1.3 million metric tons, of which a minimum of 900,000 metric tons would be distributed through nonprofit voluntary agencies and the World Food Program.
- (5) Place limitations on the circumstances under which commodities donated under Title II may be sold by the recipient government.

(6) Permit members of the joint executive-legislative Public Law 480 advisory committee to appoint representatives to serve in their place.

(7) Add a new Title V containing provisions to increase the participation of the land-grant colleges and other universities and colleges in solving the food, agriculture, and nutrition problems of the developing world.

Title II of H.R. 9005, as amended by the Committee on Agriculture and Forestry, would also—

(1) Require, for fiscal year 1976, that at least 70 percent of the food commodities distributed under Title I of Public Law 480 be allocated to countries most seriously affected by inability to secure sufficient food for their immediate requirements through their own production or commercial purchase from abroad.

(2) Authorize and encourage the President to seek international agreement, subject to Congressional approval, for a system of food reserves to meet food shortage emergencies and provide insurance against unexpected shortfalls in food production.

(3) Require a report on the implementation of the recommendations of the World Food Conference.

(4) Require the President to consult with the Agriculture Committees of the Congress in regard to negotiations involving agricultural commodities covered under farm price support and other agricultural programs of the United States Government.

DIFFERENCES BETWEEN H.R. 9005 AS REPORTED BY THE FOREIGN RELATIONS COMMITTEE AND THE BILL AS AMENDED BY THE COMMITTEE ON AGRICULTURE AND FORESTRY

Title II (Public Law 480) and section 311 (land-grant universities) of H.R. 9005 are within the jurisdiction of the Committee on Agriculture and Forestry, and the Committee's amendments apply only to those provisions. The Committee took no action on the other provisions of the bill, and this report should not be construed as an endorsement of the other provisions of the bill.

The Committee amended Title II and section 311 in the manner that is described below. This list of amendments refers only to the differences between the bill as reported by the Committee on Foreign Relations and the bill being reported by the Committee on Agriculture and Forestry. It does not include technical and clarifying changes. For a more complete description of this Committee's actions, see the section of the report entitled "Committee Consideration".

1. (a) In the policy statement of Public Law 480 (section 201), the Committee modified the mandate that the President give priority to making food aid available to needy nations to the food aid *required* by those nations to meet their food requirements which they are unable to meet *on a normal commercial basis*.

(b) The policy statement was further modified to eliminate the requirement that aid-receiving countries emphasize *labor-intensive, small-farm* agriculture. Other provisions of Title II of the bill were changed to conform to this amendment.

(c) The Committee added to the policy statement the requirement that aid-receiving countries *improve their facilities for transportation, storage, and distribution of food commodities*. Other provisions of Title II of the bill were amended to conform to this amendment.

(d) The Committee added to the policy statement a new paragraph to direct the President to assure that the allocation of Public Law 480 resources is based on an assessment of commercial market potential for U.S. farm commodities.

(e) The Committee added to the policy statement the requirement that the President give appropriate recognition to, and support of a strong and viable American farm economy in providing the food security for the consumers of this Nation and the world.

2. The President is required to notify the Congress within 10 days of his intent to exercise the waiver of the prohibition on sales to countries trading with Cuba and North Vietnam.

3. The President must emphasize the sale of processed grain products, including blended and protein fortified foods, in sales of grain under Title I of Public Law 480.

4. The President is authorized to waive repayment of that portion of the value of a loan under Title I of Public Law 480 which represents the cost of processing high-protein blended or fortified foods.

5. The Committee deleted the requirement that the President trans-

mit intentions to utilize releases and grant-backs (described in section 104 of Public Law 480) of U.S.-held foreign currencies to the Senate Foreign Relations Committee.

6. The Committee adopted an amendment which would prohibit the use of foreign currency proceeds from sales of commodities made available under Title I of Public Law 480 for the development of abortifacients or techniques of abortion.

7. The Committee adopted an amendment to direct that uses of foreign currencies under the "grant-back" procedure under Title I of Public Law 480 be directed at achieving the policy objectives of Public Law 480 (as well as the Foreign Assistance Act of 1961).

8. The Committee also made eligible the activities of the "farmer-to-farmer" program (section 406) under the "grant-back" procedure in Title I of Public Law 480.

9. Section 406 itself was also amended to vest responsibility for the "farmer-to-farmer" program in the President, rather than the Secretary of Agriculture.

10. The Committee amended the "grant-back" procedure authorized under section 106(b) to limit, for each fiscal year, payments to not more than 10 percent of the total value of each agreement.

11. The Committee amended the provision of H.R. 9005 regarding assistance to "most seriously affected countries" to—

(a) Make it a 1-year provision rather than a permanent part of Public Law 480;

(b) Reduce the requirement that 80 percent of Title I, Public Law 480, food aid go to "most seriously affected countries" to a 70 percent requirement; and

(c) Authorize the President (rather than the United Nations) to determine which countries are most seriously affected by inability to secure sufficient food. The President would be required to base his determinations on certain criteria prescribed by the bill. The President would be required to submit his determinations to the appropriate congressional committees within 30 days.

12. The Committee adopted an amendment to section 408 of Public Law 480 to change the annual report required by that section from a calendar year to a fiscal year basis.

13. The Committee modified the reporting requirement for "a revised global assessment of food production and needs" by changing the report deadline from October 1 to November 1.

14. The provision which authorizes and encourages the President to seek agreement on an international system of national reserves was modified by the Committee to delete the word "national" from the phrase "national food reserves" and provide that any such agreement would be subject to congressional approval.

15. At the end of Title II of H.R. 9005, the Committee added a new section amending section 22 of the Agricultural Adjustment Act of 1933. The new provision provides that the President shall consult with the Agriculture Committees of the Congress, whenever possible, before entering into discussions to negotiate any international or trade agreement affecting any agricultural commodity covered under domestic price support or other domestic farm programs of the United States Government. The President is to continue to keep the Com-

mittees informed of all matters relating to such discussions at least every 90 days during the course of these discussions. The new provision does not apply to agreements specifically authorized under existing statutes.

16. The Committee amended section 311 of H.R. 9005 to structure the provisions relating to land-grant and similar institutions as a new title of Public Law 480 rather than a new title of the Foreign Assistance Act.

17. The Committee amended the definition of the institutions eligible under section 311 of H.R. 9005 to permit community colleges, which would otherwise qualify, to participate in this program.

COMMITTEE CONSIDERATION

The Committee held an Executive Session on October 22, 1975, to consider those matters of H.R. 9005, which fell within the jurisdictional responsibility of the Committee on Agriculture and Forestry. Specifically, the Committee reviewed and amended Title II and section 311 of H.R. 9005, those sections involving matters related to Public Law 480, world food reserves, foreign agricultural trade, and the legislative aspects of land grant and similar institutions.

I.

In the amendment which expands upon the statement of policy and objectives of Public Law 480, the Committee made several changes. First, in the paragraph which calls upon the President to give priority to making the maximum volume of food aid available to needy nations, the language was modified to mandate the President to make available the maximum volume of food commodities required by these nations, and which they are unable to purchase on a regular commercial basis. The purpose of this change is to assure that food aid flows are based on an assessment of need. It is recognized that these nations have a finite capacity to absorb concessional and grant food assistance, the primary limitations being the physical capabilities of the port and marketing facilities of the recipient nation and the distribution capabilities of cooperating sponsors of Title II programs.

The experience in the operation of Public Law 480 over the past 20 years brings into question the judiciousness of a food aid program based primarily upon moving a maximum volume of food commodities through concessional channels. Rather, experience has suggested that the needs, distributive capabilities and impact on indigenous production capabilities of the recipient country should be taken into account in determining the proper volume of food aid for a particular circumstance. Specifically, the Committee feels that in furnishing food aid, the President should take into account the ability of a potential recipient to purchase food commodities through normal commercial channels. Food aid, in some cases, can become a disincentive to increasing indigenous food production by relieving a recipient government of appropriate pressures to increase attention to the problems of and flow of resources to its agriculture sector. By insuring that concessional food assistance does not replace the responsibility of a country to shoulder a reasonable share of its food requirements through commercial purchases, the situation where food aid might become such a disincentive to agricultural production would be avoided.

II.

The Committee deleted the language in section 201 referring to "labor intensive agriculture" and the similar references in the amendment to sections 103 and 106(b) of Public Law 480. While the Com-

mittee recognizes the problem of rural unemployment and the concentration of landholdings in many countries, the Committee does not feel that simplistic formulas should dictate the agricultural development priorities of all developing nations receiving assistance under Public Law 480. The urgent and increasingly critical food needs of the developing world demand the immediate mobilization of resources to increase food production in the most efficient manner possible. In many cases, this is not possible through small and fragmented units of production.

The Committee also added language to this section encouraging the President to relate food aid under Public Law 480 to efforts by recipient countries to improve their facilities for transportation, storage, and distribution of food commodities, in addition to increasing food production. In many cases the inadequacy of the transportation and marketing facilities lead to inequities in the distribution of available food supplies. The inadequacy of storage facilities may result in a high level of waste and spoilage, in addition to limiting the flexibility of nations to protect themselves against the variabilities of food production and prices. The Committee feels that efforts to improve these facilities are, in many ways, as important to the food security of the developing world as increasing indigenous food production.

Two additional paragraphs were added by the Committee to the amendment expanding the statement of policy for the administration of Public Law 480. A new paragraph (4) would direct the President to assure that the allocation of Public Law 480 resources is based upon an assessment of commercial market potential for U.S. farm goods. The Committee recognizes that Public Law 480 has been and continues to be an important vehicle for expanding markets for U.S. agricultural products abroad.

Over the past few years, farm exports have earned about \$20 billion annually, making an important positive contribution to our balance of payments position. Public Law 480 has resulted in the establishment of important commercial markets in Japan, Taiwan, and India, to name only a few such countries. New and emerging markets offer potentially expanded and valuable outlets for commercial farm exports. The Committee foresees a continuing role for Public Law 480 in securing the benefits of increased farm trade for the American farmer and U.S. economy.

The Committee also added a policy paragraph mandating that the President give appropriate recognition to and support of the role of the U.S. farm community in contributing to present and potential U.S. and world food security. About half of the grain moving in world trade is produced in the United States. A substantial and increasing share of the food import requirements of the developing world are met by the American farmer. The continued strength and viability of American agriculture, then, are essential to the food security of consumers in this country and throughout the world.

III.

The Committee approved without amendment the 10 million ton target of food assistance annually from the donor countries which was recommended by the World Food Conference in November, 1974.

The more general national interest waiver of prohibitions of sales to countries trading with Cuba and North Vietnam, which would be substituted for the present waiver procedure by this bill, was modified by the Committee to require that notification of Presidential intent and reasons to apply such waiver be given within 10 days of the exercise of waiver.

IV.

Responding to the potential benefits of increasing foreign sales of processed American grain, including blended and protein-fortified foods, the Committee adopted an amendment to section 103, which requires the President to relate sales of raw agricultural commodities under Title I to increased purchases of processed agricultural commodities. In the past, countries could buy wheat, for example, from the United States under concessional financing provided for under Title I but turn around and buy flour from another country. United States labor and industry could benefit through the related stimulation of production and employment if more processed goods were sold under Public Law 480. In addition, the American economy stands to benefit through increased balance of payments returns from the value added to the raw commodity as a result of processing. It was the Committee's intent that, insofar as practicable, such processed products be included in Title I sales agreements involving grain.

To further encourage the sales of blended or protein-fortified foods, the President would be authorized to waive that portion of the total value of a loan made under the authority of Title I which represents the actual and direct cost of processing such commodities under a new provision of section 103 of Public Law 480 added by the Committee. The Committee intends that such procedure be made available only for those processed commodities which are used under Title II programs and which by their special nature are designed to meet specific nutritional needs in developing countries. The justification for such a specific procedure under Title I is to better achieve the objectives of the Act related to improving the nutritional status of the neediest individuals in the developing world. It is assumed that the President will exercise such authority only to meet the requirements of specific programs of distribution in developing countries which reach the neediest individuals. It is also hoped that such authority will facilitate transition of countries presently receiving such commodities under Title II to sales of those commodities under Title I and eventually on a regular commercial basis.

V.

The requirement that the President transmit intentions to utilize releases and grant backs (described in section 104 of Public Law 480) of U.S.-held foreign currencies to the Senate Foreign Relations Committee, in addition to the House and Senate Agriculture Committees, and the House International Relations Committee, was deleted by the Committee. Public Law 480 was originally reported to the Senate by the Committee on Agriculture and Forestry. All major changes in the program have been considered by this Committee. Therefore, the Committee felt that it was inappropriate in view

of the jurisdictional divisions, in the Senate to include the Senate Committee on Foreign Relations among the committees with responsibility over the administration of certain provisions of the Act. Respecting the prerogative of the House to establish its own Committee jurisdictions, the provision adding the House International Relations Committee to the Committees with responsibility over foreign currency uses was left unchanged.

VI.

The Committee gave considerable attention to the authority which would permit the President to "forgive" or "grant back" a portion of Title I loan repayments to the extent that participating countries used the proceeds from the sale of Title I commodities on their domestic markets for agricultural development, rural development, population control, and improvement of the nutritional status of its neediest citizens. The Committee recognizes the benefits of a closer linkage between concessional financing of food commodities and economic development. Title I sales, while increasing the availability of food in the recipient country, are primarily a form of balance of payments support in the sense that the concessional financing represents a saving of foreign exchange which would have had to be paid for food imports.

Title I sales also represent a form of budget support for the recipient government. The recipient government sells commodities which it has received on a highly concessional basis, on its domestic market. Since the overall effect of Title I financing is to make available additional resources to the government, the Committee sees a certain value in creating an incentive for the recipient government to use the proceeds generated by sales of Title I commodities for development purposes. While applying the proceeds from Title I sales to certain development purposes (and thereby reducing the dollar repayment obligation to that extent) might provide such an incentive, the Committee had some reservations about permitting the entire Title I loan obligation to be forgiven by this mechanism. Therefore, the Committee placed a limitation of ten percent of the value of any Title I loan agreement which might be "forgiven" in this fashion.

The "grant back" program outlined by H.R. 9005 would be directed to achieving the policy objectives of section 103 (food and nutrition programs) and section 104 (population programs) of the Foreign Assistance Act. Under an amendment added by the Committee the countries using foreign currencies under the "grant back" procedure would also be encouraged to achieve the policy objectives of Public Law 480. Non-profit volunteer agencies and other cooperating sponsors of programs conducted under Title II of Public Law 480 could, of course, also be eligible recipients of "grant back" funds.

The Committee adopted an amendment which would prohibit the use of loan proceeds for the development of abortifacients or techniques of abortion. The Committee intends that this restriction apply to the development of techniques which are clearly designed to interrupt pregnancy, and not to techniques which are primarily for contraception of pregnancy, such as those birth control devices currently used under family planning and planned parenthood activities.

VII.

The Committee also made eligible the activities described in section 406 of Public Law 480, the "farmer-to-farmer" program, under the "grant back" procedure. Added to Public Law 480 by the House Agriculture Committee in 1966, this program is one of the early manifestations of the current emphasis in development assistance on addressing the needs of the rural poor and increasing agricultural production. Under this Committee amendment, a part of the Title I obligation may be forgiven to the extent that the proceeds from the sale of Title I commodities by the recipient government are used for farmer-to-farmer technical assistance exchanges, training programs conducted by land-grant and other institutions of higher education, basic research in tropical and subtropical food production, and other programs specified under section 406 of Public Law 480. Section 406 itself was amended by the Committee to vest the responsibility for the administration of the program in the President rather than specifying the Secretary of Agriculture as presently provided. The Committee recognizes the potential development benefit of providing for better exchange of practical information relating to farming. It is hoped that by leaving administration to the discretion of the President a vehicle can be found to put this program into effect. It is the Committee's understanding and expectation that grants made available under section 103 of the Foreign Assistance Act of 1961, as amended, might be used to carry out the programs authorized under section 406 of Public Law 480.

VIII.

The Committee modified the requirement that a specific percentage of Title I sales be allocated to certain countries on the basis of need. First, the Committee changed this provision to be a freestanding section of the International Development and Food Assistance Act of 1975, and gave it a statutory life of fiscal year 1976 only, rather than as a permanent amendment of Public Law 480. The Committee does not feel that it is prudent or necessarily "humanitarian" to be permanently committed to disposing a fixed percentage of total Public Law 480 shipments to a given set of nations. Supplies available for shipment under Public Law 480 can vary widely. Yet supply availability may not move in concert with changing needs, either for humanitarian programs or market development. The Committee feels then that the program should be flexible enough to be adjusted to a particular supply and need situation.

The Committee believes that allocation of Public Law 480 assistance among nations should be based upon an assessment of humanitarian food needs, market development potential, and domestic commodity availability. The Committee does not believe, however, that the Administration should be bound by United Nations criteria in assessing humanitarian need. Rather, the Committee offers a substitute for the mandate that the President be guided by the United Nations list of "most seriously affected" countries in Title I allocations. The Committee therefore amended this provision to require the President to sub-

mit to the Congress his own list of countries most seriously affected by food shortages based upon an assessment of global food production and needs; the financial situation of individual developing countries which would justify concessional provision of food rather than the provision of food commodities on a normal commercial basis; the immediacy of food requirements as measured by the overall nutrition status of the citizens of a potential recipient nation; and the level of economic underdevelopment as indicated by the latest available estimates of gross domestic product of individual low-income developing countries.

The Committee changed the percentage of Title I which would be required to be directed to countries most seriously affected by food shortages from 80 to 70 percent as provided for under the House bill. The Committee felt that 80 percent was unduly restrictive and that the congressional intent of providing for humanitarian needs could be sufficiently met within the lower percentage.

IX.

The Committee (with only a clarifying amendment) approved the provision establishing a minimum of 1.3 million metric tons annually for Title II, of which at least 900,000 tons would be specified for non-profit voluntary agencies and the World Food Program. It is understood that this minimum would in no way imply a maximum or appropriate level for Title II programming but simply assure a minimum flow of food resources to provide continuity to regular Title II programs.

The Committee has recently reviewed the particular problems which uncertain and variable supplies have created for Title II programs.

Witnesses in hearings before the Committee have argued that this fluctuating supply level is particularly disruptive for Title II, under which distributing agencies have considerable capital resources and personnel committed to the delivery of Title II commodities and programs.

X.

H.R. 9005 would place limitations on the sale of Title II commodities by participating governments. Section 209 describes the circumstances under which Title II commodities may be sold in cases other than famine and emergency relief. Specifically, Title II assistance could not be provided under any agreement that permits the sale of Title II commodities and the generation of foreign currency proceeds unless (1) such country is undertaking the self-help measures described in section 109 of Public Law 480, (2) the foreign currency proceeds would be used for the purposes agreed to between the United States and the recipient government, and (3) such currencies would be used to meet the purposes described in section 103 (food and nutrition) of the Foreign Assistance Act of 1961. The Committee adopted a clarifying amendment to require that any such agreement be laid down in written form. The Committee does not intend to endorse the sale of Title II commodities by recipient governments. It is understood that sales of donated commodities supplied under Title II would be restricted to limited and unusual circumstances.

XI.

The Committee adopted an amendment to section 408 of Public Law 480 to change the annual report from a calendar year to a fiscal year basis. The Committee notes that such annual reports have consistently arrived after the April 1 statutory deadline. The annual report for calendar year 1974 is presently six months late. This amendment would bring the annual report into conformity with the normal reporting and accounting procedures of the United States Government and, it is hoped, will permit the Administration to meet its statutory deadline for submitting an annual report of activities under Public Law 480.

The Committee also amended the additional reporting requirements provided for under H.R. 9005. H.R. 9005, as referred to the Committee, would require a report on the "revised global assessment of food production and needs" by October 1 of each year. However, since forecasts of U.S. and other northern hemisphere harvests are generally more complete after the October assessments, the accuracy of this report would be enhanced by moving it up to November 1.

XII.

The provision which authorizes and encourages the President to seek agreement on an international system of nationally held reserves was modified by the Committee to delete the word "national" from the phrase "national food reserves" and provide that any such reserves agreement be made subject to congressional approval. The word "national" is removed to dispel any confusion over whether such action might imply an endorsement by the Congress of government-held stocks as the basis of a world food security system. The issue of food reserves is currently under review by the Committee and, because of the implications of such a system for domestic interests, the Committee feels most strongly that any international reserve agreement should come before the Congress for consideration.

XIII.

At the end of Title II of H.R. 9005, the Committee added a new section amending section 22 of the Agricultural Adjustment Act of 1933. The new provision provides that the President shall consult with the Agriculture Committees of the Congress, whenever possible, before entering into discussions to negotiate any international or trade agreement affecting any agricultural commodity covered under domestic price support or other domestic farm programs of the United States Government. The President is to continue to keep those Committees informed of all matters relating to such discussions at least every 90 days during the course of these talks.

The Committee intends that this provision apply to executive agreements, understandings, protocols, and other international agreements, the effect of which is to commit the United States on a multilateral or bilateral basis with respect to matters affecting trade in the agricultural commodities specified.

The Committee amended section 311 of H.R. 9005 to structure these provisions relating to land-grant and similar institutions as a new title of Public Law 480 rather than a new title of the Foreign Assistance Act. The long history of using Public Law 480 resources for agricultural research conducted by land-grant and other institutions of higher education, and the clear jurisdiction of the Committee on Agriculture and Forestry over "agricultural colleges and experiment stations, agricultural economics and research", and "agricultural educational extension services" suggests that these provisions more properly belong in Public Law 480 than in the Foreign Assistance Act.

The Committee also amended the definition of the institutions eligible under section 311 of H.R. 9005 by adding the word "colleges". The intent of the amendment is to make community colleges, which otherwise meet the criteria of this program, eligible to lend their participation in the activities described in the new title. For example, a number of community colleges are members of the International/Intercultural Community College Consortium and are active in agricultural and environmental programs.

The Committee supports and will continue to lead efforts to strengthen the humanitarian uses of Public Law 480. Yet, the Committee most strongly supports the continued use of the program to develop foreign markets for U.S. agricultural production. The Committee believes that these objectives are not in conflict but rather are supportive of each other. Both have their respective roles in providing for world food security, and the Public Law 480 program is so designed to permit both purposes to operate in concert.

Several months ago, the Chairman of the Committee on Agriculture and Forestry opened full Committee hearings on Public Law 480 by calling for an extensive review of the program. Chairman Talmadge at that time stated, "I think it is essential that our current review of farm policy include the role of Public Law 480, in terms of world food needs and our own resources. We have not conducted an extensive review of Public Law 480 since 1966. In view of the importance of this program to American farmers and to consumers in the developing world, we must continue to review and strengthen it. . . . Public Law 480 is a proven program, but no program, however successful, should be closed to innovation or strengthening. I am convinced that there is room for imagination and foresight as we begin to shape our food assistance policies for the coming decade."

SECTION-BY-SECTION ANALYSIS

TITLE II—FOOD AID TO POOR COUNTRIES

Section 201—Policy

This section adds five subparagraphs to the general policy statement (section 2) which follows the enacting clause of Public Law 480, the Agricultural Trade Development and Assistance Act of 1954, as amended. It states that, in furnishing food aid under the Act, the President shall (1) give priority consideration in meeting urgent food needs abroad to the requirements of those countries most seriously affected by food shortages, and which are unable to meet those requirements through normal commercial purchases, (2) continue to urge other donor countries to increase their participation in efforts to address food needs of the developing world, (3) relate U.S. assistance to self-help by the aid receiving countries toward increasing their own agricultural production as well as improving their facilities for transportation, storage, and distribution of food commodities, (4) assure that the allocation of commodities or concessional financing is based on the potential for expanding export markets for U.S. agricultural commodities, and (5) give appropriate recognition to and support of a strong American farm economy in providing for the food security of consumers in the United States and throughout the world.

In subparagraph (1) the term "most seriously affected" has a connotation similar to that set forth in more detail in section 207 of the bill. In applying priority consideration, the President must take into account domestic price and supply situations.

Subparagraph (2) is meant to apply both to countries which in the past have contributed food, fertilizer, or financial assistance in this respect to the developing world, and to countries with new affluence such as the oil-exporting nations.

The remaining subparagraphs are self-explanatory.

Section 202—World Food Conference target

This section adds a new section 3 to Public Law 480. Referring to the World Food Conference recommendation that donor countries provide a total of at least 10 million tons of food assistance annually, it urges the President to maintain a significant U.S. contribution to this target and to encourage other countries to maintain and increase their contributions as well.

Resolution XVIII adopted by the World Food Conference at Rome in November 1974 includes the following recommendation: "that all donor countries accept and implement the concept of forward planning of food aid, make all efforts to provide commodities and/or financial assistance that will ensure in physical terms at least 10 million tons of grains as food aid a year, starting from 1975, and also to provide adequate quantities of other food commodities."

Section 203—Exercise of authorities

This section amends section 103 of Public Law 480 in five respects:

1. Subsection 103(a) is amended to require the President, in exercising his Title I authority, to take into account self-help efforts aimed at increasing their own agricultural production, improving their facilities for transportation, storage, and distribution of food commodities, and reducing population growth rates.

2. Subsection 103(b) is amended to include reference to section 106(b)(2) of Public Law 480 [see section 205(3) below] in the proviso in section 103(b). This permits foreign currency proceeds from sales under Title I which are used for the specified purposes of section 106(b)(2) to be considered as advance payment of Title I credits in accordance with agreements between the United States and the foreign government.

3. The second proviso of subsection 103(d) is deleted. It provides for a waiver under specified circumstances of the prohibition on Title I sales to countries which sell or furnish goods to, or permit their ships to carry goods to or from, Cuba or North Vietnam. In lieu of this proviso there is inserted a general national interest waiver authority of the same type now applicable to assistance under the Foreign Assistance Act of 1961. The President is required to report the making of any such waiver to the Congress within 10 days of such action.

4. A new subsection (r) is added at the end thereof providing that the President, to the maximum extent practicable, require that processed grain products, including blended and protein-fortified foods, be supplied under each Title I sales agreement involving grain.

5. A new subsection (s) is added to authorize the President, in providing for the sale of high-protein blended or fortified foods under Title I, to waive repayment of that portion of the sales price which is attributable to the costs of processing, enrichment, or fortification. This provision is designed to assist developing countries in raising the nutritional level of their neediest individuals.

Section 204—Foreign currencies from overseas sales

This section amends section 104 of Public Law 480:

1. By adding the House Committee on International Relations to the House Committee on Agriculture in those instances in which the House Committee on Agriculture is named in section 104, relating to executive branch reporting requirements. This amendment is pursuant to the jurisdictional responsibility of the House Committee on International Relations which commenced with the 94th Congress.

2. By repealing subsection (c), which provides for the use of local currency proceeds to procure equipment, materials, facilities, and services for the common defense including internal security. Subsection (c) already has been repealed in effect by section 40 of the Foreign Assistance Act of 1973.

Section 205—Use by foreign countries of proceeds of sales of agricultural commodities

Section 205 amends section 106(b) of Public Law 480.

Subsections (1) and (2) add a requirement that the United States, in negotiating agreements with countries receiving Public Law 480, Title I, agricultural commodities, emphasize the use of foreign currency

proceeds from the sale of those commodities for activities which directly improve the lives of the poorest of their people and their capacity to participate in the development of their countries.

Section 205(3) amends section 106(b) of Public Law 480 to authorize the Executive Branch to conclude agreements under which the use of local currency proceeds for agreed development purposes may, to that extent, be deemed payment of the dollar obligation to the U.S. Government. This paragraph directs that, in determining the use of proceeds of sale, greatest emphasis shall be placed on carrying out programs of agricultural development, rural development, and nutrition in those countries which are undertaking self-help measures (enumerated in sections 109 and 406 of Public Law 480), consistent with the policy objectives of Public Law 480 and sections 103 and 104 of the Foreign Assistance Act of 1961.

For any fiscal year, payments under this provision may not exceed 10 percent of the total value of each agreement. This new authority is prospective only and is not to be used to modify existing agreements.

No proceeds from the sale of commodities in the recipient country may be used for the development of abortifacients or techniques of abortion.

Uses of local currencies under this provision must be described in reports required by section 408 of Public Law 480 and section 657 of the Foreign Assistance Act of 1961.

Section 206—Sales agreements with developing countries

This section amends section 109(a) of Public Law 480. It adds a requirement that, in considering self-help measures by developing countries before entering into Title I sales agreements with these countries, the President shall take into particular account the extent to which such measures are being carried out so as to contribute directly to development progress in poor rural areas and to enable the poor to participate actively in increased production through small-farm agriculture.

Section 207—Assistance to most seriously affected countries

This section requires, for fiscal year 1976 only, that not more than 30 percent of food aid provided under Title I of Public Law 480 shall be allocated to countries other than those most seriously affected by the inability to secure sufficient food for their immediate requirements through their own production or commercial purchase from abroad.

The President may waive the percentage limitation if he certifies to Congress that such use of food assistance is required for humanitarian food purposes and neither House of Congress disapproves by resolution within 30 calendar days after the certification.

A reduction below 70 percent in the proportion of food aid allocated to most seriously affected countries may be made where such modification results from critical and unforeseeable circumstances occurring after the initial programing of commodities. Any reallocation of food aid due to critical and unforeseeable circumstances must be in accordance with this section so far as practicable, and the President must promptly report to Congress any reduction below 70 percent and the reasons therefor.

The President must make his determination as to which countries are most seriously affected on the basis of an assessment of global food production and needs, and on the basis of gross domestic product, overall nutritional status, shortfalls in food availability, and balance of payments difficulties of developing countries.

The President's list of such countries must be submitted to the Committee on International Relations of the House and the Committee on Agriculture and Forestry of the Senate within 30 days of enactment of this section. Subsequent revisions of the list must be submitted within 30 days of such revisions.

Section 208—Continuity of distribution under Title II

This section adds a new subsection (b) to Public Law 480, section 201. The new subsection provides that, for each fiscal year, the minimum quantity of agricultural commodities distributed under Public Law 480, Title II, shall be 1,300,000 tons, of which the minimum distributed through nonprofit voluntary agencies and the World Food Program shall be 900,000 tons, unless the President determines and reports to Congress, with his reasons, that such quantity cannot be used effectively for Title II purposes. A proviso states that such minimum quantity shall not exceed the total quantity of commodities determined to be available for Public Law 480 less the quantity required for famine or other urgent or extraordinary relief requirements. The administration's fiscal year 1976 program for all of Title II totals 1,300,000 tons.

The minimum for nonprofit voluntary agencies and the World Food Program was adopted following widespread criticism that past uncertainties about the variations in quantities of Public Law 480 supplies for these humanitarian programs had caused disruption and impaired their effectiveness. The minimum is designed to assure availability of at least 900,000 tons of food a year for these programs, thereby promoting their effectiveness and permitting better forward planning. There is no minimum in the present law.

The 1.3-million-ton minimum for Title II as a whole assures an annual minimum for all three types of food distributions abroad under Title II—through voluntary agencies, the World Food Program, and government-to-government agreements. The 400,000 ton margin above the minimum for voluntary agencies/World Food Program provides assurance that this additional amount will be available for allocation to these programs or to government-to-government programs, as desired.

Section 209—Limitation on use of foreign currencies

Section 209 adds a new section 206 to Title II of Public Law 480 providing that, except in the case of famine or other urgent or extraordinary relief requirements, no assistance shall be provided under Title II of Public Law 480 pursuant to agreements providing for the generation of foreign currency proceeds unless (1) the recipient country is undertaking self-help measures in accordance with section 109 of Public Law 480, (2) the specific uses to which the foreign currencies are to be put are set forth in a written agreement between the United States and the recipient country, and (3) such agreements provide that the currencies will be used for the purposes speci-

fied in section 103 of the Foreign Assistance Act of 1961, as amended.

Information on such uses must be included in the reports required by section 408 of Public Law 480 and section 657 of the Foreign Assistance Act.

Section 210—Advisory Committee

This section amends section 407 of Public Law 480 to allow members of the Public Law 480 Advisory Committee to designate persons to represent them on the Committee.

The Advisory Committee as presently established under section 407 of Public Law 480 is composed of the Secretary of State, the Secretary of the Treasury, the Secretary of Agriculture, the Director of the Office of Management and Budget, the Administrator of the Agency for International Development, the Chairman and the ranking minority member of the House Committee on Agriculture and the House Committee on International Relations, and the Chairman and ranking minority member of both the Senate Committee on Agriculture and Forestry and the Senate Committee on Foreign Relations.

Section 211—Reports to the Congress

This section amends section 408 of Public Law 480 by changing the annual report required by this section to a "fiscal year" rather than "calendar year" basis and by adding two new subsections.

Subsection 408(b) requires the President, in his annual report to designated committees of the Congress of planned programming of food assistance for each fiscal year, to include a global assessment of food production and needs; self-help steps being taken under Public Law 480, section 109(a); steps being taken to encourage other donors to increase their food assistance efforts; and the relationship between Public Law 480 food assistance and other assistance provided to each country by the United States and other donors.

Subsection 408(c) requires the President to submit to the House Committee on Agriculture, the House Committee on International Relations, and the Senate Committee on Agriculture and Forestry a revised global assessment of food production and needs, and revised planned programming of food assistance for the current fiscal year, reflecting to the maximum feasible extent the actual availabilities of food commodities for assistance.

Section 212—International food reserve system

This section creates a new section 412 in Public Law 480. It authorizes and encourages the President to seek international agreement, subject to congressional approval, for a system of food reserves to meet food shortage emergencies and to provide insurance against unexpected food production shortages, with costs of such a system to be equitably shared among nations and firm safeguards to be given to farmers and consumers against market price disruption therefrom.

In authorizing the President to seek an international agreement on food reserves and requiring that any agreement be subject to congressional approval, the Committee on Agriculture and Forestry understands that if such agreement is in the form of a treaty, such agreement would be placed before the Foreign Relations Committee for its consideration. However, the implementation of the terms of such an agreement would clearly impact on programs within the juris-

diction of the Committee on Agriculture and Forestry, and the Committee expects that any such agreement would come before it for approval.

Section 213—Reports regarding implementation of recommendations of World Food Conference

Section 213 calls upon the President to strengthen the efforts of the United States to carry out the recommendations of the World Food Conference and requires the President to submit a detailed report to the Congress not later than 90 days after the date of enactment of this section describing the steps he has taken to carry out the recommendations of the Conference.

Section 214—Long-term commercial agreements

Section 214 amends section 22 of the Agricultural Adjustment Act of 1933 by adding subsection (f) (2), which requires the President to consult with the Committee on Agriculture of the House and the Committee on Agriculture and Forestry of the Senate prior to entering into discussions to negotiate trade or other international agreements which involve or affect any agricultural commodity covered under any program or operations referred to in subsection (a) of section 22 of the Agricultural Adjustment Act of 1933 and every 90 days thereafter until negotiations are completed. The President may consult with each Committee as soon as possible after entering into such negotiations if the urgency of the negotiations and the national interest makes prior consultation impracticable. The new provision does not apply to agreements specifically authorized under existing statutes.

Section 215—Amendment to farmer-to-farmer program

Section 215 amends section 406 of Public Law 480. It transfers the authority to establish and administer a program of farmer-to-farmer assistance from the Department of Agriculture to the President and provides that the program be coordinated with other foreign assistance activities of the United States.

Section 311—Famine protection

Section 311 of the bill adds a new title to the Agricultural Trade Development and Assistance Act of 1954 consisting of five new sections.

The sections of the new title are as follows:

Section 501—General provisions

Subsection (a) of new section 501 contains a congressional declaration that, in order to prevent famine and establish freedom from hunger, the United States should strengthen the capacities of land-grant and other U.S. universities eligible under this title in program-related agricultural (including aquatic) institutional development and research; should improve the participation of these universities in U.S. governmental efforts internationally to apply agricultural sciences more effectively to increasing world food production; and should provide increased and longer term support to the application of science to solving developing countries' food and nutrition problems.

The declaration contained in section 501 is based on congressional findings that (1) governmental creation and support of land-grant universities have promoted U.S. agricultural progress; (2) U.S. uni-

versities long have shown their ability to cooperate with foreign agricultural institutions in expanding food production abroad; (3) the greatest potential for increasing food production is in the developing countries, and that this is necessary not only to prevent hunger but to build the base for economic growth; (4) increasing the supply and security of supply of food is of greatest benefit to the poorest majority in the developing world; (5) research, teaching, and extension work, and institutional development to this end are prime factors in increasing food production abroad; (6) agricultural research abroad has and will continue to provide benefits for U.S. agriculture and food benefits to all; and (7) universities need a dependable source of Federal and other financing in order to expand or continue their efforts to help in increasing agricultural production in developing countries.

In subsection (b), Congress declares that various components must be brought together to increase world food production, including: (1) strengthening the capabilities of universities to aid in increasing agricultural production in developing countries; (2) institution-building programs for developing of agricultural research and extension capacities in developing countries which need assistance; (3) international agricultural research centers; (4) contract research; and (5) grants for research programs.

Subsection (c) calls on the United States to (1) involve U.S. universities more extensively in each component named in subsection 501 (b); (2) provide mechanisms for the eligible universities to participate and advise on the planning, development, implementation, and administration of each component; and (3) assist the universities in cooperative joint efforts with agricultural institutions in developing nations, and with regional and international agricultural research centers, these efforts being directed to strengthening their capabilities to engage more effectively in research, teaching, and extension work for solving food production, distribution, storage, marketing, and consumption problems in agriculturally underdeveloped nations.

Subsection (d) defines the term "universities" as used in the title.

As used in the title, the term "universities" means those colleges or universities in each State, territory, or possession of the United States, or the District of Columbia, now receiving, or which may hereafter receive benefits under the Act of July 2, 1862 (known as the First Morrill Act), or the Act of August 30, 1890 (known as the Second Morrill Act), which are commonly known as land-grant universities; institutions now designated or which may hereafter be designated as sea-grant colleges under the Act of October 15, 1966 (known as the National Sea Grant College and Program Act), which are commonly known as sea-grant colleges; and other United States colleges and universities which (1) have demonstrable capacity in teaching, research, and extension activities in the agricultural sciences; and (2) can contribute effectively to the attainment of the objectives of the title.

Subsection (e) defines the term "Administrator" to mean the Administrator of the Agency for International Development.

Subsection (f) states that the term "agriculture" shall be considered to include aquaculture and fisheries.

Subsection (g) specifies that the term "farmers" shall be considered to include fishermen and other persons employed in cultivating and harvesting food resources from salt and fresh waters.

Section 502—General authority

Subsection (a) of new section 502 authorizes the President to provide assistance on such terms and conditions as he shall determine, to:

(1) Strengthen the capabilities of universities in teaching, research, and extension work to enable them to carry out current programs authorized by paragraphs (2), (3), (4), and (5) of section 502(a), and those projected for the next 5 years as mentioned in the annual report required by section 505;

(2) Build the institutional and human resource capacities of developing countries so they can participate more fully in the international agricultural problem-solving effort and supply new solutions to local circumstances;

(3) Provide support for long-term research on food production, distribution, storage, marketing, and consumption, which is undertaken by universities in a collaborative manner;

(4) Involve universities more fully in the international network of agricultural science, including activities of the international research centers and international organizations such as the United Nations Development Program and the Food and Agriculture Organization, and with the institutions of agriculturally developing nations;

(5) Provide support for international agricultural research centers, for research projects designed to solve specific problems, and to develop and strengthen national research systems in developing countries.

Subsection (b) requires that programs under title V be carried out so as to:

(1) Use and strengthen the capabilities of universities in (A) developing capacities in the developing nations for teaching in agriculture and relevant fields appropriate to local needs; (B) agricultural research in the developing countries, at international agricultural research centers, or in the United States; (C) the planning, initiation, and development of extension services in developing nations; or (D) educational and scientific exchanges for assisting in development in developing countries;

(2) Take into account the value of such programs to U.S. agriculture, integrating them so far as practicable with other U.S. Federal- or State-supported programs so as to maximize their contribution to agricultural development in the United States and in the developing countries; and

(3) Build on existing programs and institutions including those of the universities and the U.S. Departments of Agriculture and Commerce, whenever practicable.

Subsection (c) requires that to the maximum practicable extent, the activities under this section shall (1) be designed for the most effective interrelationship between teaching, research, and extension work in agriculture, (2) focus primarily on the needs of farmers, (3) be adapted to local circumstances, and (4) be carried out within the developing countries.

Subsection (d) states that the Presidential authority under this section shall be exercised through the Administrator of the Agency for International Development.

Section 503—Board for International Food Resource Development

Subsection (a) of new section 503 states that the President shall establish a Board for International Food Resource Development to

assist in administering the programs authorized by this title. The Board is to consist of not less than seven members. Not less than four are to be chosen from the universities. One of the Board shall be from a non-land-grant university and at least one shall be from a sea-grant institution. The Board is to be permanent, and thus not subject to the 2-year expiration requirement of the Federal Advisory Committee Act. The President is to set terms of members at the time of appointment. Board members will be entitled to reimbursement for expenses incurred in performance of their duties.

Subsection (b) includes in the Board's responsibilities the participation in the planning, development, and implementation of the initiation of recommendations for, and the monitoring of, the activities set forth under section 502.

Subsection (c) includes in the Board's duties: (1) participation in formulating policy, procedures and criteria for project proposal review, selection, and monitoring; (2) maintaining a current roster of universities interested in and capable of partaking in programs under this title; (3) recommending which countries could benefit from programs under this title and identifying countries interested in developing agricultural institutions for teaching, research, or extension work; (4) reviewing agreements between the Administrator and universities engaged in programs under Title I; (5) reviewing activities by universities under such title to assure compliance with the title's purposes; (6) recommending to the Administrator the apportionment of funds under section 502; and (7) assessing the impact of programs under the title in solving developing countries' agricultural problems.

Under subsection (d), the President may authorize the Board to create such subordinate units as may be necessary for the performance of its duties, including:

(1) A Joint Research Committee, to take part in the administration and development of programs for long-term collaborative research described in section 502(a)(3); and

(2) A Joint Committee on Country Programs, to assist in implementing the bilateral activities described in sections 502(a)(2), 502(a)(4), and 502(a)(5).

Additionally, under subsection (e), the Board is to be consulted in the preparation of the annual report required by section 505 and on other agricultural development activities related to programs under the title.

Section 504—Authorization

Subsection (a) of section 504 authorizes the use for the purposes of Title V any funds hereafter made available under section 103 (Food and Nutrition) of the Foreign Assistance Act and to apply all the authorities in such Act applicable to section 103. Funds for these purposes are not subject to the \$10 million ceiling in section 211(d) of that Act on assistance to U.S. research and educational institutions, or to the 40-country limitation in section 211(a) of the Act.

To allow for long-term funding needed for programs under Title V and to encourage support by others, including the university community, funds are exempted from the 3-year funding limitation contained in section 110(b) of the Foreign Assistance Act.

Subsection (b) provides that foreign currencies owned by the

United States and determined by the Secretary of the Treasury to be excess to the needs of the United States shall be used to the maximum extent possible in lieu of dollars in carrying out programs under Title V. This provision, while seeking to make maximum use of U.S.-owned excess foreign currencies, does not constitute an exemption from the appropriations process.

Subsection (c) provides that funding authorized under Title V shall be in addition to any allotments or grants from other authorizations.

Subsection (d) provides that universities may receive and spend funds from other sources, public and private, to carry out the purposes of the title. However, all such funds shall be disclosed to the Administrator periodically, and at least once a year.

Section 505—Annual report

New section 505 requires the President to transmit a report to Congress no later than April 1 each year. The report is to detail the activities carried out under Title V during the preceding fiscal year, and to contain a projection of programs and activities to be conducted over the ensuing 5 fiscal years. Each report shall contain a summary of the Board's activities, and can include separate views of the Board concerning any aspect of the programs.

COST ESTIMATES

In accordance with section 252 of the Legislative Reorganization Act of 1970, the Committee estimates that there will be no additional costs as a result of its amendments to Title II and section 311 of H.R. 9005. As a matter of fact, there may be savings as a result of limiting grant-backs to 10 percent of each and all Title I sales.

DEPARTMENTAL VIEWS

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., October 24, 1975.

HON. HERMAN E. TALMADGE,
*Chairman, Agriculture and Forestry Committee,
U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: This Department is writing to you at this time in connection with the International Development and Food Assistance Act of 1975, H.R. 9005, which has been referred to your Committee for consideration of those portions of the bill which deal with food assistance (Title II) and expanded activities of the U.S. Land and Sea Grant Colleges (section 311).

As you know, this bill deals separately with development and humanitarian assistance programs—leaving military and security assistance to a separate piece of legislation. This Department supports the enactment of H.R. 9005, with the exceptions noted subsequently.

Some brief comments on some of the more important provisions dealing with food assistance may be useful to your Committee.

Throughout the food assistance provisions contained in Title II of the bill, an attempt is made to strengthen the new priorities for development assistance established in the Foreign Assistance Act of 1973 by making more explicit certain self-help requirements for cooperating countries. Basically these emphasize increasing agricultural production through the development of labor-intensive, small farm agriculture, efforts to control the rate of population growth, and generally making available equipment, credit and extension services to small farmers. Statements to this effect which are included in sections 201, 203, 205, 206, 209 and 311 are consistent with the desire of the Administration to focus development and food assistance on the needs of the poor majority in developing nations and on such basic human needs as food production, nutrition, etc. and to make certain that the cooperating governments themselves are genuinely committed to getting the job done.

The bill also contains several provisions requiring or urging the President to pay special attention to the needs of those countries most seriously affected by food shortages and by inability to meet immediate food requirements. Thus, section 202 urges the President to main-

tain a significant contribution toward the World Food Conference recommended target of 10,000,000 tons of food annually. Sections 207 and 213 also call for priority consideration for those countries most seriously affected by food shortages.

While we generally support these priorities, we do not believe that U.S. interests are best served by the establishment of rigid statutory criteria for their implementation. Specifically we do not support section 207 of the bill which, in its present form, would require that at least 80% of food assistance tonnage be allocated to countries on the U.N.'s Most Seriously Affected (MSA) list, with only 20% available for other nations which have legitimate food availability problems but which may not qualify as MSA's. We would therefore recommend the deletion of section 207 to avoid rigidities which could reduce general program efficiency and, under certain circumstances, make it impossible for us to ship needed food commodities to non-MSA countries with legitimate food assistance needs. Similarly, this Department opposes section 208 which would impose a minimum overall tonnage level on the Title II program and earmark minimum quantities for various activities within the Title II program. Legislating minimum program levels for and within Title II could lead to program inefficiency by requiring programming of fixed annual quantities regardless of need or effectiveness.

This Department supports the Humphrey-Findley amendment, section 311 of the bill, which provides for an expanded role for the U.S. Land and Sea Grant Colleges in our development assistance programs. These institutions have played an important role in our foreign assistance programs in the past with excellent results for the developing nations involved. This new amendment would, among other things, provide for the establishment of a Board for International Food Resources Development which would advise the A.I.D. Administrator with regard to agricultural research and extension, and agricultural institution building in developing nations.

Finally, the bill contains two provisions which permit the President to enter into agreements with foreign governments which would allow for the use of local currencies generated by P.L. 480 programs to assist in furthering certain agricultural development and population programs in developing nations. Where such an agreement is reached providing for the use of Title I local currency proceeds for specifically agreed food, nutrition and population programs and where the cooperating government actually expends local currency funds for these purposes, sections 203(2) and 205(3) would permit the President to relieve the cooperating government, to that extent, of an equivalent amount of its repayment obligation under new Title I credit sales agreements.

Section 209 prohibits, except in certain circumstances, any assistance through an agreement permitting the use by a recipient government of proceeds from the sale of Title II grant commodities unless the government agrees, among other things, to utilize such proceeds for eligible projects designed to increase agricultural production or improve nutrition in accordance with section 103 of the Foreign Assistance Act.

The Department does not support the enactment of these two provisions. If either or both of these authorities were to be enacted, it is clear that initially they would be implemented on a strictly limited and experimental basis.

The Office of Management and Budget advises that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

J. PHIL CAMPBELL,
Under Secretary.

ROLL CALL VOTES

In accordance with section 133 of the Legislative Reorganization Act of 1946, it is announced that four roll call votes were taken by the Committee on Agriculture and Forestry as follows:

(1) A motion by Senator Bellmon to strike the requirement that the President be guided by the United Nations list of countries "most seriously affected by the current economic crisis" in determining priorities for Title I allocations under Public Law 480 was accepted by a vote of 7-4.

Yeas: Senators Bellmon, Curtis, Dole, Helms, Stone, Young (by proxy) and Talmadge.

Nays: Senators Clark, Humphrey, Leahy, and McGovern.

(2) A motion by Senator Curtis to strike the provision authorizing the President to seek international agreement on a system of food reserves failed by a vote of 5-5.

Yeas: Senators Bellmon, Curtis, Dole, Helms, and Young (by proxy).

Nays: Senators Clark, Humphrey, Leahy, McGovern, and Talmadge.

(3) A motion by Senator Helms to insert a new provision which would prohibit food assistance to a country that had exploded a nuclear device within the past five years failed by a vote of 5-5.

Yeas: Senators Dole, Helms, Leahy, Stone, and Talmadge.

Nays: Senators Bellmon, Clark, Curtis (by proxy), Humphrey, and McGovern.

(4) A motion by Senator Helms prohibiting recipient countries from using the proceeds from the sale of Title I, Public Law 480 commodities for the development of abortifacients or techniques of abortion was accepted by a vote of 6-2.

Yeas: Senators Dole, Helms, Humphrey, Leahy, Stone, and Talmadge.

Nays: Senators Bellmon and Clark.

(28)

HISTORY OF PUBLIC LAW 480

I.

The origin of Public Law 480 grew out of the American farm community. Recognizing that America's agricultural abundance could be put to work toward developing commercial markets for our farm production and helping meet the food needs of the developing world, the Senate Committee on Agriculture and Forestry went to work in 1953 on legislation which would permit developing countries to purchase U.S. farm commodities on highly concessional terms for foreign currencies.

On July 24, 1953, Senator Andrew Schoeppel (R-Kansas), from the Committee on Agriculture and Forestry, reported S. 2475, a bill to authorize the President to use agricultural commodities to improve the foreign relations of the United States and for other purposes. On July 28, only four days after being reported, the bill passed the Senate by voice vote after a short debate.

Referred to the House Committee on Agriculture, the bill was not acted upon before the adjournment of the first session of the 83rd Congress and was carried over into the second session of that Congress.

In the interim, support grew for enactment of a foreign food assistance program.

Representative Clifford Hope reported an expanded version of S. 2475 out of the House Committee on Agriculture on June 9, 1954, and it was passed by the House on June 16, by voice vote.

On June 22, 1954, the Senate requested a conference with the House and appointed Senators Aiken, Young, Thye, Schoeppel, Ellender, Johnston of South Carolina, Holland, and Anderson as conferees.

The House agreed to a conference on the same date and appointed Congressmen Hope, August H. Andresen, Hill, Cooley, and Poage.

On June 29, 1954, the Conference Report (H. Rept. 1947) was submitted to the House. Both Houses of Congress approved the report of the Conference Committee on June 30, and the bill was signed into law on July 10, 1954.

II.

As originally enacted, Title I of Public Law 480 provided for sales of U.S. agricultural commodities to foreign governments for local currencies. Title I authorized the President to use, in agreement with the recipient country, foreign currencies accruing from the sale of agricultural commodities for eight purposes: for promoting economic development, for developing new markets for American farm products abroad, for the payment of U.S. obligations abroad, for international educational exchange, for the procurement of military supplies and military expenditures abroad, for carrying out programs of U.S. Government agencies, grants for financing the purchase of goods or services for other countries, and purchase of strategic materials. At least 10 percent of the currencies so generated were to be subject to

(29)

congressional appropriation. Title II provided for the donation of food commodities for famine relief or other emergency needs abroad. Title III authorized food donations to be made available for emergency situations within the United States. Title III also permitted the Commodity Credit Corporation to make commodities available to non-profit organizations for distribution in the United States or abroad. Finally, Title III permitted the President to barter agricultural commodities for strategic materials or other goods not produced in the United States.

Public Law 480 was amended in the 1957 extension of the program to provide authority for the President to enter into barter arrangements with Soviet satellite nations and to permit foreign currencies generated under Title I sales to finance projects which would promote consumption of U.S. agricultural commodities. This latter arrangement, which came to be known as "Cooley loans" further enhanced the development and private sector aspects of Public Law 480.

Restrictions on countries which could receive assistance under Public Law 480 were further liberalized under the 1958 extension of the Act.

III.

Throughout the history of Public Law 480, the Senate Committee on Agriculture and Forestry has led efforts to strengthen and improve the humanitarian aspects of the program. In 1956, Chairman Ellender commissioned Senator Humphrey to make an extensive study of the Public Law 480 program. Among the recommendations of this report, which was submitted to the Committee on February 18, 1958, was the creation of a "Peace Food Administrator" at the White House level.

The informal title of the Public Law 480 program was proposed by President Eisenhower in his January 1959 farm message to the Congress in which he referred to the use of American farm commodities to promote the well-being of friendly countries throughout the world as "using food for peace." The President then announced that all the programs using surplus agricultural commodities abroad would be combined under one general administration into the Food for Peace program. In the authorization extension for Public Law 480 that year, the Senate Committee on Agriculture and Forestry changed the short title of the Act to read the "Food for Peace Act of 1959."

IV.

In addition to extending and increasing the Title I and Title II authorization, the 1959 legislation amended Public Law 480 to provide that at least 5 percent of the Title I sales proceeds be made available for agricultural market development activities. The 1959 extension further amended Public Law 480 to expand, limit or redefine several other specified uses of foreign currency proceeds. This legislation also added a requirement that any commodity which has been determined to be in surplus must be first made available for donation to needy persons in the United States, insofar as possible, before being made available under Title I. A requirement was also placed on Titles II and III to identify commodities made available abroad under each program to be identified as being furnished by the people of the United States.

The most important change in the 1959 legislation was the addition of a new title to the Act stemming from an amendment proposed by Senator Humphrey. This new Title IV authorized long-term credit sales of agricultural commodities for dollars to friendly nations. Commodities could be delivered annually for periods up to 10 years with payments to be made over a period up to 20 years. This authority for long-term dollar credit was not utilized until 1961, but with the transition away from sales for foreign currencies which was mandated in the 1966 legislation, this type of credit arrangement has come to exclusively dominate the present Public Law 480 sales program.

V.

Responding to a growing awareness of the development needs of the poor nations of the world, the Agriculture Committees of the Congress, led by Congressmen Cooley, Poage, and Dole in the House, and Senators Humphrey, McGovern, and Aiken in the Senate, began to redirect Public Law 480 in addition to the market development function of the Act, to stress the humanitarian and development aspects of the program. In 1960, Title II, which at that time was limited to disaster and emergency food relief, was extended for one year to provide for the use of Public Law 480 commodities in programs whereby food might be used as payment for the poor and jobless in public works projects in developing countries. This use, which came to be called "Food for Work," became permanent authority under Section 202 the following year.

The Private Trade Entity program (PTE) was established by an amendment to Title IV in 1962. Under this authority the Secretary of Agriculture is permitted to enter into agreements with U.S. or foreign private enterprise to finance the sale of U.S. agricultural commodities for dollar credits. The proceeds accruing from resale of such commodities in a developing nation must then be applied to a specified project to improve consumption of U.S. farm products or to contribute to the economic development of the country concerned.

VI.

The Agriculture Committees made sweeping changes in Public Law 480 in 1964 and 1966 which further strengthened the development and humanitarian aspects of the program.

Most of the leadership in clarifying the shifting purpose of Public Law 480 from a program for disposal of surplus agricultural commodities to a vehicle for assisting the needy abroad and developing foreign markets for U.S. farm production was provided by the Committee on Agriculture and Forestry in 1964. In the report of the Committee on the legislation to extend Public Law 480, the program was claimed to be of ". . . incalculable benefit to many recipient countries of the free world as well as to the United States . . ." in terms of "opening . . . effective outlets for America's abundance . . ." and for enabling the ". . . United States to combat famine, malnutrition, and hunger in less developed countries and to promote their growth—a growth it is hoped, that eventually will mean enlarged commercial export markets for U.S. agriculture and industry."

In order to better address these objectives, the Congress made several changes in the legislative extension of 1964. The limitations on the accumulation of currencies generated from Title I sales which could be used for Cooley loans was eliminated and the percentage of foreign currencies for use by U.S. agencies abroad was increased from 10 to 20 percent.

The Act was further amended to provide that foreign currencies be convertible into dollars insofar as such currencies are not needed for the purposes described within the Act.

The 1964 extending legislation also amended the terms of sale under Title I by providing that the exchange rate used in sales for local currencies shall be the highest rate obtainable by any other nation.

Another amendment provided that long-term dollar credit sales under Title IV could not be more favorable to the recipient country than the terms extended for development loans under the Foreign Assistance Act.

The 1964 legislation placed a prohibition on the sale of Title I commodities to communist controlled governments, countries trading with Cuba, countries which are involved in military aggression against nations with which the United States has diplomatic ties, and countries using funds from the United States for purposes which are against American interests. Internal security was added to the Act as an acceptable use of foreign currencies generated from Title I sales. In addition, congressional scrutiny over agreements providing for the grant of foreign currencies for other than military purposes or any use of loan repayments was increased by requiring the review of all such agreements by the House and Senate Agriculture Committees.

The 1964 legislation also established an advisory committee to oversee and advise the President on the status and use of foreign currencies accrued under Title I, composed of the chairman and ranking minority members of the House and Senate Agriculture Committees and the chief executive officer of the Bureau of the Budget, Agency for International Development, and Department of Agriculture. While the functions and membership of the Committee were subsequently expanded, this body has met infrequently.

This legislation established authority for the purchase of foreign currencies accruing under Title I to be used to carry self-help activities under Public Law 480 donation programs.

Finally, the 1964 extension also included permanent authority for the Commodity Credit Corporation to finance the differential between U.S. and world shipping rates which arises as a result of the requirement that 50 percent of Title I shipments are transported on U.S. vessels.

VII.

The most comprehensive restructuring of Public Law 480 was accomplished in 1966. Led by the House Agriculture Committee, the Congress reorganized the Act combining Title I foreign currency sales and Title IV long-term dollar credit sales into the present Title I. A progressive transition away from sales for foreign currencies was required under these amendments and a mechanism by which the United States could accept convertible local currencies over 40 years with a 10-year grace period was authorized to ease the transition requirement. The Act was also amended to require a down payment of at least 5 percent on Title I sales whenever practicable.

The reorganization also folded Title III (donations through non-profit voluntary and international agencies) into Title II (donations for famine relief). The barter authority remained under Title III.

A significant addition to Public Law 480 was the mandate that the assistance extended under it be used to the maximum extent possible to complement the development activities within the recipient countries. These amendments required that countries receiving assistance under Title I of Public Law 480 demonstrate an interest and an effort to develop their agricultural production potential. Twenty percent of the foreign currencies accumulated under Title I sales were required to be used for such "self-help" programs in these countries.

It was at this time that the Agriculture Committees formally removed the emphasis of the program from surplus disposal toward market development and humanitarian and development assistance. Drawing on their long history of leadership in domestic nutrition programs, the Agriculture Committees mandated maternal and child help and population control programs to be carried out using Title II commodities.

Maternal and child care activities and population control were added to the list of programs which could be funded with foreign currencies grants under Title I. Up to 25 percent of the U.S. held foreign currencies were specified for sale to American tourists in excess currency countries, and most of the foreign currency uses were made subject to the congressional appropriations process.

In the House Agriculture Committee, Congressman Dole, now a member of the Senate Committee on Agriculture and Forestry, offered an innovative program under the 1966 extension providing for the exchange of farmers and the expertise of the American agricultural community between the United States and the developing world. However, without support from the Executive Branch, this program has never been put into effect.

The 1966 extension also added countries trading with North Vietnam to the list of nations ineligible for Title I assistance.

The 1966 extension amended the Act to further strengthen the protection of foreign commercial markets for U.S. farm commodities. Title I was amended to require that the President take steps to assure that the United States obtain a fair share of any increased agricultural purchases of a participating developing country. The Title III barter program was amended to prevent transshipments of U.S. agricultural commodities obtained under the authority of that title. The 1966 extension reduced the membership of the congressional executive Advisory Committee, provided for four meetings of the committee annually, and specified rotation of the chairmanship.

VIII.

The 1968 legislation extending Public Law 480 provided for several changes. The Senate Committee on Agriculture and Forestry amended the Act to provide that 5 percent of Title I local currencies were required to be made available for voluntary population control programs, and established voluntary population control programs as one of the self-help measures to be considered before entering into a Title I agreement with a certain country.

The Senate Committee on Agriculture and Forestry also added language to the Act requiring that at least 2 percent of the local

currency received from each country be set aside to finance international, educational and cultural exchange activities and activities of American educational institutions under various education acts. The amounts of foreign currencies needed for five selected currency uses were required to be specified under the Title I sales agreement. Where currencies are so used such amount would be paid at the time the commodities were delivered and would then be considered as an advance payment of the earliest installments of such agreements. Up to 50 percent of the foreign currencies earned from the sale of Title I commodities could be converted for sale to U.S. or participating country contractors to pay wages earned in public works projects and 50 percent of the foreign currencies could be converted for sale to U.S. importers who buy materials from the participating country. The 1968 extension authorized the use of foreign currencies for carrying out programs to control rodents, insects, weeds, and other animal and plant pests. Finally, the extension tightened the prohibition on sales to North Vietnam by excluding any exporter doing business directly or indirectly with that country from Title I financing.

IX.

Since 1968, Public Law 480 has been amended only infrequently. The Agricultural Act of 1970 extended the authorization for the program and added uses of foreign currencies by U.S. agencies for educational and cultural exchange to those uses which may be subjected to the congressional appropriations process.

The Agriculture and Consumer Protection Act of 1973 extended Public Law 480 through 1977 with minor amendments. It amended the law to require that the President take steps to assure that commercial supplies are available to meet demands developed through programs carried out under Public Law 480. Another amendment prohibited Public Law 480 sales or donations to North Vietnam unless specifically authorized by act of Congress enacted after July 1, 1973.

Amendments to the Foreign Assistance Acts of 1973 and 1974 affected the Public Law 480 Title I program. The Foreign Assistance Act of 1973 prohibited the use of foreign currency proceeds from loan repayments to be used for common defense or military purposes. This effectively repealed the common defense currency uses in Public Law 480. The Foreign Assistance Act of 1974 provided that, for fiscal year 1975, not more than 30 percent of U.S. foreign food assistance be made available to countries other than those designated by the United Nations as "most seriously affected" by the current economic crisis.

While Public Law 480 has remained substantially unchanged over recent years, the Committee on Agriculture and Forestry has conducted extensive hearings on the program. Most recently the Chairman of the Committee on Agriculture and Forestry directed the Committee staff to conduct an in-depth field review of the operations of the program overseas.

The Chairman of the Subcommittee on Foreign Agricultural Policy appointed three task forces of noted experts in food aid and agricultural development to review all aspects of our Food for Peace program. These groups met throughout the spring and summer of 1975 with the staff of the Committee on Agriculture and Forestry to consider

legislative reform of the existing Food for Peace Act. A number of areas of concern have come to the attention of the Committee as a result of this process.

The Committee on Agriculture and Forestry now has before it several bills designed to amend Public Law 480 in a number of ways.

These are S. 455, S. 513, S. 883, S. 1305, S. 1641, S. 1654, S. 1668, S. 1889, and S.J. Res. 105.

The Committee intends to consider all aspects of these and related issues pertaining to Public Law 480.

RECENT HEARINGS OF THE COMMITTEE ON AGRICULTURE AND FORESTRY
RELATED TO THE CONSIDERATION OF TITLE II OF H.R. 9005

The Committee on Agriculture and Forestry and its Subcommittee on Foreign Agricultural Policy have held frequent hearings concerning aspects of Public Law 480 over the past several years.

The full Committee held hearings on the extension of Public Law 480 during February, March, and April, 1973, in connection with the consideration of legislation to extend other farm and related programs.

Public Law 480 and U.S. foreign food assistance policies were discussed at length in Foreign Agricultural Policy Subcommittee hearings on "U.S. Foreign Agricultural Trade Policy" held in March and April, 1973.

On July 11, 1973, attention was given to the impact of agricultural export controls on Public Law 480 programming within a hearing on "Export Control Policy" held by the Foreign Agricultural Policy Subcommittee.

The U.S. and world food situation was explored in subcommittee hearings on October 17th and 18th, 1973, during which attention was given to the adequacy of Public Law 480 programming.

On April 4, 1974, the Foreign Agricultural Policy Subcommittee held a day-long hearing on all aspects of foreign food assistance. On December 10 and 12, 1974, the U.S. food situation and foreign commercial and food aid demands were considered in a hearing before this subcommittee.

On February 18, 1975, the full Committee held an extensive hearing on Public Law 480 in conjunction with the consideration of the proposed Agriculture and Anti-Depression Act of 1975.

On April 17, 1975, many of the basic concepts embodied in Title II of H.R. 9005 were considered in a hearing on the relationship between foreign food assistance and agricultural development held by the Foreign Agricultural Policy Subcommittee.

Food aid was again considered in a hearing before the Foreign Agricultural Policy Subcommittee on the implementation of the recommendations of the World Food Conference on May 1, 1975.

OUTLINE OF LEGISLATION AUTHORIZING AND AMENDING
PUBLIC LAW 480

(Unless otherwise noted, all of this legislation was considered by the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry)

1954

P.L. 480, 83rd Congress, July 10, 1954

S. 2475, July 24, 1953, Sen. Schoeppel (for himself, Sens. Anderson, Clements, Eastland, Hoey, Johnston (S.C.), Mundt, Aiken, Thye, Welker, Young).

To authorize the President to use agricultural commodities to improve the foreign relations of the United States, and for other purposes.

S. Report 642.

H. 1776 (Hope).

1955

P.L. 84-25, April 25, 1955

S. 752, Jan. 26, 1955, Sen. Eastland.

H.R. 3231, Jan. 27, 1955, Rep. Poage.

To amend section 102(a) of the Agricultural Trade Development and Assistance Act of 1954, so as to eliminate the requirement that privately owned stocks exported thereunder be replaced from Commodity Credit Corporation stocks.

S. Report 40, March 2, 1955 (Eastland).

H. Report 309, March 29, 1955 (Cooley).

P.L. 84-387, August 12, 1955

S. 2253, June 15, 1955, Sen. Ellender (for himself, Sens. Eastland, Holland, Scott, Young, Schoeppel, Aiken, Thye, Johnston (S.C.), Humphrey, Mundt, Anderson, Long, Clements, Carlson, Dworshak).

To reemphasize trade development as the primary purpose of Title I of the Agricultural Trade Development and Assistance Act of 1954.

S. Report 767 (Eastland).

1956

P.L. 84-540, May 28, 1956

H.R. 10875, April 27, 1956, Rep. Cooley.

H.R. 10604, April 18, 1956, Rep. Hope.

S. 3675, April 18, 1956, Sen. Aiken.

To provide for the protection and conservation of national soil, water and forest resources and to provide an adequate, balanced and orderly flow of agricultural commodities in interstate and foreign commerce, and for other purposes. (Authorized appropriations for ocean transportation under Titles II and III and otherwise amended Titles II and III of P.L. 480.)

(36)

P.L. 84-726, July 18, 1956

H.R. 11356, May 22, 1956, Rep. Richards.

To amend the Mutual Security Act, as amended. (Amended Sec. 104(h) and added subsection (i) of P.L. 480.)

H. Report 2213, May 25, 1956, Foreign Affairs Committee.

P.L. 84-962, August 3, 1956

S. 3903, May 21, 1956, Sen. Ellender.

H.R. 11708, June 12, 1956, Rep. Cooley.

To amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase the amount authorized to be appropriated for purposes of Title I of the Act, and for other purposes.

H. Report 2380 (Cooley).

S. Report 2290 (Ellender).

1957

P.L. 85-128, August 13, 1957

S. 1314, Feb. 20, 1957, Sen. Ellender (by request).

H.R. 6974, April 17, 1956, Rep. Cooley.

To extend the Agricultural Trade Development and Assistance Act of 1954 and for other purposes.

S. Report 188 (Ellender).

H. Report 476 (Cooley).

P.L. 85-141, August 14, 1957

S. 2130, May 22, 1957, Sen. Green (for himself and Sen. Wiley).

(No House bill).

To amend the Mutual Security Act of 1954, as amended, and for other purposes. (Amended Sec. 104(h) of P.L. 480.) Foreign Relations Committee.

H. Report 804.

S. Report 417.

Conf. Report H. 1042.

P.L. 85-241, August 30, 1957

S. 1940, May 1, 1957, Sen. Russell (for himself and Sen. Saltonstall).

H.R. 8240, June 19, 1957, Rep. Vinson (Note: Rep. Vinson also introduced H.R. 7130, May 2, 1957).

To authorize certain construction at military installations, and for other purposes. (Use of P.L. 480 funds for military housing.) Continued authority in P.L. 84-968 (Aug. 1956). Armed Services Committee.

H. Report 638 (Vinson).

S. Report 842 (Stennis).

1958

P.L. 85-477, June 30, 1958

S. 3318, Feb. 19, 1958, Sen. Green (for himself and Sen. Wiley).

To amend further the Mutual Security Act of 1954, as amended, and for other purposes. (Added subsection (k) to P.L. 480.) Foreign Relations Committee.

P.L. 85-483, July 2, 1958

H.R. 12164, April 24, 1958, Rep. Johnson.

To amend the Agricultural Act, as amended, to permit use of Federal surplus foods in nonprofit summer camps for children. (Amended Section 416 of the Agricultural Act of 1949.)

P.L. 85-766, August 27, 1958

H.R. 13450, July 18, 1958, Rep. Cannon.

Making supplemental appropriations for fiscal year ending June 30, 1959 and for other purposes. (Funds appropriated to the President. Translation of Publications and Scientific Cooperation. Authorized use of \$5,100,000 in foreign currencies accrued under P.L. 480 for translation of publications and scientific cooperation.) Appropriations Committee.

P.L. 85-931, September 6, 1958

H.R. 12954, June 16, 1955, Rep. Cooley (superseded H.R. 9614, Jan. 7, 1958, Rep. Abernethy).

S. 3039, Jan. 16, 1958, Sen. Schoeppel.

S. 3420 (Committee reported out original bill).

To extend and amend the Agricultural Trade Development and Assistance Act of 1954.

S. Report 1323, Feb. 26, 1958 (S. 3039, with amendments).

S. Report 1357, Mar. 8, 1958 (S. 3420).

H. Report 1939, June 19, 1958 (H.R. 12954).

Conf. H. Rep. 2694, Aug. 22, 1958.

1959**P.L. 86-108, July 24, 1959**

H.R. 7500, June 2, 1959, Rep. Morgan.

To amend further the Mutual Security Act of 1954, as amended, and for other purposes. (Amended Section 104(k) and the Agricultural Act of 1949.)

H. Rep. 440, June 5, 1959 (Com. on Foreign Affairs).

P.L. 86-149, August 10, 1959

H.R. 5674, March 13, 1959, Rep. Vinson.

To authorize certain construction at military installations, and for other purposes. (Authorized the use of currencies acquired under P.L. 480 for the construction of family housing.)

H. Report 223 Rep. Vinson (Armed Services Committee).

P.L. 86-341, September 21, 1959

S. 1711, April 16, 1959, Sen. Humphrey (Sen. Carlson added as sponsor, Aug. 7).

S. 1748, April 21, 1959, Sen. Ellender (by request).

H.R. 8609, Aug. 11, 1959, Rep. Cooley.

To amend the Agricultural Trade Development and Assistance Act of 1954, as amended, by extending the authorities of Titles I and II, strengthening the program of disposals through barter, and for other purposes. (Added Title IV.)

S. Report 632, Aug. 10, 1959 (on S. 1711).

S. Report 657, Aug. 11, 1959 (on S. 2522, an original bill).

H. Report 908, Aug. 15, 1959 (on H.R. 8609).

Conference Report, Sept. 11, 1959 (on H.R. 8609).

1960**P.L. 86-472, May 14, 1960**

H.R. 11510, April 4, 1960, Rep. Morgan.

To amend further the Mutual Security Act of 1954, as amended, and for other purposes. (Amended Title II of P.L. 480).

H. Report 1464, Apr. 7, 1960 (Com. on Foreign Affairs).

1961**P.L. 87-28, May 4, 1961**

S. 1027, Feb. 22, 1961, Sen. Ellender (by request).

H.R. 4728, Feb. 22, 1961, Rep. Cooley.

To amend Title I of the Agricultural Trade Development and Assistance Act of 1954.

S. Rep. 175, Apr. 20, 1961 (Sen. Ellender).

H. Rep. 196, Mar. 23, 1961 (Rep. Cooley) on H.R. 4728.

P.L. 87-92, July 20, 1961

S. 1720, April 27, 1961, Sen. Humphrey.

(No House bill).

To continue the authority of the President under Title II of the Agricultural Trade Development and Assistance Act of 1954, as amended, to utilize surplus agricultural commodities to assist needy peoples and to promote economic development in underdeveloped areas of the world. (Foreign Relations Committee).

S. Report 290, May 26, 1961.

H. Report 579.

P.L. 87-128, August 8, 1961

S. 1643, Sen. Ellender.

H.R. 8230, July 19, 1961, Rep. Cooley (superseded H.R. 6400).

To improve and protect farm prices and farm income, to increase farmer participation in the development of farm programs, to adjust supplies of agricultural commodities in line with the requirements therefor, to improve distribution and expand exports of agricultural commodities, to liberalize and extend farm credit services, to protect the interest of consumers, and for other purposes. (Extended Titles I and II of P.L. 480 for three years to Dec. 31, 1964. Added Subsection 101(f) and 104(s) and otherwise amended Section 104. Amended Section 106.)

H. Rep. 754, July 22, 1961.

Conference Rep. H. 839, Aug. 2, 1961.

P.L. 87-195, September 4, 1961

S. 1983, Aug. 18, 1961, Sen. Fulbright.

H.R. 8400, July 31, 1965, Rep. Morgan.

To promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in efforts toward economic and social development and internal and external security, and for other purposes. (Amended subsection 104(e).)

S. Report 612, July 24, 1961 (Com. on Foreign Relations).

H. Report 851, Aug. 4, 1961 (Com. on Foreign Affairs).

Conference Report H. 1088 (Rep. Morgan).

1962

P.L. 87-548, July 25, 1962

H.R. 10595, March 7, 1962, Rep. Rutherford.

S. 2955, March 8, 1962, Sen. Hayden (and others).

To facilitate the sale and disposal of Government stocks of extra long staple cotton. ("Foreign-grown cotton may be disposed of under P.L. 480.")

H. Report 1680, May 15, 1962.

S. Report 1724, July 12, 1962 (on House bill).

P.L. 87-565, August 1, 1962

S. 2996, March 14, 1962, Sen. Fulbright.

H.R. 11921, May 28, 1962, Rep. Morgan.

To amend further the Foreign Assistance Act of 1961, as amended, and for other purposes. (Repealed provision in Foreign Assistance Act of 1961 providing for transfer to AID of Export-Import Bank's assets and liabilities under Section 104(c) of P.L. 480.) (Foreign Relations Committee).

S. Report 1535, May 28, 1962.

H. Report 1788, June 7, 1962.

Conference Report H. 2008 (on S. 2996), July 20, 1962.

P.L. 87-703, September 27, 1962

S. 3225, April 27, 1962, Sen. Ellender.

H.R. 12391, July 2, 1962, Rep. Cooley.

To improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes. (Amended Title III and Title IV of P.L. 480.)

S. Report 1787, July 25, 1962.

Conf. Report H. 2385, Sept. 17, 1962 (Cooley).

P.L. 87-839, October 18, 1962

S. 3389, June 8, 1962, Sen. Engle.

To amend Merchant Marine Act, 1963, to develop American flag carriers and promote the foreign commerce of the United States through the use of mobile trade fairs. (Amended Section 104(m) of P.L. 480.) (Commerce Committee).

S. Report 1850, Aug. 7, 1962, Sen. Engle.

H. Report 2463, Sept. 21, 1965, Rep. Bonner.

Conference Report 2538.

1963

P.L. 88-205, December 16, 1963

H.R. 7885, Aug. 1, 1963, Rep. Morgan.

To amend further the Foreign Assistance Act of 1961, as amended, and for other purposes. (Amended Section 104(f), Section 105, Section 106, and Title II, and otherwise affected P.L. 480.) (Foreign Affairs Committee.)

S. Report 588, Oct. 22, 1963.

H. Report 1006, Dec. 6, 1963.

1964

P.L. 88-638, October 8, 1964

S. 2687, March 25, 1964, Sen. Ellender.

H.R. 12298, Aug. 6, 1964, Rep. Poage.

To extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

S. Report 1467, Aug. 18, 1964.

H. Report 1787, Aug. 11, 1964.

1966 (legislated through Agriculture Committees)**P.L. 89-808, November 11, 1966, the Food for Peace Act of 1966**

Effective January 1, 1967. Substantially amended P.L. 480 to provide for (1) self help; (2) elimination of surplus concept; (3) transition to dollar sales by the end of 1971; and (4) 2-year extension through 1968.

1968 (legislated through Agriculture Committees)**P.L. 90-436, July 29, 1968**

To provide for 2-year extension through 1970; Purcell amendment to negotiate advance payment in local currency for certain uses; and other currency use amendments.

1970

P.L. 91-524

(Title VII of Farm Bill), November 30, 1970, 3-year extension through 1973.

1973

P.L. 93-86

(Farm Bill) S. 1888, August 10, 1973, 4-year extension through 1977.

1974-1975

Section 55(a) of the Foreign Assistance Act of 1974 (S. 3394) enacted the so-called 70/30 provision in Title I allocations for FY 1975 programing. H.R. 9005 (H.R. 94-442) was passed by the House in September 1975 as the International Development and Food Assistance Act of 1975 and contains Title II, "Food Aid to Poor Countries." The Senate Committee on Foreign Relations submitted a report (S. Report 94-406) on the bill October 1 (legislative day September 11), 1975.

HISTORY OF LEGISLATION RELATING TO LAND-GRANT INSTITUTIONS

I.

Rule XXV(b) of the Standing Rules of the Senate gives the Committee on Agriculture and Forestry jurisdiction over "agricultural colleges and experiment stations" and the Committee has consistently exercised this jurisdiction over the years.

The land-grant college system was established in 1862 by the Morrill Act. The stated purpose of this legislation was to provide support "... of at least one college (in each State) where the leading object shall be, without excluding other scientific and classical studies and including military tactics, to teach such branches of learning as are related to agriculture and the mechanic arts, in such a manner as the legislatures of the States may respectively prescribe, in order to promote the liberal and practical education of the industrial classes in the several pursuits and professions of life." Under the Morrill Act of 1862, grants of lands or land script were provided in the amount of 30,000 acres for each Senator or Representative in the Congress from that State. Proceeds from the sales of such land were to be held in a special fund and the interest from this fund was to be used to support a land-grant institution. In 1890, the second Morrill Act established regular appropriations which were gradually increased and subsequently made permanent.

The Congress began granting funds to each land-grant college for the establishment and support of an agricultural experiment station under the Hatch Act of 1887. Annual appropriations for this purpose were continued and increased under the Adams Act of 1906, the Purnell Act of 1925, and the Bankhead-Jones Act of 1935. Federal funds for the agricultural experiment stations are administered by the Department of Agriculture. The Smith-Lever Act of 1914 established a program for agriculture and home economics extension work to be carried out by the land-grant institutions under funds administered by the Secretary of Agriculture.

Federal appropriations for land-grant institutions totaled \$248 million in 1972-73. Of this \$73 million was available for research, \$162 million for cooperative extension work, and the remainder for other educational and administrative expenses. A substantial part of total agricultural research conducted under contract to the Agency for International Development is conducted by land-grant institutions.

II.

Public Law 480 has itself played an important role in support of agricultural research abroad. In furtherance of an original objective to use the resources generated under the program to "encourage economic development" in the developing world, the Agriculture Committees of the Congress added to the list of foreign currency uses several provisions to assist research in agricultural production and

marketing. Since 1954, Public Law 480 counterpart funds have provided 1500 research grants through agricultural research institutions and agencies in 32 countries.

Over \$15 million in foreign currencies have been administered by the Department of Agriculture to provide research grants to study the protection and improvements of stored grains. The United States is funding projects of this nature in Pakistan, India, and Poland. In India, for example, a large variety of insect and mold resistant strains of wheat have been developed. This work fills in a major gap in information on variability in resistance of grain varieties to insect infestation and some of these wheat varieties have been selected for further study of the U.S. Grain Marketing Research Center.

In the area of agricultural utilization research, the Department of Agriculture has expanded its domestic program granting over \$20 million in Public Law 480 foreign currencies for such research in foreign countries. For instance in Israel, scientists have studied the nutritional aspects of soybeans in order to improve their food and feeding value under this program.

Substantial basic agricultural research activity is conducted under the foreign currency use provisions of Public Law 480. Among the projects in this area are those relating to crop research and plant science, entomology, animal husbandry, animal disease and parasites, soil and water conservation, agricultural engineering, agricultural economics, including farm and market economics and foreign trade analysis, food composition and experimental nutrition, food quality research and forestry research including research toward better forest products, information on the protection of forests from fire, disease and insects, and methods for increasing the growth of managed forests.

In total, the Department of Agriculture has disbursed over \$200 million in foreign currencies for agricultural research and related activities since the enactment of Public Law 480.

STATISTICAL TABLES RELATING TO PUBLIC LAW 480

TABLE I.—VALUE OF U.S. FARM PRODUCTS SHIPPED UNDER PUBLIC LAW 480 ANNUALLY, 1955-76
[In thousands of dollars]

	Total	Title I	Title II
1955	384,425	197,584	186,841
1956	396,803	737,235	227,567
1957	1,525,092	1,309,523	216,569
1958	881,033	737,432	525,779
1959	1,011,033	928,402	123,631
1960	1,113,888	973,104	187,782
1961	1,319,386	1,093,419	220,967
1962	1,495,498	1,468,768	228,780
1963	1,435,283	1,362,003	253,464
1964	1,417,993	1,341,943	259,500
1965	1,570,487	1,531,337	238,748
1966	1,845,879	1,773,337	257,542
1967	1,270,818	1,003,330	257,368
1968	1,279,464	1,029,326	230,138
1969	1,038,590	773,653	254,757
1970	1,095,815	815,221	240,594
1971	1,022,963	743,018	279,945
1972	1,082,741	679,000	403,741
1973	857,361	657,400	289,961
1974	857,614	574,700	282,437
1975	1,060,135	725,700	334,437
1976 estimate	1,217,837	876,400	341,434

(44)

TABLE II.—ANNUAL VOLUME OF TOTAL PUBLIC LAW 480 SHIPMENTS, FISCAL YEARS 1955-76
[Metric tons/metric tons grain equivalent]

Fiscal year	Total		Wheat/wheat products	Feedgrains	Rice	Vegoil	Nonfat dry milk	Blended foods	Other
	Grains	Nongrains							
1955	3,101,948	316,518	2,367,143	720,652	14,153	50,550	128,663		137,305
1956	9,207,440	863,128	4,788,590	4,159,119	259,731	242,723	204,673		415,732
1957	12,965,169	1,306,159	8,569,600	3,427,439	968,130	311,445	224,155		770,559
1958	8,253,239	975,320	6,003,928	1,969,213	280,098	233,645	289,945		451,730
1959	10,438,493	1,049,794	7,727,448	2,396,688	314,357	351,938	296,028		401,829
1960	13,543,473	781,798	9,925,183	3,044,478	573,803	339,214	175,468		267,116
1961	15,458,030	884,040	11,942,490	2,858,001	621,269	298,059	242,900		357,081
1962	17,686,602	1,091,605	13,670,392	3,594,941	421,269	361,816	278,036		451,753
1963	16,055,762	1,310,815	13,538,967	1,902,349	614,446	298,209	335,048		677,558
1964	15,637,926	1,138,072	13,425,887	1,537,718	674,321	336,957	300,794		500,321
1965	17,307,701	1,103,331	15,365,608	1,376,408	565,685	472,206	209,236		421,889
1966	17,390,714	766,714	14,720,342	2,310,984	359,388	320,004	217,835		228,875
1967	12,994,477	962,670	8,327,216	3,838,942	828,319	342,853	137,911	87,926	393,980
1968	13,530,784	1,048,277	10,733,351	2,062,828	734,605	400,798	134,550	117,912	395,017
1969	8,911,786	1,084,672	6,891,311	1,027,391	993,084	367,737	142,655	187,824	386,456
1970	10,008,604	929,589	7,629,266	1,432,333	947,005	330,546	138,000	178,251	311,756
1971	8,927,958	906,879	6,619,919	1,384,963	923,076	379,001	150,534	178,251	199,093
1972	8,993,769	911,864	6,448,026	1,484,342	1,061,401	380,663	125,582	265,783	139,836
1973	6,637,482	663,526	4,051,217	1,589,315	996,950	217,738	27,637	269,314	148,837
1974	2,948,260	327,697	1,410,312	933,948	604,000	119,533		180,559	27,605
1975 estimate	5,107,200	411,239	3,881,900	241,300	984,000	58,400	50,000	220,300	82,539
1976 estimate	5,545,900	463,143	4,325,000	411,700	809,200	73,500		342,600	47,043
Cumulative total	240,652,717	19,296,850	182,363,096	43,705,061	14,584,560	6,273,535	3,809,650	1,999,756	7,213,909

¹ Category total does not reflect 9,000 cattle hides.

TABLE III.—ANNUAL VOLUME OF PUBLIC LAW 480 TITLE I SHIPMENTS, FISCAL YEARS 1955-76
[Metric tons/metric tons grain equivalent]

Fiscal year	Total		Wheat/wheat products	Feedgrains	Rice	Vegoil	Nonfat dry milk	Blended foods	Other
	Grains	Nongrains							
1955.....	2,538,993	49,074	1,905,547	633,219	227	31,938	454	-----	16,682
1956.....	8,591,868	453,221	4,386,181	4,081,809	123,878	226,250	5,572	-----	221,399
1957.....	11,865,059	971,051	7,879,042	3,133,974	852,043	310,568	1,099	-----	659,384
1958.....	6,850,599	609,823	5,133,522	1,485,650	231,427	233,645	22,214	-----	353,964
1959.....	9,205,472	772,226	6,860,157	2,058,673	286,642	351,938	37,548	-----	382,740
1960.....	12,091,543	632,428	8,945,858	2,660,787	484,896	339,214	28,275	-----	264,939
1961.....	13,113,956	644,950	10,286,984	2,266,050	560,922	280,384	22,230	-----	342,336
1962.....	15,157,212	693,416	11,991,169	2,765,968	400,075	313,403	15,885	-----	364,128
1963.....	13,712,446	839,807	11,691,087	1,407,548	613,811	251,158	19,988	-----	568,661
1964.....	13,269,830	746,122	11,563,364	1,032,145	674,321	313,946	14,892	-----	417,284
1965.....	15,311,342	771,159	13,861,892	883,765	565,685	366,005	10,561	-----	394,593
1966.....	15,030,755	423,219	12,833,194	1,838,173	359,388	196,092	7,492	-----	219,635
1967.....	10,999,412	613,083	6,987,321	3,183,772	828,319	219,358	1,196	-----	392,529
1968.....	11,721,976	674,262	9,392,327	1,595,044	734,605	300,575	4,967	-----	368,720
1969.....	7,093,259	669,314	5,388,589	721,038	983,632	290,278	8,675	-----	370,961
1970.....	8,160,618	566,069	6,152,320	1,068,756	939,542	249,925	5,386	-----	1,310,758
1971.....	6,989,468	501,207	5,204,369	862,023	923,076	292,932	9,182	-----	199,093
1972.....	6,823,904	343,478	4,797,553	1,212,774	813,577	193,526	10,116	-----	139,836
1973.....	4,698,244	257,016	2,461,441	1,273,759	964,044	106,225	1,954	-----	148,837
1974.....	1,687,000	85,532	705,000	378,000	604,000	66,000	-----	-----	19,532
1975 estimate.....	4,197,500	99,239	3,203,000	14,500	980,000	16,700	-----	-----	82,539
1976 estimate.....	4,602,400	75,543	3,754,500	38,700	809,200	28,500	-----	-----	47,043
Cumulative total.....	203,713,856	11,491,239	155,384,417	34,596,127	13,733,312	4,978,560	227,686	-----	6,284,993

¹ Category total does not reflect 9,000 cattle hides.

46

TABLE IV.—ANNUAL VOLUME OF PUBLIC LAW 480 TITLE II SHIPMENTS
[Metric tons/metric tons grain equivalent]

Fiscal year	Total		Wheat/wheat products	Feedgrains	Rice	Vegoil	Nonfat dry milk	Blended foods	Other
	Grains	Nongrains							
1955.....	562,955	267,444	461,596	87,433	13,926	18,612	128,209	-----	120,623
1956.....	615,572	409,907	402,409	77,310	135,853	16,473	199,101	-----	194,333
1957.....	1,100,110	335,108	690,558	293,465	116,087	877	223,056	-----	111,175
1958.....	1,402,640	365,497	870,406	483,563	48,671	-----	267,731	-----	97,766
1959.....	1,233,021	277,568	867,291	338,015	27,715	-----	258,480	-----	19,088
1960.....	1,451,930	149,370	979,325	383,700	88,905	-----	147,193	-----	2,177
1961.....	2,344,074	239,090	1,655,506	591,951	96,617	3,675	220,670	-----	14,745
1962.....	2,529,390	398,189	1,679,223	828,973	21,194	48,413	262,151	-----	87,625
1963.....	2,343,316	471,008	1,847,880	494,801	635	47,051	315,060	-----	108,897
1964.....	2,368,096	391,950	1,862,523	505,573	-----	23,011	285,902	-----	83,037
1965.....	1,996,359	332,172	1,503,716	492,643	-----	106,201	198,675	-----	27,296
1966.....	2,359,959	343,495	1,887,148	472,811	-----	123,912	210,343	-----	9,240
1967.....	1,995,056	349,587	1,339,895	655,170	-----	123,495	136,715	87,936	1,451
1968.....	1,808,808	374,015	1,341,024	467,784	-----	100,223	129,583	117,912	26,297
1969.....	1,818,527	415,358	1,502,722	306,353	9,452	77,459	133,980	187,824	16,095
1970.....	1,847,986	363,520	1,476,946	363,577	7,463	80,621	132,614	147,287	998
1971.....	1,938,490	405,672	1,415,550	522,940	-----	86,069	141,352	178,251	-----
1972.....	2,169,865	568,385	1,650,473	271,568	247,824	187,137	115,466	265,783	-----
1973.....	1,938,238	406,510	1,589,776	315,556	32,906	111,513	25,683	269,314	-----
1974.....	1,261,260	242,165	705,312	555,948	-----	53,533	-----	180,559	8,073
1975 estimate.....	909,700	312,000	678,900	226,800	4,000	47,000	50,000	220,300	-----
1976 estimate.....	943,500	387,600	570,500	373,000	-----	45,000	-----	342,600	-----
Cumulative total.....	36,938,861	7,805,611	26,987,679	9,108,934	851,248	1,294,975	3,581,964	1,999,756	928,916

47

TABLE V.—PRESENTATION TO THE CONGRESS OF PROJECTED PROGRAMING FOR FISCAL YEAR 1976, PUBLIC LAW 480, TITLE I—VALUE AND VOLUME OF COMMODITIES BY COUNTRY

Region and country	Fiscal year 1974 (thousand)	Fiscal year 1975 (thousand) (estimate)	Fiscal year 1976 proposed								Nonfood Amount	
			Thousand ¹	Wheat		Rice		Feedgrains		Vegetable oil		
				Thousand metric tons	Thousands of dollars	Thousand metric tons	Thousands of dollars	Thousand metric tons	Thousands of dollars	Thousand metric tons		Thousands of dollars
Africa:												
Guinea ²	\$1,583	\$11,980	\$4,500	10	\$1,400	10	\$3,100					
Malagasay Representative ²		10,100	3,100			10	3,100					
Mozambique ²			3,400	25	3,400							
Sudan ²	3,023	809										
Tanzania ²		8,040	6,200			20	6,200					
Subtotal	4,606	30,929	17,200	35	4,800	40	12,400					
Europe: Portugal												
	10,031											
Subtotal	10,031											
Latin America:												
Bolivia	12,762											
Chile		57,800	55,100	400	55,100							
Colombia	6,989											
Dominican Republic	5,733											
Ecuador	1,092											
Haiti ²		2,400	3,400	25	3,400							
Honduras ²		8,020	6,500	25	3,400	10	3,100					
Jamaica	516	1,500										
Subtotal	27,092	69,720	65,000	450	61,900	10	3,100					
East Asia:												
Cambodia ²	168,305	² 45,600										
Indonesia	7,649	46,600	30,100								\$30,100	
Korea	5,200	74,000	150,000	192	26,500	400	123,500					
Philippines	4,724	1,400										
Thailand	9,933											
Vietnam	230,084	² 15,600										
Subtotal	425,895	183,200	180,100	192	26,500	400	123,500				30,100	

Near East-South Asia:											
Bangladesh ²	18,902	240,500	154,900	700	96,400	150	46,300			15	\$12,200
Egypt ²		120,000	(²)								
India ²		128,000	68,900	500	68,900						
Israel	29,305	9,000	(²)								
Jordan	6,897	6,800	(²)								
Morocco	6,928		13,800	100	13,800						
Pakistan ²	30,360	83,800	77,100	500	68,900					10	8,200
Sri Lanka ²	5,219	24,500	19,000	138	19,000						
Syria		26,520	(²)								
Tunisia	10,410										
Subtotal	108,021	639,120	(²)								
Worldwide reserve ⁴	1,182	152,031	280,400	1139.5	157,000	209.2	64,600	38.7	\$4,200	3.5	3,600
Grand total	576,827	1,075,000	876,400	3,754.5	517,200	809.2	249,900	38.7	4,200	28.5	24,000

¹ Dollar amounts are based on current price projections from the U.S. Department of Agriculture. Fiscal year 1976 country allocations are illustrative only, and are subject to change contingent upon commodity availability, price and program needs.

² U.N. list of countries most seriously affected by the current economic crisis.

³ Estimated deliveries.

⁴ The President has ordered a review of Middle East policy. Public law-480 programs for Middle Eastern countries will be proposed after completion of the review.

⁵ Includes amount for programs for Middle East countries now under review as well as a worldwide reserve for contingent food requirements.

TABLE VII.—PUBLIC LAW 480 TITLE II SHIPMENTS BY SPONSOR
[In metric tons grain equivalent]

Item	Fiscal year—				
	1972	1973	1974	1975 estimate	1976 projected
Voluntary agencies total.....	1,637,146	1,065,982	705,977	750,482	620,652
Wheat.....	1,018,749	710,560	496,946	432,678	281,005
Feed grains.....	279,118	285,578	170,297	275,192	298,532
Vegoil.....	109,400	64,820	37,754	32,527	41,115
Other.....	229,879	5,024	980	10,085	—
World food program total.....	380,318	361,127	341,518	366,469	310,040
Wheat.....	226,669	250,047	179,279	202,271	204,225
Feed grains.....	111,980	95,180	150,847	111,929	92,527
Vegoil.....	20,553	14,514	11,392	13,830	13,288
Other.....	21,116	1,386	—	38,439	—
Subtotal voluntary agencies and world food programs.....	2,017,464	1,427,109	1,047,495	1,116,951	930,692
Government to Government total.....	689,090	844,048	456,200	318,329	374,057
Wheat.....	416,163	643,312	61,514	66,188	133,703
Feed grains.....	99,428	135,839	390,300	127,319	236,938
Vegoil.....	57,183	32,177	4,386	2,322	3,416
Other.....	116,316	32,720	—	122,500	—
Grand total.....	2,706,554	2,271,157	1,503,695	1,435,280	1,304,749
Wheat.....	1,661,581	1,603,919	737,739	701,137	618,933
Feed grains.....	490,526	516,597	711,444	514,440	627,997
Vegoil.....	187,136	111,511	53,532	48,679	57,819
Other.....	367,311	39,130	980	171,024	—

TABLE VIII.—MOST SERIOUSLY AFFECTED COUNTRIES
BALANCE-OF-PAYMENTS PROJECTIONS FOR 1974 AND 1975 AS OF SEPT. 1, 1974
[In millions of U.S. dollars]

	Growth rate ¹ (percent)	Per capita gross national product	Projected overall balance of payments, deficit		Projected overall balance of payments, deficit as percent of imports	
			1974	1975	1974	1975
Afghanistan.....	0.8	\$80	—	—	—	—
Bangladesh.....	1.6	70	375	407	28.3	30.0
Burma.....	1.0	90	—	—	—	—
Burundi.....	1.1	70	—	—	—	—
Cape Verde Islands.....	7.0	240	—	—	—	—
Central African Republic.....	2.3	160	19	25	5.6	8.2
Chad.....	1.6	80	16	30	10.1	17.1
Dahomey.....	1.7	110	9	14	5.5	7.7
Democratic Yemen.....	7.2	100	45	—	12.2	—
Egypt.....	.6	240	—	—	—	—
El Salvador.....	1.2	340	48	—	10.0	—
Ethiopia.....	1.2	80	—	—	—	—
Ghana.....	1.0	300	23	82	3.6	10.9
Guinea.....	.3	90	21	—10	13.9	—5.8
Guinea-Bissau.....	3.4	230	—	—	—	—
Guyana.....	1.3	400	16	16	5.9	5.2
Haiti.....	1.3	130	8	—8	7.4	—
Honduras.....	1.7	320	33	44	8.9	10.2
India.....	1.4	110	820	880	16.8	15.7
Ivory Coast.....	4.1	340	57	77	5.7	6.7
Kenya.....	4.1	170	84	137	8.9	12.3
Khmer Republic.....	3.8	120	—	—	—	—
Laos.....	3.1	130	—	—	—	—
Lesotho.....	1.1	90	—	—	—	—
Malagasy Republic.....	1.4	140	32	25	10.3	7.6
Mali.....	1.3	80	42	32	30.9	24.6
Mauritania.....	2.0	180	17	16	9.6	8.3
Mozambique.....	5.6	300	—	—	—	—
Niger.....	5.1	90	30	22	21.1	19.6
Pakistan.....	1.7	130	155	78	8.6	3.8
Rwanda.....	2.1	60	—	—	—	—
Senegal.....	.7	260	69	67	13.0	11.5
Sierra Leone.....	1.8	190	31	20	14.8	8.7
Sri Lanka.....	2.0	110	69	100	9.7	13.0
Sudan.....	1.1	120	46	30	8.5	4.9
Uganda.....	2.0	150	—	—	—	—
United Republic of Cameroon.....	3.8	200	25	42	5.6	8.2
United Republic of Tanzania.....	2.9	120	120	124	16.4	16.5
Upper Volta.....	.6	70	10	17	7.4	12.6
Western Samoa.....	.4	150	—	—	—	—
Yemen Arab Republic.....	2.4	90	11	—	5.0	—

¹ Source: World Bank Atlas 1972; 1965-72 average annual growth rate of GNP per capita.

² Indicates surplus.

NOTES

Criteria for determining a country as "most seriously affected" was set forth in declaration on the establishment of a new economic order, adopted by the General Assembly of the United Nations in May 1974. The purpose of this designation was to indicate those countries for which the increased prices of petroleum and food created the most serious need for economic assistance.

The specific criteria for designation of "most seriously affected" countries is economic in nature and consists of a projected balance of payments deficit at year end of greater than 5 percent of imports and a per capita gross national product of less than \$400. Other but less influential, criteria such as economic growth rate, foreign exchange reserves and access to International Monetary Fund reserves and financial facilities were also considered in this designation.

The absence of balance of payments projections for many of the countries on this list is due to the fact that these figures have not been available from the World Bank or the International Monetary Fund. The balance of payments figures which appear in this table are projections for those countries which were designated as "most seriously affected" in the Secretary General's original listing.

TABLE IX.—PER CAPITA GROSS NATIONAL PRODUCT AT MARKET PRICES—AMOUNT (1971) AND AVERAGE ANNUAL GROWTH RATES (1960-71 AND 1965-71)

[Countries with populations of 1,000,000 or more; GNP per capita rounded to nearest U.S. \$10]

Country	GNP per capita 1971		
	Amount	Growth rates (percent)	
		1960-71	1965-71
United States	\$5,160	3.0	1.9
Sweden	4,240	3.6	3.0
Canada	4,140	3.8	3.4
Switzerland	3,640	2.7	2.8
Denmark	3,430	3.9	3.9
France	3,360	4.6	4.9
Germany, Federal Republic of	3,210	3.7	4.2
Norway	3,130	4.1	3.7
Belgium	2,960	4.2	4.5
Australia	2,870	3.2	3.3
Netherlands	2,620	3.9	4.2
Finland	2,550	4.0	4.6
New Zealand	2,470	2.1	1.6
United Kingdom	2,430	2.2	1.8
Austria	2,200	4.1	4.7
Israel	2,190	4.7	5.2
German Democratic Republic ¹	2,190	4.6	5.2
Japan	2,130	9.6	10.4
Czechoslovakia ¹	2,120	3.8	6.1
Italy	1,860	4.4	4.6
Puerto Rico	1,830	6.0	5.9
Ireland	1,510	3.6	4.1
Libya, Arab Republic of	1,450	17.6	8.1
U.S.S.R. ¹	1,400	5.9	6.2
Poland ¹	1,350	5.2	5.3
Greece	1,250	6.7	6.4
Argentina	1,230	2.6	2.6
Singapore	1,200	6.8	10.6
Hungary ¹	1,200	5.1	5.9
Spain	1,100	5.6	4.9
Venezuela	1,060	2.3	1.4
Trinidad and Tobago	940	2.1	2.5
Hong Kong	900	5.8	5.6
Bulgaria ¹	820	7.4	7.5
Panama	820	4.4	4.5
South Africa ²	810	2.8	2.2
Chile	760	2.4	2.4
Uruguay	750	—2	—7
Romania ¹	740	7.5	6.0
Yugoslavia ¹	730	4.5	5.0
Portugal	730	5.3	5.3
Jamaica	720	3.3	3.5
Mexico	700	3.5	2.9
Lebanon	660	—7	—8
Costa Rica	590	3.1	4.5
Saudi Arabia	540	8.1	7.4
Cuba ¹	510	—1.2	—1.6
Albania ¹	480	5.8	4.8
Peru	480	2.0	—5
Brazil	460	2.7	5.1
Nicaragua	450	3.5	1.3
Iran	450	6.5	7.7
China, Republic of	430	7.1	7.3
Dominican Republic	430	2.1	4.7
Malaysia	400	3.1	3.3
Guatemala	390	1.7	2.1
Zambia	380	3.2	1.0
Mongolia ¹	380	—8	—1.4
Angola	370	3.9	5.4
Colombia	370	1.7	2.3
Iraq	370	2.4	1.4
Algeria ¹	360	3.5	4.8
Turkey	340	3.7	4.0
Ivory Coast	330	4.6	4.4
El Salvador	320	1.6	—5
Papua New Guinea	320	4.7	5.7
Tunisia	320	2.8	3.6
Rhodesia	320	1.1	2.6
Korea, Democratic Republic of ¹	310	5.1	4.5
Ecuador	310	1.7	2.6
Honduras	300	1.7	1.4
Syrian Arab Republic	290	3.1	3.1
Korea, Republic of	290	7.4	10.0
Mozambique	280	4.0	5.6
Paraguay	280	1.2	1.3
Congo, People's Republic of ¹	270	—9	—1.4
Morocco	270	1.1	2.5

TABLE IX.—PER CAPITA GROSS NATIONAL PRODUCT AT MARKET PRICES—AMOUNT (1971) AND AVERAGE ANNUAL GROWTH RATES (1960-71 AND 1965-71)—Continued

[Countries with populations of 1,000,000 or more; GNP per capita rounded to nearest U.S. \$10]

Country	GNP per capita 1971		
	Amount	Growth rates (percent)	
		1960-71	1965-71
Jordan	260	2.0	—3.5
Ghana	250	0	—2.1
Senegal	250	—4	—1.2
Philippines	240	2.5	2.7
Vietnam, Republic of	230	1.0	—7
Egypt, Arab Republic of	220	1.6	—2
Thailand	210	4.8	4.7
Sierra Leone	210	3.9	4.7
Liberia	210	2.5	3.8
Cameroon	200	4.0	3.7
Bolivia	190	2.5	2.2
Mauritania	170	5.7	2.1
China, People's Republic of ¹	160	2.6	2.6
Kenya	160	3.5	4.3
Central African Republic	150	—4	1.6
Togo	150	4.6	2.5
Malagasy Republic	140	—6	2.5
Nigeria	140	2.1	2.7
Pakistan	130	3.7	3.0
Uganda	130	2.1	1.6
Khmer Republic	130	—6	—2.2
Laos ²	120	2.0	3.5
Yemen, People's Democratic Republic of	140	—4.5	—7.2
Sudan ³	120	—	—9
Haiti	120	—8	—8
India	110	1.3	2.4
Tanzania ⁴	110	3.1	3.3
Dahomey	100	—8	1.8
Viet-Nam, Democratic Republic ¹	100	3.0	2.7
Sri-Lanka	100	1.8	1.8
Niger	100	—2.5	—4.4
Guinea	90	—1	—3
Zaire ⁵	90	2.9	3.6
Malawi	90	2.5	2.3
Nepal	90	—3	—6
Yemen, Arab Republic of ²	90	2.0	2.4
Chad	80	—6	2.2
Burma	80	—3	—1
Indonesia	80	1.3	3.4
Ethiopia	80	2.7	1.2
Afghanistan, Republic of ²	80	—6	1.6
Somalia ⁶	70	—9	—8
Bangladesh	70	—7	—1
Upper Volta	70	—9	1.7
Mali	70	1.4	1.0
Burundi ²	60	1.1	—5
Rwanda ²	60	—8	2.2

¹ For a discussion of the technique of deriving GNP at market prices from the net material product of centrally planned economies, see note, p. 15.² Includes Namibia.³ Estimates of GNP per capita and its growth rate are tentative.⁴ Growth rate for 1960-71 relates to the period 1963-71.⁵ Growth rate included for 1966-71; omitted for 1960-71 period due to unavailability of data.⁶ Mainland Tanzania.

Source: World Bank.

TABLE X.—LAND-GRANT INSTITUTIONS WITH CONTRACTS WITH A.I.D.
DURING FISCAL YEAR 1974 AND FISCAL YEAR 1975

Of the 68 land-grant institutions, 53 were under contract with A.I.D. during fiscal year 1974 and/or fiscal year 1975. Many of the land-grant institutions had more than one contract with A.I.D. Following is a list of land-grant institutions that were under contract with A.I.D. at some time during fiscal year 1974 and/or 1975.

Alabama: Auburn University.
Arkansas: University of Arkansas.
California: University of California.
Colorado: Colorado State University.
Connecticut: University of Connecticut.
Delaware: Delaware State College and University of Delaware.
Florida: Florida A. & M. University, and University of Florida.
Georgia: University of Georgia.
Hawaii: University of Hawaii.
Idaho: University of Idaho.
Illinois: University of Illinois.
Indiana: Purdue University.
Iowa: Iowa State University.
Kansas: Kansas State University.
Kentucky: Kentucky State College, and University of Kentucky.
Louisiana: Louisiana State University, and Southern University.
Maine: University of Maine.
Maryland: University of Maryland.
Massachusetts: Massachusetts Institute of Technology, and University of Massachusetts.
Michigan: Michigan State University.
Minnesota: University of Minnesota.
Mississippi: Mississippi State University.
Missouri: University of Missouri.
Montana: Montana State University.
Nebraska: University of Nebraska.
Nevada: University of Nevada.
New Hampshire: University of New Hampshire.
New Jersey: Rutgers University.
New Mexico: New Mexico State University.
New York: Cornell University.
North Carolina: North Carolina Agricultural and Technical State University, and North Carolina State University.
North Dakota: North Dakota State University.
Ohio: Ohio State University.
Oklahoma: Oklahoma State University.
Oregon: Oregon State University.
Pennsylvania: Pennsylvania State University.
Puerto Rico: University of Puerto Rico.
Rhode Island: University of Rhode Island.
Tennessee: University of Tennessee.
Texas: Texas A. & M. University.
Utah: Utah State University.
Vermont: University of Vermont.
Virginia: Virginia Polytechnic Institute, and Virginia State College.
Washington: Washington State University.
Wisconsin: University of Wisconsin.
Wyoming: University of Wyoming.

CHANGES IN EXISTING LAW

In compliance with paragraph 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman) :

AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

AN ACT To increase the consumption of United States agricultural commodities in foreign countries, to improve the foreign relations of the United States, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural Trade Development and Assistance Act of 1954"

SEC. 2. The Congress hereby declares it to be the policy of the United States to expand international trade; to develop and expand export markets for United States agricultural commodities; to use the abundant agricultural productivity of the United States to combat hunger and malnutrition and to encourage economic development in the developing countries, with particular emphasis on assistance to those countries that are determined to improve their own agricultural production; and to promote in other ways the foreign policy of the United States.

In furnishing food aid under this Act, the President shall—

(1) *give priority consideration, in helping to meet urgent food needs abroad, to making available the maximum feasible volume of food commodities (with appropriate regard to domestic price and supply situations) required by those countries most seriously affected by food shortages and by inability to meet immediate food requirements which such countries are unable to meet on a normal commercial basis;*

(2) *continue to urge all traditional and potential new donors of food, fertilizer, or the means of financing these commodities to increase their participation in efforts to address the emergency and longer term food needs of the developing world;*

(3) *relate United States assistance to efforts by aid-receiving countries to increase their own agricultural production, and improve their facilities for transportation, storage, and distribution of food commodities;*

(4) *assure that allocation of commodities or concessional financing is based upon the potential for expanding markets for America's agricultural abundance abroad; and*

(5) *give appropriate recognition to and support of a strong and viable American farm economy in providing for the food security of consumers in the United States and throughout the world.*

Sec. 3. Pursuant to the World Food Conference recommendation that donor countries provide a total of at least ten million tons of food assistance to needy nations annually, the President is urged to maintain a significant United States contribution to this goal and to encourage other countries to maintain and increase their contributions as well.

TITLE I

* * * * *
 SEC. 103. In exercising the authorities conferred upon him by this title, the President shall—

(a) take into account efforts of friendly countries to help themselves toward a greater degree of self-reliance, including efforts to [meet their problems of food production and population growth;] *increase their own agricultural production, to improve their facilities for transportation, storage, and distribution of food commodities, and to reduce their rate of population growth;*

(b) take steps to assure to a progressive transition from sales for foreign currencies to sales for dollars (or to the extent that transition to sales for dollars under the terms applicable to such sales is not possible, transition to sales for foreign currencies on credit terms no less favorable to the United States than those for development loans made under section 201 of the Foreign Assistance Act of 1961, as amended, and on terms which permit conversion to dollars at the exchange rate applicable to the sales agreement) at a rate whereby the transition can be completed by December 31, 1971; *Provided, That, except where he determines that it would be inconsistent with the objectives of the Act, the President shall determine the amount of foreign currencies needed for the uses specified in subsections (a), (b), (c), (e), and (h) of section 104 and in section 106 (b) (2), and the agreements for such credit sales shall provide for payment of such amounts in dollars or in foreign currencies upon delivery of the agricultural commodities. Such payment may be considered as an advance payment of the earliest installments;*

* * * * *
 (d) makes sales agreements only with those countries which he determines to be friendly to the United States: *Provided, That the President shall periodically review the status of those countries which are eligible under this subsection and report the results of such review to the Congress. As used in this Act "friendly country" shall not include (1) any country or area dominated or controlled by a foreign government or organization controlling a world Communist movement, or (2) for the purpose only of sales of agricultural commodities for foreign currencies under title I of this Act, any country or area dominated by a Communist government, or (3) for the purpose only of sales of agricultural commodities under title I of this Act, any nation which sells or furnishes or permits ships or aircraft under its registry to transport to or from Cuba or North Vietnam (excluding United States installations in Cuba) any equipment, materials, or commodities so long as they are governed by a Communist regime: [Provided, That with respect to furnishing, selling, or selling and transporting to*

Cuba medical supplies, non-strategic raw materials for agriculture, and non-strategic agricultural or food commodities, sales agreements may be entered into if the President finds with respect to each such country, and so informs the Senate and the House of Representatives of the reasons therefor, that the making of each such agreement would be in the national interest of the United States and all such findings and reasons therefor shall be published in the Federal Register.] *Provided, That this exclusion from the definition of "friendly country" may be waived by the President if he determines that such waiver is in the national interest and reports such waiver to the Congress within 10 days of the date of such waiver, or (4) for the purposes only of sales under title I of this Act the United Arab Republic, unless the President determines that such sale is in the national interest of the United States. No sales to the United Arab Republic shall be based upon the requirements of that nation for more than one fiscal year. The President shall keep the President of the Senate and the Speaker of the House of Representatives fully and currently informed with respect to sales made to the United Arab Republic under title I of this Act. Notwithstanding any other Act, the President may enter into agreements for the sale of agricultural commodities for dollars on credit terms under title I of this Act with countries which fall within the definition of "friendly country" for the purpose of such sales and no sales under this Act shall be made with any country if the President finds such country is (a) an aggressor, in a military sense, against any country having diplomatic relations with the United States, or (b) using funds, of any sort, from the United States for purposes inimical to the foreign policies of the United States;*

* * * * *
 (p) Assure convertibility at such uniformly applied exchange rates as shall be agreed upon of up to 50 per centum of the foreign currencies received pursuant to each agreement by sale to United States or purchasing country contractors for payment of wages earned in the development and consummation of works of public improvement in the purchasing country; [and]

* * * * *
 (r) *to the maximum practicable extent require that United States processed grain products, including blended and protein fortified foods, be supplied under each agreement involving grain which is negotiated pursuant to this title.*

(s) *in providing for the sale of high-protein blended or fortified foods under this title, be authorized to waive repayment of that portion of the sales price thereof which is attributable to the costs of processing, enrichment, or fortification, so that purchasing countries may improve the nutritional levels of their neediest individuals.*

SEC. 104. Notwithstanding any other provision of law, the President may use or enter into agreements with foreign countries or international organizations to use the foreign currencies, including principal and interest from loan repayments, which accrue in connection with sales for foreign currencies under this title for one or more of the following purposes:

(a) For payment of United States obligations (including obligations entered into pursuant to other legislation);

(b) For carrying out programs of United States Government agencies to—

(1) help develop new markets for United States agricultural commodities on a mutually benefiting basis. From sale proceeds and loan repayments under this title not less than the equivalent of 5 per centum of the total sales made each year under this title shall be set aside in the amounts and kinds of foreign currencies specified by the Secretary of Agriculture and made available in advance for use as provided by this paragraph over such period of years as the Secretary of Agriculture determines will most effectively carry out the purpose of this paragraph: *Provided*, That the Secretary of Agriculture may release such amounts of the foreign currencies so set aside as he determines cannot be effectively used for agricultural market development purposes under this section, except that no release shall be made until the expiration of thirty days following the date on which notice of such proposed release is transmitted by the President to the Senate Committee on Agriculture and Forestry and to the House Committee on Agriculture and the House Committee on International Relations, if transmitted while Congress is in session, or sixty days following the date of transmittal if transmitted while Congress is not in session. Provision shall be made in sale and loan agreements for the convertibility of such amount of the proceeds thereof (not less than 2 per centum) as the Secretary of Agriculture determines to be needed to carry out the purpose of this paragraph in those countries which are or offer reasonable potential of becoming dollars markets for United States agricultural commodities. Such sums shall be converted into the types and kinds of foreign currencies as the Secretary deems necessary to carry out the provisions of this paragraph and such sums shall be deposited to a special Treasury account and shall not be made available or expended except for carrying out the provisions of this paragraph. Notwithstanding any other provision of law, if sufficient foreign currencies for carrying out the purpose of this paragraph in such countries are not otherwise available, the Secretary of Agriculture is authorized and directed to enter into agreements with such countries for the sale of agricultural commodities in such amounts as the Secretary of Agriculture determines to be adequate and for the use of the proceeds to carry out the purpose of this paragraph. In carrying out agricultural market development activities, nonprofit agricultural trade organizations shall be utilized to the maximum extent practicable. The purpose of this paragraph shall include such representation of agricultural industries as may be required during the course of discussions on trade programs relating either to individual commodities or groups of commodities;

(2) finance with not less than 2 per centum of the total sales proceeds received each year in each country activities to assist international educational and cultural exchange and to provide for the strengthening of the resources of American schools, colleges, universities, and other public and nonprofit private educational agencies for international studies and research under the

programs authorized by title VI of the National Defense Education Act, the Mutual Educational and Cultural Exchange Act of 1961, the International Education Act of 1966, the Higher Education Act of 1965, the Elementary and Secondary Education Act of 1965, the National Foundation on the Arts and the Humanities Act of 1965, and the Public Broadcasting Act of 1967;

(3) collect, collate, translate, abstract, and disseminate scientific and technological information and conduct research support scientific activities overseas including programs and projects of scientific cooperation between the United States and other countries such as coordinated research against diseases common to all of mankind or unique to individual regions of the globe, and promote and support programs of medical and scientific research, cultural and educational development, family planning, health, nutrition, and sanitation;

(4) acquire by purchase, lease, rental, or otherwise, sites and buildings and grounds abroad, for United States Government use including offices, residence quarters, community and other facilities, and construct, repair, alter, and furnish such buildings and facilities;

(5) finance under the direction of the Librarian of Congress, in consultation with the National Science Foundation and other interested agencies, (A) programs outside the United States for the analysis and evaluation of foreign books, periodicals, and other materials to determine whether they would provide information of technical or scientific significance in the United States and whether such books, periodicals, and other materials are of cultural or educational significance, (B) the registry, indexing, binding, reproduction, cataloging, abstracting, translating, and dissemination of books, periodicals, and related materials determined to have such significance; and (C) the acquisition of such books, periodicals, and other materials and the deposit thereof in libraries and research centers in the United States specializing in the areas to which they relate;

[(c) To produce equipment, materials, facilities, and services for the common defense including internal security;]

* * * * *

(k) For paying, to the maximum extent practicable, the costs of carrying out programs for the control of rodents, insects, weeds, and other animal or plant pests;

Provided, That—

(1) Section 1415 of the Supplemental Appropriation Act, 1953, shall apply to currencies used for the purposes specified in subsections (a) and (b), and in the case of currencies to be used for the purposes specified in paragraph (2) of subsection (b) the Appropriation Act may specifically authorize the use of such currencies and shall not require the appropriation of dollars for the purchase of such currencies.

(2) Section 1415 of the Supplemental Appropriation Act, 1953, shall apply to all foreign currencies used for grants under subsections (f) and (g), to not less than 10 per centum of the foreign currencies which accrue pursuant to agreements entered into on

or before December 31, 1964, and to not less than 20 per centum in the aggregate of the foreign currencies which accrue pursuant to agreements entered into thereafter: *Provided, however*, That the President is authorized to waive such applicability of section 1415 in any case where he determines that it would be inappropriate or inconsistent with the purposes of this title.

(3) No agreement or proposal to grant any foreign currencies (except as provided in subsection (c) of this section), or to use (except pursuant to Appropriation Act) any principal or interest from loan repayments under this section shall be entered into or carried out until the expiration of thirty days following the date on which such agreement or proposal is transmitted by the President to the Senate Committee on Agriculture and Forestry and to the House Committee on Agriculture and the House Committee on International Relations, if transmitted while Congress is in session, or sixty days following the date of transmittal if transmitted while Congress is not in session.

(4) Any loan made under the authority of this section shall bear interest at such rate as the President may determine but not less than the cost of funds to the United States Treasury, taking into consideration the current average market yields on outstanding marketable obligations of the United States having maturity comparable to the maturity of such loans, unless the President shall in specific instances after consultation with the advisory committee established under section 407 designate a different rate:

Provided, further, That paragraphs (2), (3), and (4) of the foregoing proviso shall not apply in the case of any nation where the foreign currencies or credits owned by the United States and available for use by it in such nation are determined by the Secretary of the Treasury to be in excess of the normal requirements of the departments and agencies of the United States for expenditures in such nations for the fiscal years following the fiscal year in which such determination is made. The amount of any such excess shall be devoted to the extent practicable and without regard to paragraph (1) of the foregoing proviso, to the acquisition of sites, buildings, and grounds under paragraph (4) of subsection (b) of this section and to assist such nation in undertaking self-help measures to increase its production of agricultural commodities and its facilities for storage and distribution of such commodities. Assistance under the foregoing provision shall be limited to self-help measures additional to those which would be undertaken without such assistance. Upon the determination by the Secretary of the Treasury that such an excess exists with respect to any nation, the President shall advise the Senate Committee on Agriculture and Forestry and the House Committee on Agriculture and the House Committee on International Relations of such determination; and shall thereafter report to each such Committee as often as may be necessary to keep such Committee advised as to the extent of such excess, the purposes for which it is used or proposed to be used, and the effects of such use.

* * * * *

SEC. 106. (a) Payment by any friendly country for commodities purchased for dollars on credit shall be upon terms as favorable to the

United States as the economy of such country will permit. Payment for such commodities shall be in dollars with interest at such rates as the Secretary may determine but not less than the minimum rate required by section 201 of the Foreign Assistance Act of 1961 for loans made under that section. Payment may be made in reasonable annual amounts over periods of not to exceed twenty years from the date of the last delivery of commodities in each calendar year under the agreement, except that the date for beginning such annual payment may be deferred for a period not later than two years after such date of last delivery, and interest shall be computed from the date of such last delivery. Delivery of such commodities shall be made in annual installments for not more than ten years following the date of the sales agreement and subject to the availability of the commodities at the time delivery is to be made.

(b) (1) Agreements hereunder for the sale of agricultural commodities for dollars on credit terms shall include provisions to assure that the proceeds from the sale of the commodities in the recipient country are used for such economic development purposes as are agreed upon in the sales agreement or any amendment thereto. *In negotiating such agreements with recipient countries, the United States shall emphasize the use of such proceeds for purposes which directly improve the lives of the poorest of their people and their capacity to participate in the development of their countries. Notwithstanding any other provision of this Act, no proceeds from the sale of the commodities in the recipient country shall be used for the development of abortifacients or techniques of abortion.*

(2) *Greatest emphasis shall be placed on the use of such proceeds to carry out programs of agricultural development, rural development, nutrition, and population planning in those countries which are undertaking self-help measures to increase agricultural production, improve storage, transportation, and distribution of food commodities, and reduce population growth in accordance with sections 109 and 406 of this Act, and which programs are directed at and likely to achieve the policy objectives of this Act and sections 103 and 104 of the Foreign Assistance Act of 1961, pursuant to agreements between the United States and foreign governments under which uses of such proceeds shall be made for such purposes. Such uses shall be deemed payments for the purpose of section 103(b) of this Act, except that for any fiscal year the total value of such payments may not exceed 10 per centum of the total value of each agreement entered into under title I of this Act for such fiscal year. Such payments shall be described in the reports required by section 408 of this Act and section 657 of the Foreign Assistance Act of 1961.*

(3) *In entering into agreements for the sale of agricultural commodities for dollars on credit terms under this title, priority shall be given to countries which agree to use the proceeds from the sale of the commodities in accordance with the country's agricultural development plan which—*

(A) *is designed to increase the access of the poor in the recipient country to an adequate, nutritious and stable food supply;*

(B) *provides for such objectives as—*

(i) *making farm production equipment and facilities available to farmers,*

(ii) credit on reasonable terms and conditions for small farmers, and

(iii) farm extension and technical information services designed to improve the marketing, storage, transportation, and distribution system for agricultural commodities and to develop the physical and institutional infrastructure supporting the small farmer;

(C) provides for participation by the poor, insofar as possible, in the foregoing at the regional and local levels; and

(D) is designed to reach the largest practicable number of farmers in the recipient country.

* * * * *

SEC. 109. (a) Before entering into agreement with developing countries for the sale of United States agricultural commodities on whatever terms, the President shall consider the extent to which the recipient country is undertaking wherever practicable self-help measures to increase per capita production and improve the means for storage and distribution of agricultural commodities, including:

(1) devoting land resources to the production of needed food rather than to the production of nonfood crops—especially nonfood crops in world surplus;

(2) development of the agricultural chemical, farm machinery and equipment, transportation and other necessary industries through private enterprise;

(3) training and instructing farmers in agricultural methods and techniques;

(4) constructing adequate storage facilities;

(5) improving marketing and distribution systems;

(6) creating a favorable environment for private enterprise and investment, both domestic and foreign, and utilizing available technical know-how;

(7) establishing and maintaining Government policies to insure adequate incentives to producers;

(8) establishing and expanding institutions for adaptive agricultural research;

(9) allocating for these purposes sufficient national budgetary and foreign exchange resources (including those supplied by bilateral, multilateral and consortium aid programs) and local currency resources (resulting from loans or grants to recipient governments of the proceeds of local currency sales);

(10) carrying out voluntary programs to control population growth.

In taking these self-help measures into consideration the President shall take into particular account the extent to which they are being carried out in ways designed to contribute directly to development progress in poor rural areas and to enable the poor to participate actively in increasing agricultural production through small farm agriculture.

* * * * *

TITLE I

SEC. 201. (a) The President is authorized to determine requirements and furnish agricultural commodities on behalf of the people of the

United States of America, to meet famine or other urgent or extraordinary relief requirements; to combat malnutrition, especially in children; to promote economic and community development in friendly developing areas; and for needy persons and nonprofit school lunch and preschool feeding programs outside the United States. The Commodity Credit Corporation shall make available to the President such agricultural commodities determined to be available under section 401 as he may request.

(b) *The minimum quantity of agricultural commodities distributed under this title shall be 1,300,000 tons of which the minimum distributed through nonprofit voluntary agencies and the World Food Program shall be 900,000 tons in each fiscal year, unless the President determines and reports to the Congress, together with his reasons, that such quantity cannot be used effectively to carry out the purposes of this title: Provided, That such minimum quantity shall not exceed the total quantity of commodities determined to be available for disposition under this Act pursuant to section 401, less the quantity of commodities required to meet famine or other urgent or extraordinary relief requirements.*

* * * * *

SEC. 206. *Except to meet famine or other urgent or extraordinary relief requirements, no assistance under this title shall be provided under an agreement permitting generation of foreign currency proceeds unless (1) the country receiving the assistance is undertaking self-help measures in accordance with section 109 of this Act, (2) the specific uses to which the foreign currencies are to be put are set forth in a written agreement between the United States and the recipient country, and (3) such agreement provides that the currencies will be used for purposes specified in section 103 of the Foreign Assistance Act of 1961. The President shall include information on currencies used in accordance with this section in the reports required under section 408 of this Act and section 657 of the Foreign Assistance Act of 1961.*

* * * * *

TITLE IV

* * * * *

SEC. 406. (a) In order to further assist friendly developing countries to become self-sufficient in food production, the [Secretary of Agriculture] President is authorized, notwithstanding any other provision of law—

(1) To establish and administer [through existing agencies of the Department of Agriculture] a program of farmer-to-farmer assistance between the United States and such countries to help farmers in such countries in the practical aspects of increasing food production and distribution and improving the effectiveness of their farming operations;

(2) To enter into contracts or other cooperative agreements with, or make grants to, land-grant colleges and universities and other institutions of higher learning in the United States to recruit persons who by reason of training, education, or practical

experience are knowledgeable in the practical arts and sciences of agriculture and home economics, and to train such persons in the practical techniques of transmitting to farmers in such countries improved practices in agriculture, and to participate in carrying out the program in such countries including, where desirable, additional courses for training or retraining in such countries;

(3) To consult and cooperate with private non-profit farm organizations in the exchange of farm youth and farm leaders with developing countries and in the training of farmers of such developing countries within the United States or abroad;

(4) To conduct research in tropical or subtropical agriculture for the improvement and development of tropical and subtropical food products for dissemination and cultivation in friendly countries;

(5) [To coordinate the program authorized in this section with the activities of the Peace Corps, the Agency for International Development, and other agencies of the United States and to assign, upon agreement with such agencies, such persons to work with and under the administration of such agencies: *Provided*, That nothing in this section shall be construed to infringe upon the powers or functions of the Secretary of State.] *to coordinate the program authorized in this section with other foreign assistance activities of the United States;*

(6) To establish by such rules and regulations as he deems necessary the conditions for eligibility and retention in and dismissal from the program established in this section, together with the terms, length and nature of service, compensation, employee status, oaths of office, and security clearances, and such persons shall be entitled to the benefits and subject to the responsibilities applicable to persons serving in the Peace Corps pursuant to the provisions of section 612, volume 75 of the Statutes at Large, as amended; and

(7) To the maximum extent practicable, to pay the costs of such program through the use of foreign currencies accruing from the sale of agricultural commodities under this Act, as provided in section 104(i).

(b) There are hereby authorized to be appropriated not to exceed \$33,000,000 during any fiscal year for the purpose of carrying out the provisions of this section.

SEC. 407. There is hereby established in Advisory Committee composed of the Secretary of State, the Secretary of the Treasury, the Secretary of Agriculture, the Director of the Bureau of the Budget, the Administrator of the Agency for International Development, the chairman and the ranking minority member of both the House Committee on Agriculture and the House Committee on Foreign Affairs, and the chairman and the ranking minority member of both the Senate Committee on Agriculture and Forestry and the Senate Committee on Foreign Relations, or their designees (who shall be members of such committees or, in the case of members from the executive branch, who shall have been confirmed by the Senate). The Advisory Committee shall survey the general policies relating to the administration of the Act, including the manner of implementing the self-help provisions, the uses to be made of foreign currencies which accrue in connection

with sales for foreign currencies under title I, the amount of currencies to be reserved in sales agreements for loans to private industry under section 104(e), rates of exchange, interest rates, and the terms under which dollar credit sales are made, and shall advise the President with respect thereto. The Advisory Committee shall meet not less than four times during each calendar year, at the call of the Acting Chairman of such Committee who shall preside in the following order: The chairman of the House Committee on Agriculture, the chairman of the Senate Committee on Foreign Relations, the chairman of the Senate Committee on Agriculture and Forestry, and the chairman of the House Committee on Foreign Affairs.

SEC. 408. (a) The President shall make a report to Congress not later than April 1 each year with respect to the activities carried out under this Act during the preceding [calendar] fiscal year. Such report shall describe the progress of each country with which agreements are in effect under title I in carrying out its agreement under such title.

(b) *In his presentation to the Congress of planned programming of food assistance for each fiscal year, the President shall include a global assessment for food production and needs, self-help steps which are being taken by food-short countries under section 109(a) of this Act, steps which are being taken to encourage other countries to increase their participation in food assistance or the financing of food assistance, and the relationship between food assistance provided to each country under this Act and other foreign assistance provided to such country by the United States and other donors.*

(c) *Not later than November 1 of each calendar year the President shall submit to the House Committee on Agriculture, the House Committee on International Relations, and the Senate Committee on Agriculture and Forestry a revised global assessment of food production and needs, and revised planned programming of food assistance for the current fiscal year, to reflect, to the maximum extent feasible, the actual availability of commodities for food assistance.*

* * * * *

SEC. 412. *The President is authorized and encouraged to seek international agreement, subject to Congressional approval, for a system of food reserves to meet food shortage emergencies and to provide insurance against unexpected shortfalls in food production, with costs of such a system to be equitably shared among nations and with farmers and consumers to be given firm safeguards against market price disruption from such a system.*

TITLE V—FAMINE PREVENTION AND FREEDOM FROM HUNGER

SEC. 501. GENERAL PROVISIONS.—(a) *The Congress declares that, in order to prevent famine and establish freedom from hunger, the United States should strengthen the capacities of the United States land-grant and other eligible universities in program-related agricultural institutional development and research, should improve their participation in the United States Government's international efforts to apply more effective agricultural sciences to the goal of increasing*

world food production, and in general should provide increased and longer term support to the application of science to solving food and nutrition problems of the developing countries.

"The Congress so declares because it finds—

(1) that the establishment, endowment, and continuing support of land-grant universities in the United States by Federal, State, and county governments has led to agricultural progress in this country;

(2) that land-grant and other universities in the United States have demonstrated over many years their ability to cooperate with foreign agricultural institutions and in expanding indigenous food production for both domestic and international markets;

(3) that, in a world of growing population with rising expectations, increased food production and improved distribution, storage, and marketing in the developing countries is necessary not only to prevent hunger but to build the economic base for growth, and moreover, that the greatest potential for increasing world food supplies is in the developing countries where the gap between food need and food supply is the greatest and current yields are lowest;

(4) that increasing and making more secure the supply of food is of greatest benefit to the poorest majority in the developing world;

(5) that research, teaching, and extension activities, and appropriate institutional development therefor are prime factors in increasing agricultural production abroad (as well as in the United States) and in improving food distribution storage and marketing;

(6) moreover, that agricultural research abroad has in the past and will continue in the future to provide benefits for agriculture in the United States and that increasing the availability of food of higher nutritional quality is of benefit to all; and

(7) that universities need a dependable source of Federal funding, as well as other financing, in order to expand, or in some cases to continue, their efforts to assist in increasing agricultural production in developing countries.

(b) Accordingly, the Congress declares that, in order to prevent famine and establish freedom from hunger, various components must be brought together in order to increase world food production, including—

(1) strengthening the capabilities of universities to assist in increasing agricultural production in developing countries;

(2) institution-building programs for development of national and regional agricultural research and extension capacities in developing countries which need assistance;

(3) international agricultural research centers;

(4) contract research; and

(5) research program grants.

(c) The United States should—

(1) effectively involve the United States land-grant and other eligible universities more extensively in each component;

(2) provide mechanisms for the universities to participate and advise in the planning, development, implementation, and administration of each component; and

(3) assist such universities in cooperative joint efforts with—
(A) agricultural institutions in developing nations, and
(B) regional and international agricultural research centers,

directed to strengthening their joint and respective capabilities and to engage them more effectively in research, teaching and extension activities for solving problems in food production, distribution, storage, marketing, and consumption in agriculturally underdeveloped nations.

(d) As used in this title, the term "universities" means those colleges or universities in each State, territory, or possession of the United States, or the District of Columbia, now receiving, or which may hereafter receive, benefits under the Act of July 2, 1862 (known as the First Morrill Act), or the Act of August 30, 1890 (known as the Second Morrill Act), which are commonly known as "land-grant" universities; institutions now designated or which may hereafter be designated as sea-grant colleges under the Act of October 15, 1966 (known as the National Sea Grant College and Program Act), which are commonly known as sea-grant colleges; and other United States colleges and universities which—

(1) have demonstrable capacity in teaching, research, and extension activities in the agricultural sciences; and

(2) can contribute effectively to the attainment of the objectives of this title.

(e) As used in this title, the term "Administrator" means the Administrator of the Agency for International Development.

(f) As used in this title, the term "agriculture" shall be considered to include aquaculture and fisheries.

(g) As used in this title, the term "farmers" shall be considered to include fishermen and other persons employed in cultivating and harvesting food resources from salt and fresh waters.

"SEC. 502. GENERAL AUTHORITY.—(a) To carry out the purposes of this title, the President is authorized to provide assistance on such terms and conditions as he shall determine—

(1) to strengthen the capabilities of universities in teaching, research, and extension work to enable them to implement current programs authorized by paragraphs (2), (3), (4), and (5) of this subsection, and those proposed in the report required by section 505 of this title;

(2) to build and strengthen the institutional capacity and human resource skills of agriculturally developing countries so that these countries may participate more fully in the international agricultural problem-solving effort and to introduce and adapt new solutions to local circumstances;

(3) to provide program support for long-term collaborative university research on food production, distribution, storage, marketing, and consumption;

(4) to involve universities more fully in the international network of agricultural science, including the international research centers, the activities of international organizations such as the United Nations Development Program and the Food and Agriculture Organization, and the institutions of agriculturally developing nations; and

(5) to provide program support for international agricultural research centers, to provide support for research projects identified for specific problem-solving needs, and to develop and strengthen national research systems in the developing countries.

(b) Programs under this title shall be carried out so as to—

(1) utilize and strengthen the capabilities of universities in—

(A) developing capacity in the cooperating nation for classroom teaching in agriculture, plant and animal sciences, human nutrition, and vocational and domestic arts and other relevant fields appropriate to local needs;

(B) agricultural research to be conducted in the cooperating nations, at international agricultural research centers, or to the United States;

(C) the planning, initiation, and development of extension services through which information concerning agriculture and related subjects will be made available directly to farmers and farm families in the agriculturally developing nations by means of education and demonstration; or

(D) the exchange of educators, scientists, and students for the purpose of assisting in successful development in the cooperating nations;

(2) take into account the value to United States agriculture of such programs, integrating to the extent practicable the programs and financing authorized under this title with those supported by other Federal or State resources so as to maximize the contribution to the development of agriculture in the United States and in agriculturally developing nations; and

(3) whenever practicable, build on existing programs and institutions including those of the universities and the United States Department of Agriculture and the United States Department of Commerce.

(c) To the maximum extent practicable, activities under this section shall (1) be designed to achieve the most effective interrelationship among the teaching of agricultural sciences, research, and extension work, (2) focus primarily on the needs of agricultural producers, (3) be adapted to local circumstances; and (4) be carried out within the developing countries.

(d) The President shall exercise his authority under this section through the Administrator.

SEC. 503. BOARD FOR INTERNATIONAL FOOD RESOURCE DEVELOPMENT.—

(a) To assist in the administration of the programs authorized by this title, the President shall establish a permanent Board for International Food Resource Development (hereafter in this title referred to as the "Board") consisting of not less than seven members, not less than four to be selected from the universities, not less than one to be selected from a sea-grant institution, as defined in section 501(d) of this title, and one to be selected from other than a land-grant or sea-grant institution. Terms of members shall be set by the President at the time of appointment. Members of the Board shall be entitled to such reimbursement for expenses incurred in the performance of their duties (including per diem in lieu of subsistence while away from their homes or regular place of business) as the President deems appropriate.

(b) The Board's general areas of responsibility shall include, but not be limited to—

(1) participating in the planning, development, and implementation of,

(2) initiating recommendations for, and

(3) monitoring of,

the activities described in section 502 of this title.

(c) The Board's duties shall include, but not necessarily be limited to—

(1) participating in the formulation of basic policy, procedures, and criteria for project proposal review, selection, and monitoring;

(2) developing and keeping current a roster of universities—

(A) interested in exploring their potential for collaborative relationships with agricultural institutions, and with scientists working on significant programs designed to increase food production in developing countries,

(B) having capacity in the agricultural sciences,

(C) able to maintain an appropriate balance of teaching, research, and extension functions,

(D) having capacity, experience, and commitment with respect to international agricultural efforts, and

(E) able to contribute to solving the problems addressed by this title;

(3) recommending which developing nations could benefit from programs carried out under this title, and identifying those nations which have an interest in establishing or developing agricultural institutions which engage in teaching, research, or extension activities;

(4) reviewing and evaluating memorandums of understanding or other documents that detail the terms and conditions between the Administrator and universities participating in programs under this title;

(5) reviewing and evaluating agreements and activities authorized by this title and undertaken by universities to assure compliance with the purposes of this title;

(6) recommending to the Administrator the apportionment of funds under section 502 of this title; and

(7) assessing the impact of programs carried out under this title in solving agricultural problems in the developing nations.

(d) The President may authorize the Board to create such subordinate units as may be necessary for the performance of its duties, including but not limited to the following:

(1) a Joint Research Committee to participate in the administration and development of the collaborative activities described in section 502(a)(3) of this title; and

(2) a Joint Committee on Country Programs which shall assist in the implementation of the bilateral activities described in sections 502(a)(2), 502(a)(4), and 502(a)(5).

"(e) In addition to any other functions assigned to and agreed to by the Board, the Board shall be consulted in the preparation of the annual report required by section 505 of this title and on other agricultural development activities related to programs under this title.

"SEC. 504. AUTHORIZATION.—(a) The President is authorized to use any of the funds hereafter made available under section 103 of the Foreign Assistance Act of 1961, as amended, and to apply all the authorities in such Act that would be applicable to such section, to

carry out the purposes of this title. Funds made available for such purposes may be used without regard to the provisions of sections 110(b), 211(a), and 211(d) of such Act.

(b) Foreign currencies owned by the United States and determined by the Secretary of the Treasury to be excess to the needs of the United States shall be used to the maximum extent possible in lieu of dollars in carrying out the provisions of this title.

(c) Assistance authorized under this title shall be in addition to any allotments or grants that may be made under other authorizations.

(d) Universities may accept and expend funds from other sources, public and private, in order to carry out the purposes of this title. All such funds, both prospective and in hand, shall be periodically disclosed to the Administrator as he shall by regulation require, but no less often than in an annual report.

SEC. 505. ANNUAL REPORT.—The President shall transmit to the Congress, not later than April 1 of each year, a report detailing the activities carried out pursuant to this title during the preceding fiscal year and containing a projection of programs and activities to be conducted during the subsequent five fiscal years. Each report shall contain a summary of the activities of the Board established pursuant to section 503 of this title and may include the separate views of the Board with respect to any aspect of the programs conducted or proposed to be conducted under this title.

SECTION 22, AGRICULTURAL ADJUSTMENT ACT OF 1933

SEC. 22. (a) Whenever the Secretary of Agriculture has reason to believe that any article or articles are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, any program or operation undertaken under this title or the Soil Conservation and Domestic Allotment Act, as amended, or section 32, Public Law Numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended, or any loan, purchase, or other program or operation undertaken by the Department of Agriculture, or any agency operating under its direction, with respect to any agricultural commodity or product thereof, or to reduce substantially the amount of any product processed in the United States from any agricultural commodity or product thereof with respect to which any such program or operation is being undertaken, he shall so advise the President, and, if the President agrees that there is reason for such belief, the President shall cause an immediate investigation to be made by the United States Tariff Commission, which shall give precedence to investigations under this section to determine such facts. Such investigation shall be made after due notice and opportunity for hearing to interested parties, and shall be conducted subject to such regulations as the President shall specify.

(b) If, on the basis of such investigation and report to him of findings and recommendations made in connection therewith, the President finds the existence of such facts, he shall by proclamation impose such fees not in excess of 50 per centum ad valorem or such quantitative limitations on any article or articles which may be entered, or withdrawn from warehouse, for consumption as he finds and declares shown by such investigation to be necessary in order that the entry of such articles or articles will not render or tend to render ineffective, or

materially interfere with, any program or operation referred to in subsection (a) of this section, or reduce substantially the amount of any product processed in the United States from any such agricultural commodity or product thereof with respect to which any such program or operation is being undertaken: *Provided*, That no proclamation under this section shall impose any limitation on the total quantity of any article or articles which may be entered, or withdrawn from warehouse, for consumption which reduces such permissible total quantity to proportionately less than 50 per centum of the total quantity of such article or articles which was entered, or withdrawn from warehouse, for consumption during a representative period as determined by the President: *And provided further*, That in designating any article or articles, the President may describe them by physical qualities, value, use, or upon such other bases as he shall determine.

In any case where the Secretary of Agriculture determines and reports to the President with regard to any article or articles that a condition exists requiring emergency treatment, the President may take immediate action under this section without awaiting the recommendations of the Tariff Commission, such action to continue in effect pending the report and recommendations of the Tariff Commission and action thereon by the President.

(c) The fees and limitations imposed by the President by proclamation under this section and any revocation, suspension, or modification thereof, shall become effective on such date as shall be therein specified, and such fees shall be treated for administrative purposes and for the purposes of section 32 of Public Law Numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended, as duties imposed by the Tariff Act of 1930, but such fees shall not be considered as duties for the purpose of granting any preferential concession under any international obligation of the United States.

(d) After investigation, report, finding, and declaration in the manner provided in the case of a proclamation issued pursuant to subsection (b) of this section, any proclamation or provision of such proclamation may be suspended or terminated by the President whenever he finds and proclaims that the circumstances requiring the proclamation or provision thereof no longer exists or may be modified by the President whenever he finds and proclaims that changed circumstances require such modification to carry out the purposes of this section.

(e) Any decision of the President as to facts under this section shall be final.

(f) (1) No trade agreement or other international agreement heretofore or hereafter entered into by the United States shall be applied in a manner inconsistent with the requirements of this section.

(2) *With respect to any trade agreement or other international agreement involving or affecting any agricultural commodity covered under any program or operation referred to in subsection (a), other than agreements specifically authorized under existing statutes, the President shall, prior to entering into discussions to negotiate such agreement and every ninety days thereafter until such negotiations have been completed, consult with the Committee on Agriculture of the House of Representatives and the Committee on Agriculture and Forestry of the Senate, unless the urgency of the negotiations and the national interest of the United States make prior consultation impracticable, in which case the President shall consult with each committee as soon as possible after entering into such discussions.*

THE FOREIGN ASSISTANCE ACT OF 1961

Chapter 9—[Refugee Relief] *International Disaster Assistance*

[SEC. 491. REFUGEE RELIEF ASSISTANCE.—There is authorized to be appropriated to the President for the fiscal year 1972, in addition to funds otherwise available for such purposes, not to exceed \$250,000,000, to remain available until expended, for use by the President in providing assistance for the relief and rehabilitation of refugees from East Pakistan and for humanitarian relief in East Pakistan. Such assistance shall be distributed, to the maximum extent practicable, under the auspices of and by international institutions and relief agencies or United States voluntary agencies.]

SEC. 491. POLICY AND GENERAL AUTHORITY.—(a) The Congress, recognizing that prompt United States assistance to alleviate human suffering caused by natural and manmade disasters is an important expression of the humanitarian concern and tradition of the people of the United States, affirms the willingness of the United States to provide assistance for the relief and rehabilitation of people and countries affected by such disasters.

(b) Subject to the limitation on appropriations in section 492, and notwithstanding any other provision of this or any other Act, the President is authorized to furnish assistance to any foreign country or international organization on such terms and conditions as he may determine, for international disaster relief and rehabilitation, including assistance relating to disaster preparedness, and to the prediction of, and contingency planning for, natural disasters abroad.

(c) In carrying out the provisions of this section the President shall insure that the assistance provided by the United States shall, to the greatest extent possible, reach those most in need of relief and rehabilitation as a result of natural and manmade disasters.

SEC. 492. AUTHORIZATION.—In addition to amounts otherwise available for such purposes, there is authorized to be appropriated to the President from time to time such amounts as may be necessary to provide availabilities for obligations for disaster relief and rehabilitation assistance authorized by this sections Provided, however, That availabilities of funds which have not been previously obligated shall at no time exceed \$20,000,000. Amounts appropriated hereunder shall remain available until expended. The President shall submit quarterly reports to the Committee on Foreign Relations of the Senate and to the Speaker of the House of Representatives on the programing and obligation of funds under this section.

SEC. 493. DISASTER ASSISTANCE—COORDINATION.—The President is authorized to appoint a Special Coordinator for International Disaster Assistance whose responsibility shall be to promote maximum effec-

tiveness and coordination in responses to foreign disasters by United States agencies and between the United States and other donors. Included among the Special Coordinator's responsibilities shall be the formulation and updating of contingency plans for providing disaster relief.

DISASTER RELIEF ASSISTANCE

SEC. [452] 494.—There are authorized to be appropriated, in addition to other sums available for such purposes, \$65,000,000 for use by the President for disaster relief and emergency recovery needs in Pakistan, and Nicaragua, under such terms and conditions as he may determine, such sums to remain available until expended.

SEC. [639A] 494A. FAMINE AND DISASTER RELIEF TO DROUGHT-STRIKEN AFRICAN NATIONS.—(a) The Congress affirms the response of the United States Government in providing famine and disaster relief and related assistance in connection with the drought in the nations of Africa. The President shall report to Congress as soon as possible on solutions to this problem of famine and further propose how any of these solutions may be carried out by multilateral organizations.

(b) Notwithstanding any prohibitions or restrictions contained in this or any other Act, there is authorized to be appropriated to the President, in addition to funds otherwise available for such purposes, \$110,000,000 to remain available until expended, for use by the President, under such terms and conditions as he may determine, for emergency and recovery needs, including drought, famine, and disaster relief, and rehabilitation and related assistance, for the drought-stricken nations of Africa. Of the amount authorized to be appropriated under this subsection, not more than \$10,000,000 shall be available for Ethiopia.

SEC. [639B] 494B. (a) AFRICAN [SAHEL] DEVELOPMENT PROGRAM.—The Congress [supports] reaffirms its support of the initiative of the United States Government in undertaking consultations and planning with the countries concerned, with other nations providing assistance, with the United Nations, and with other concerned international and regional organizations, toward the development and support of a comprehensive long-term African Sahel development program.

(b) *The President is authorized to furnish assistance, on such terms and conditions as he may determine, to carry out a long-term comprehensive development program for the Sahel and other drought-stricken nations in Africa.*

(c) *In developing this long-term program, the President shall—*

- (1) *consider international coordination for the planning and implementation of such program;*
- (2) *seek greater participation and support by African countries and organizations in determining development priorities;*
- (3) *begin such planning and implementation immediately; and*
- (4) *devote sufficient resources to such program by 1985 to reduce the need for more costly measures later.*

To meet these objectives, the President shall submit to the Congress, together with the fiscal year 1977 budget materials, a comprehensive proposal for carrying out the provisions of this section.

(d) *There are authorized to be made available to the President, to carry out the purposes of this section, in addition to funds otherwise*

available for such purposes, \$50,000,000 for the fiscal year 1976 and such sums as may be necessary for fiscal year 1977, from the funds made available pursuant to section 103(e) of this Act, which amounts are authorized to remain available until expended.

SEC. 494C. ANGOLAN AIRLIFT.—*In order to assist persons who seek to escape from the conditions of civil and military turmoil presently existing in Angola, the President is authorized to furnish assistance, on such terms and conditions as he may determine, to facilitate the movement of persons from Angola by aircraft. There are authorized to be appropriated for the purposes of this section, \$20,000,000 for the fiscal year 1976. The President shall submit quarterly reports during such fiscal year to the Committee on Appropriations of the Senate and to the Speaker of the House of Representatives on the programming and obligation of funds under this section.*

* * * * *

[SEC. 639. FAMINE OR DISASTER RELIEF.—Notwithstanding any other provision of this or any other Act, the President may provide famine or disaster relief assistance to any foreign country on such terms and conditions as he may determine. For fiscal year 1975 there is authorized to be appropriated not to exceed \$40,000,000, to provide such assistance. The President shall submit quarterly reports during such fiscal year to the Committee on Foreign Relations and the Committee on Appropriations of the Senate and to the Speaker of the House of Representatives on the programming and obligation of funds under this section.]

* * * * *

PART I

CHAPTER 1—POLICY; DEVELOPMENT ASSISTANCE AUTHORIZATIONS

* * * * *

SEC. 102. STATEMENT OF POLICY.—(a) * * * *

* * * * *

(c) Assistance under this chapter should be used not simply for the purpose of transferring financial resources to developing countries, but to help countries solve development problems in accordance with a strategy that aims to increase substantially the participation of the poor. Accordingly, greatest emphasis shall be placed on countries and activities which effectively involve the poor in the development, by expanding their access to the economy through services and institutions at the local level, increasing labor-intensive production, spreading productive investment and services out from major cities to small towns and outlying rural areas, and otherwise providing opportunities for the poor to better their lives through their own effort.

SEC. 103. FOOD AND NUTRITION.—(a) In order to alleviate starvation, hunger, and malnutrition, and to provide basic services to poor people, enhancing their capacity for self-help, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for agriculture, rural development, and nutrition. There are authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, \$291,000,000 for the fiscal year 1974, and \$500,000,000 for the fiscal year 1975, \$603,800,000 for the fiscal year 1976 and \$735,000,000 for the fiscal year 1977, which amounts are authorized to remain available until expended.

(b) The Congress finds that, due to rising world food, fertilizer, and petroleum costs, human suffering and deprivation are growing in the poorest and most slowly developing countries. The greatest potential for significantly expanding world food production at relatively low cost lies in increasing the productivity of small farmers who constitute a majority of the nearly one billion people living in those countries. Increasing the emphasis on rural development and expanded food production in the poorest nations of the developing world is a matter of social justice as well as an important factor in slowing the rate of inflation in the industrialized countries. In the allocation of funds under this section, special attention should be given to increasing agricultural production in the countries with per capita incomes under \$300 a year and which are the most severely affected by sharp increases in worldwide commodity prices.

(c) Assistance provided under this section shall be used primarily for activities which are specifically designed to increase the productivity and income of the rural poor, through such means as creation and

strengthening of local institutions linked to the regional and national levels; organization of a system of financial institutions which provide both savings and credit services to the poor; stimulation of small, labor-intensive enterprises in rural towns; improvement of marketing facilities and systems; expansions of local or small-scale rural infrastructure and utilities such as farm-to-market roads, land improvement, energy, and storage facilities; establishment of more equitable and more secure land tenure arrangements; and creation and strengthening of systems to provide other services and supplies needed by farmers, such as extension, research, training, fertilizer, water, and improved seed, in ways which assure access to them by small farmers.

(d) Foreign currency proceeds from sales of commodities provided under the Agricultural Trade Development and Assistance Act of 1954 which are owned by foreign governments shall be used whenever practicable to carry out the provisions of this section.

(e) Dollar receipts from loans made pursuant to this part and from loans made under predecessor foreign assistance legislation, which are received by the United States on and after July 1, 1975, are authorized to be made available for each of the fiscal years 1976 and 1977 for use, in addition to funds otherwise available for such purposes, for the purposes of supporting the activities of the proposed International Fund for Agricultural Development (a total of \$200,000,000 of such receipts may be used only for such purpose, subject to appropriate participation by other donors), undertaking agricultural research in accordance with section 103A, providing long-term development assistance to drought stricken areas of Africa in accordance with section 494B, and making loans and grants for other activities under this section. Such amounts shall remain available until expended.

* * * * *

[SEC. 203. FISCAL PROVISIONS.—Not more than 50 per centum of dollar receipts scheduled to be paid during each of the fiscal year 1974 and 1975 from loans made pursuant to this part and from loans made under predecessor foreign assistance legislation are authorized to be made available for each such fiscal year for use for purposes of making loans under chapter 1 of this part. Such receipts shall remain available until expended.]

[On and after July 1, 1975, none of the dollar receipts paid during any fiscal year from loans made pursuant to this part or from loans made under predecessor foreign assistance legislation are authorized to be made available during any fiscal year for use for purposes of making loans under chapter 1 of this part. All such receipts shall be deposited in the Treasury as miscellaneous receipts.]

SEC. 103A. AGRICULTURAL RESEARCH.—Agricultural research carried out under this Act shall (1) take account of the special needs of small farmers in the determination of research priorities, (2) include research on the interrelationships among technology, institutions, and economic, social, and cultural factors affecting small-farm agriculture, and (3) make extensive use of field testing to adapt basic research to local conditions. Special emphasis shall be placed on disseminating research results to the farms on which they can be put to use, and especially on institutional and other arrangements needed to assure that small farmers have effective access to both new and existing improved technology.

SEC. 104. POPULATION PLANNING AND HEALTH.—(a) In order to increase the opportunities and motivation for family planning, to reduce the rate of population growth, to prevent and combat disease, and to help provide health services for the great majority, the President is authorized to furnish assistance on such terms and conditions as he may determine, for population planning and health. There are authorized to be appropriated to the President for the purposes of this section, in addition to the funds otherwise available for such purposes, \$145,000,000 for the fiscal year 1974, and \$165,000,000 for the fiscal year 1975, \$243,100,000 for the fiscal year 1976 and \$275,600,000 for the fiscal year 1977, which amounts are authorized to remain available until expended. *Not less than 67 percent of the funds made available under this section for any fiscal year shall be used for population planning, either in separate programs or as an element of health programs.*

(b) *Assistance provided under this section shall be used primarily for extension of low-cost, integrated delivery systems to provide health and family planning services, especially to rural areas and to the poorest economic sectors, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems, and other modes of community outreach; health programs which emphasize disease prevention, environmental sanitation, and health education; and population planning programs which include education in responsible parenthood and motivational programs, as well as delivery of family planning services and which are coordinated with programs aimed at reducing the infant mortality rate, providing better nutrition to pregnant women and infants, and raising the standard of living of the poor.*

SEC. 105. EDUCATION AND HUMAN RESOURCES DEVELOPMENT.—(a) In order to reduce illiteracy, to extend basic education and to increase manpower training in skills related to development, the President is authorized to furnish assistance on such terms and conditions as he may determine, for education, public administration, and human resource development. There are authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, \$90,000,000 for the fiscal year 1974, and \$92,000,000 for the fiscal year 1975, \$89,200,000 for the fiscal year 1976 and \$101,800,000 for the fiscal year 1977, which amounts are authorized to remain available until expended.

(b) *Assistance provided under this section shall be used primarily to expand and strengthen nonformal education methods, especially those designed to improve productive skills of rural families and the urban poor and to provide them with useful information; to increase the relevance of formal education systems to the needs of the poor, especially at the primary level, through reform of curricula, teaching materials, and teaching methods, and improved teacher training; and to strengthen the management capabilities of institutions which enable the poor to participate in development.*

[SEC. 106. SELECTED DEVELOPMENT PROBLEMS.—The President is authorized to furnish assistance on such terms and conditions as he may determine, to help solve economic and social development problems in fields such as transportation, power, industry, urban development, and export development. There are authorized to be appropriated to the President for the purposes of this section, in addition to

funds otherwise available for such purposes, \$53,000,000 for each of the fiscal years 1974 and 1975, which amounts are authorized to remain available until expended.

[SEC. 107. SELECTED COUNTRIES AND ORGANIZATIONS.—The President is authorized to furnish assistance on such terms and conditions as he may determine, in support of the general economy of recipient countries or for development programs conducted by private or international organizations. There are authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, \$39,000,000 for each of the fiscal years 1974 and 1975, which amounts are authorized to remain available until expended.]

SEC. 106. TECHNICAL ASSISTANCE, ENERGY, RESEARCH, RECONSTRUCTION, AND SELECTED DEVELOPMENT PROBLEMS.—(a) *The President is authorized to furnish assistance, on such terms and conditions as he may determine, for the following activities, to the extent that such activities are not authorized by sections 103, 104, and 105 of this Act:*

(1) *programs of technical cooperation and development, particularly the development efforts of United States private and voluntary agencies and regional and international development organizations;*

(2) *programs to help developing countries alleviate their energy problems by increasing their production and conservation of energy, through such means as research and development of suitable energy sources and conservation methods, collection and analysis of information concerning countries' potential supplies of and needs for energy, and pilot projects to test new methods of production or conservation of energy;*

(3) *programs of research into, and evaluation of, the process of economic development in less developed countries and areas, into the factors affecting the relative success and costs of development activities, and into the means, techniques, and such other aspects of development assistance as the President may determine in order to render such assistance of increasing value and benefit;*

(4) *programs of reconstruction following natural or manmade disasters;*

(5) *programs designed to help solve special development problems in the poorest countries and to make possible proper utilization of infrastructure and related projects funded with earlier United States assistance; and*

(6) *programs of urban development, with particular emphasis on small, labor intensive enterprises, marketing systems for small producers, and financial and other institutions which enable the urban poor to participate in the economic and social development of their country.*

(b) *There is authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, \$92,400,000 for the fiscal year 1976 and \$96,000,000 for the fiscal year 1977, which amounts are authorized to remain available until expended.*

SEC. 107. INTERMEDIATE TECHNOLOGY.—*Of the funds made available to carry out this chapter for the fiscal years 1976, 1977, and 1978, a total of \$20,000,000 may be used for activities in the field of intermediate technology, through grants in support of an expanded and*

coordinated private effort to promote the development and dissemination of technologies appropriate for developing countries.

* * * * *

SEC. 111. DEVELOPMENT AND USE OF COOPERATIVES.—In order to strengthen the participation of the urban and rural poor in their country's development, not less than \$20,000,000 of the funds made available for the purposes of this chapter shall be available during the fiscal years 1974 and 1975 only for assistance in the development of cooperatives in the less developed countries which will enable and encourage greater numbers of the poor to help themselves toward a better life.]

SEC. 111. DEVELOPMENT AND USE OF COOPERATIVES.—In order to strengthen the participation of the rural and urban poor in their country's development, high priority shall be given to increasing the use of funds made available under this Act for assistance in the development of cooperatives in the less developed countries which will enable and encourage greater numbers of the poor to help themselves toward a better life. Not less than \$20,000,000 of such funds shall be used during the fiscal years 1976 and 1977, including the period from July 1, 1976, through September 30, 1976, only for technical assistance to carry out the purposes of this section.

SEC. 112. PROHIBITING POLICE TRAINING.— * * * [Repealed 1974]

SEC. 113. INTEGRATING WOMEN INTO NATIONAL ECONOMIES.—[Sections 103 through 107] Part I of this Act shall be administered so as to give particular attention to those programs, projects, and activities which tend to integrate women into the national economies of foreign countries, thus improving their status and assisting the total development effort.

* * * * *

SEC. 116. HUMAN RIGHTS.—(a) *The Congress recognizes that the economic assistance and development programs authorized in this Act are most likely to be successful where individual economic and political choices can be freely expressed, where an open opportunity exists for citizen participation, and where basic human rights are respected.*

(b) *Where the Congress, by simple resolution of either House, indicates concern regarding denial of basic human rights in a potential recipient country, the Administrator primarily responsible for administering part 1 of this Act shall transmit to the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House a detailed description of how proposed assistance under this chapter can be provided in a manner which will accomplish the purposes of this Act without contributing to the perpetuation of practices inimical to human rights.*

SEC. 208A. CRITERIA TO MEASURE PROGRESS IN DEVELOPMENT.—(a) *United States programs of bilateral development assistance shall be increasingly concentrated on those less developed countries which are making maximum efforts to (1) carry out land reforms and cooperative arrangements designed to insure that persons who make their living from farming hold, as owners or in ownership-like tenure, all or substantially all of the land they farm; (2) seek to achieve a greater degree of self-sufficiency in food production; (3) reduce infant mortality; and (4) control population growth. The President shall establish appropriate criteria to measure progress by recipient countries in meeting these objectives.*

(b) *The President shall endeavor to bring about the adoption by international development organizations in which the United States participates of criteria which would make assistance through such organizations conditional on satisfactory progress by recipient countries in carrying out land reforms, achieving a greater degree of self-sufficiency in food production, reducing infant mortality, and controlling population growth.*

(c) *The congressional presentation materials for development assistance programs proposed for the fiscal year 1977 and each subsequent year shall contain detailed information concerning the steps being taken to carry out the provisions of this section.*

SEC. 209. MULTILATERAL AND REGIONAL PROGRAMS.—(a) The Congress recognizes that the planning and administration of development assistance by, or under the sponsorship of the United Nations, multilateral lending institutions, and other multilateral organizations may contribute to the efficiency and effectiveness of that assistance through participation of other donors in the development effort, improved coordination of policies and programs, pooling of knowledge, avoidance of duplication of facilities and manpower, and greater encouragement of self-help performance.

(b) It is further the sense of the Congress (1) that where problems or opportunities are common to two or more countries in a region, in such fields as agriculture, education, transportation, communications, power, watershed development, disease control, and establishment of development banks, these countries often can more effectively resolve such problems and exploit such opportunities by joining together in regional organizations or working together on regional programs, (2) that assistance often can be utilized more efficiently in regional programs than in separate country programs, and (3) that to the maximum extent practicable consistent with the purposes of this Act assistance under this Act should be furnished so as to encourage less developed countries to cooperate with each other in regional development programs.

[(c) Notwithstanding any other provision of law, the President should reduce the amounts and numbers of loans made by the United States directly to individual foreign countries with the objective of reducing the total amount of bilateral loans made under this Act so that, by not later than June 30, 1975, such total amount shall not exceed \$100,000,000.]

(c) *It is the sense of the Congress that the President should increase, to the extent practicable, the funds provided by the United States to multilateral lending institutions and multilateral organizations in which the United States participates for use by such institutions and organizations in making loans to foreign countries.*

* * * * *

TITLE II—TECHNICAL COOPERATION AND DEVELOPMENT GRANTS

* * * * *

SEC. 214. AMERICAN SCHOOLS AND HOSPITALS ABROAD.—(a) The President is authorized to furnish assistance, on such terms and conditions as he may specify, to schools and libraries outside the United States founded or sponsored by United States citizens and serving as

study and demonstration centers for ideas and practices of the United States.

(b) The President is authorized, notwithstanding the provisions of the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1611 et seq.) to furnish assistance, on such terms and conditions as he may specify, to institutions referred to in subsection (a) of this section, and to hospital centers for medical education and research outside the United States, founded or sponsored by United States citizens.

(c) To carry out the purposes of this section, there are authorized to be appropriated to the President for each of the fiscal years 1974 and 1975 \$19,000,000, and for each of the fiscal years 1976 and 1977, \$25,000,000, which amounts are authorized to remain available until expended.

(d) There are authorized to be appropriated to the President to carry out the purposes of this section, in addition to funds otherwise available for such purposes, for each of the fiscal years 1974 and 1975 \$6,500,000 and for each of the fiscal years 1976 and 1977, \$7,000,000, in foreign currencies which the Secretary of the Treasury determines to be excess to the normal requirements of the United States.

* * * * *

TITLE III—HOUSING AND OTHER CREDIT GUARANTY PROGRAMS

SEC. 221. WORLDWIDE HOUSING GUARANTIES.—In order to facilitate and increase the participation of private enterprise in furthering the development of the economic resources and productive capacities of less developed friendly countries and areas, and promote the development of thrift and credit institutions engaged in programs of mobilizing local savings for financing the construction of self-liquidating housing projects and related community facilities, the President is authorized to issue guaranties, on such terms and conditions as he shall determine, to eligible investors as defined in section 238(c), assuring against loss of loan investments for self-liquidating housing projects. The total face amount of guaranties issued hereunder, outstanding at any one time, shall not exceed ~~[\$355,000,000]~~ \$505,000,000. Such guaranties shall be issued under the conditions set forth in section 222(b) and section 223.

SEC. 222. HOUSING PROJECTS IN LATIN AMERICAN COUNTRIES.—(a) The President shall assist in the development in the American Republics of self-liquidating housing projects, the development of institutions engaged in Alliance for Progress programs, including cooperatives, free labor unions, savings and loan type institutions, and other private enterprise programs in Latin America engaged directly or indirectly in the financing of home mortgages, the construction of homes for lower income persons and families, the increased mobilization of savings and improvement of housing conditions in Latin America.

(b) To carry out the purposes of subsection (a), the President is authorized to issue guaranties, on such terms and conditions as he shall determine, to eligible investors, as defined in section 238(c), assuring against loss of loan investment made by such investors in—

(1) private housing projects in Latin America of types similar to those insured by the Department of Housing and Urban Development and suitable for conditions in Latin America;

(2) credit institutions in Latin America engaged directly or indirectly in the financing of home mortgages, such as savings and loan institutions and other qualified investment enterprises;

(3) housing projects in Latin America for lower income families and persons, which projects shall be constructed in accordance with maximum unit costs established by the President for families and persons whose incomes meet the limitations prescribed by the President;

(4) housing projects in Latin America which will promote the development of institutions important to the success of the Alliance for Progress, such as free labor unions, cooperatives, and other private programs; or

(5) housing projects in Latin America, 25 per centum or more of the aggregate of the mortgage financing for which is made available from sources within Latin America and is not derived from sources outside Latin America which projects shall, to the maximum extent practicable, have a unit cost of not more than \$8,500.

(c) The total face amount of guaranties issued hereunder or heretofore under Latin American housing guaranty authority repealed by the Foreign Assistance Act of 1969, outstanding at any one time, shall not extend ~~[\$550,000,000]~~ \$650,000,000: *Provided*, That \$325,000,000 of such guaranties may be used only for the purposes of subsection (b) (1).

SEC. 223. GENERAL PROVISIONS.—(a) * * *

(i) The authority of section 221 and section 222 shall continue until ~~[June 30, 1976]~~ September 30, 1978.

* * * * *

CHAPTER 3—INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SEC. 302. AUTHORIZATION.—(a) There is authorized to be appropriated to the President for grants to carry out the purposes of this chapter, in addition to funds available under any other Act for such purposes, for the fiscal year 1974, \$127,822,000 and for the fiscal year 1975, \$165,000,000, and for the fiscal year 1976, \$194,500,000 and for the fiscal year 1977, \$219,900,000. Of such amounts, not to exceed \$250,000 during the fiscal year 1976 and \$500,000 during the fiscal year 1977 shall be available for contributions to the Namibia Institute.

(b) (1) There is authorized to be appropriated to the President for loans for Indus Basin Development to carry out the purposes of this section, in addition to funds available under this or any other Act for such purposes, for use beginning in the fiscal year 1969, ~~[\$51,220,000]~~ \$61,220,000. Such amounts are authorized to remain available until expended.

(2) There is authorized to be appropriated to the President for grants for Indus Basin Development, in addition to any other funds available for such purposes, for use in the fiscal year 1974, \$14,500,000, and for use in the fiscal year 1975, \$14,500,000, and for use beginning in the fiscal year 1976, \$27,000,000, which amounts shall remain available until expended. The President shall not exercise any special authority granted to him under section 610(a) or 614(a) of this Act

to transfer any amount appropriated under this paragraph to, and to consolidate such amount with, any funds made available under any other provisions of this Act.

* * * * *

(d) Of the funds made available to carry out this chapter for each of the fiscal years [1974 and 1975, \$18,000,000] 1976 and 1977, \$20,000,000 shall be available in each such fiscal year only for contributions to the United Nations Children's Fund.

* * * * *

(f) *The President is hereby authorized to permit United States participation in the International Fertilizer Development Center and is authorized to use any of the funds made available under this part for the purpose of furnishing assistance to the Center on such terms and conditions as he may determine.*

SECTION 54 OF THE FOREIGN ASSISTANCE ACT OF 1974

INTEGRATION OF WOMEN

SEC. 54. Chapter 3 of part [III] I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 305. Integration of Women.—The President is requested to instruct each representative of the United States to each international organization of which the United States is a member (including but not limited to the International Bank for Reconstruction and Development, the Asian Development Bank, the Inter-American Development Bank, the International Monetary Fund, the United Nations, and the Organization for Economic Cooperation and Development) to carry out their duties with respect to such organizations in such a manner as to encourage and promote the integration of women into the national economies of member and recipient countries and into professional and policy-making positions within such organizations, thereby improving the status of women."

CHAPTER 10—ASSISTANCE TO PORTUGAL AND PORTUGUESE COLONIES IN AFRICA GAINING INDEPENDENCE

SEC. 496. ASSISTANCE TO PORTUGAL AND PORTUGUESE COLONIES IN AFRICA GAINING INDEPENDENCE.—(a) There are authorized to be appropriated to the President for the fiscal year 1975, in addition to funds otherwise available for such purposes, not to exceed—

(1) [\$5,000,000] \$7,750,000 to make grants; and

(2) [\$20,000,000] \$17,250,000 to make loans;

to remain available until expended, for use by the President in providing economic assistance, on such terms and conditions as he may determine, for Portugal and the countries and colonies in Africa which were, prior to April 25, 1974, colonies of Portugal. (b) *Notwithstanding the provisions of section 620(r) of this Act, the United States is authorized to forgive the liability incurred by the Government of the Cape Verde Islands for the repayment of a \$3,000,000 loan on June 30, 1975.*

(c) *Notwithstanding any other provision of law, there is authorized to be made available to the President for the fiscal year 1976, from sums appropriated to carry out this Act, in addition to such other sums as may be available, \$30,000,000 to remain available until expended, for use by the President to provide economic and relief and rehabilitation assistance (including assistance through international or private voluntary organizations), to countries and colonies in Africa which were, prior to April 25, 1974, colonies of Portugal.*

SEC. 607.—FURNISHING OF SERVICES AND COMMODITIES.—(a) Whenever the President determines it to be consistent with and in furtherance of the purposes of part I and within the limitations of this Act, any agency of the United States Government is authorized to furnish services and commodities on an advance-of-funds or reimbursement basis to friendly countries, international organizations, the American Red Cross, and voluntary nonprofit relief agencies registered with and approved by the Advisory Committee on Voluntary Foreign Aid. [Such advances or reimbursements which are received under this section within one hundred and eighty days after the close of the fiscal year in which such services and commodities are delivered, may be credited to the current applicable appropriation, account, or fund of the agency concerned and shall be available for the purposes for which such appropriation, account, or fund is authorized to be used.] *Such advances or reimbursements may be credited to the currently applicable appropriation, account, or fund of the agency concerned and shall be available for the purposes for which such appropriation, account, or fund is authorized to be used, under the following circumstances:*

(1) *Advances or reimbursements which are received under this section within one hundred and eighty days after the close of the fiscal year in which such services and commodities are delivered; or*

(2) *Advances or reimbursements received pursuant to agreements executed under this section in which reimbursement will not be completed within one hundred and eighty days after the close of the fiscal year in which such services and commodities are delivered: Provided, That such agreements require the payment of interest at the current rate established pursuant to section 2(b)(1)(B) of the Export-Import Bank of Act of 1945 (59 Stat. 526), and repayment of such principal and interest does not exceed a period of three years from the date of signing of the agreement to provide the service: Provided further, That funds available for this paragraph in any fiscal year shall not exceed \$1,000,000 of the total funds authorized for use in such fiscal year by chapter 1 of part I of this Act. Interest shall accrue as of the date of disbursement to the agency or organization providing such services.*

CHAPTER 3—MISCELLANEOUS PROVISIONS

* * * * *

SEC. 661. REIMBURSABLE DEVELOPMENT PROGRAMS.—(a) The President is authorized to use up to \$1,000,000 of the funds made available for the purposes of this Act [in each of the fiscal years 1975 and 1976] in the fiscal year 1975 and \$2,000,000 in each of the fiscal years 1976 and 1977 to work with friendly countries, especially those in which United States development programs have been concluded or those not receiving assistance under part I of this Act, in (1) facilitating open and

fair access to natural resources of interest to the United States and (2) stimulation of reimbursable aid programs consistent with part I of this Act. Any funds used for purposes of this section may be used notwithstanding any other provision of this Act.

(b)(1) *The President shall not take into account, in assigning officers and employees of the United States to serve in any foreign country, the race, religion, national origin, or sex of any such officer or employee. Such assignments shall be made solely on the basis of ability and relevant experience.*

(2) *Effective six months after the date of enactment of the International Development and Food Assistance Act of 1975 or on such earlier date as the President may determine, no assistance may be provided under this Act or sales made under the Foreign Military Sales Act to any country which objects to the presence of any officer or employee of the United States who is present in such country for the purpose of carrying out the provisions of this Act or the Foreign Military Sales Act, on the basis of the race, religion, national origin, or sex of such officer or employee.*

(3) *The Secretary of State shall promulgate such rules and regulations as he may deem necessary to carry out the provisions of this subsection.*

SEC. 665. TRANSITION PROVISIONS FOR INTERIM QUARTER.—There are authorized to be appropriated for the period July 1, 1976, through September 30, 1976, such amounts as may be necessary to conduct programs and activities for which funding was authorized for fiscal year 1976 by the International Development and Food Assistance Act of 1975, in accordance with the provisions applicable to such programs and activities for such fiscal year, except that the total amount appropriated for each program or activity for such period shall not exceed one-fourth of the total amount authorized to be appropriated for the fiscal year 1976 for such programs and activities.

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to files

Union Calendar No. 216

94th Congress }
1st Session }

HOUSE OF REPRESENTATIVES

{ REPORT
No. 94-442

INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT OF 1975

REPORT

OF THE

COMMITTEE ON INTERNATIONAL
RELATIONS

TOGETHER WITH

ADDITIONAL AND SUPPLEMENTAL VIEWS

ON

H.R. 9005

TO AUTHORIZE ASSISTANCE FOR DISASTER RELIEF AND
REHABILITATION, TO PROVIDE FOR OVERSEAS DISTRIBUTION
AND PRODUCTION OF AGRICULTURAL COMMODITIES,
TO AMEND THE FOREIGN ASSISTANCE ACT OF 1961, AND
FOR OTHER PURPOSES



August 1, 1975.—Committed to the Committee of the Whole House on the
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(II)

CONTENTS

	Page
Committee action.....	3
Principal purposes of the bill: Authorizations.....	4
Summary of major policy provisions in the bill.....	6
International disaster assistance (title I).....	6
Food aid to poor countries (title II).....	6
Development assistance (title III).....	6
Committee comment.....	8
Development assistance.....	10
A. The challenge of development.....	10
B. Agriculture, rural development, and nutrition.....	11
C. Population planning and health.....	12
D. Education and human resource development.....	15
Food aid to poor countries.....	16
International disaster assistance.....	21
Title XII—Famine prevention.....	25
Private institutions and voluntary organizations.....	27
Human rights.....	29
Implementation of development assistance reforms.....	30
Operating expenses.....	31
AID personnel reductions.....	33
Section-by-section analysis.....	36
Title I—International disaster relief.....	36
Section 101—International disaster assistance.....	36
Section 491—Policy and general authority.....	36
Section 492—Authorization.....	36
Section 493—Disaster assistance: Coordination.....	36
Title II—Food aid to poor countries.....	37
Section 201—Policy.....	37
Section 202—World Food Conference target.....	37
Section 203—Exercise of authorities.....	37
Section 204—Foreign currencies from overseas sales.....	38
Section 205—Use by foreign countries of proceeds of sales of agricultural commodities.....	38
Section 206—Sales agreements with developing countries.....	39
Section 207—Assistance to most seriously affected countries.....	39
Section 208—Continuity of distribution under title II.....	41
Section 209—Limitation on use of foreign currencies.....	42
Section 210—Advisory Committee.....	42
Section 211—Reports to the Congress.....	42
Section 212—International food reserve system.....	43
Title III—Development assistance.....	43
Section 301—Development assistance policy.....	43
Section 302—Food and nutrition.....	45
Section 103(c)—Policy.....	45
Section 103(d)—Use of foreign currencies.....	46
Section 103(e)—Use of loan reflows.....	46
Section 303—Agricultural research.....	49
Section 304—Population planning and health.....	49
Section 305—Education and human resource development.....	51
Section 306—Technical assistance, energy, research, recon- struction, and selected development problems; intermediate tech- nology.....	51
Section 106—Technical assistance, energy, research, recon- struction, and selected development problems.....	52
Section 107—Intermediate technology.....	53

(III)

Section-by-section analysis—Continued	Page.
Title III—Development assistance—Continued	
Section 307—Cost-sharing	55
Section 308—Development and use of cooperatives	55
Section 309—Integrating women into national economies	56
Section 310—Development assistance	56
Section 310(1)—U.S. contributions to multilateral lending organizations	56
Section 310(2)—American schools and hospitals abroad	56
Section 310(3)—Housing guaranty program	57
Section 311—Famine prevention	58
Section 296—General provisions	58
Section 297—General authority	60
Section 298—Board for International Agricultural Development	61
Section 299—Authorization	62
Section 300—Annual report	62
Section 312—International organizations and programs	63
Section 313—Assistance to the Cape Verde Islands	63
Section 314—Support for reimbursable development programs	64
Section 315—Transition provisions for interim quarter	65
Section 665—Transition provisions for interim quarter	65
Required report sections	66
Cost estimate	66
Statements required by Rule XI(1)(3) of House Rules	66
A. Oversight findings and recommendations	67
B. Budget authority	67
C. Congressional Budget Office estimate and comparison	67
D. Committee on Government Operations summary	67
Inflationary impact statement	69
Changes in existing law made by the bill, as reported	95
Additional views of Hon. Michael J. Harrington	95
Supplemental views of Hon. Stephen J. Solarz	97

Union Calendar No. 216

94TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
1st Session } { No. 94-442

INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT OF 1975

AUGUST 1, 1975.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. MORGAN, from the Committee on International Relations,
submitted the following

REPORT

together with

ADDITIONAL AND SUPPLEMENTAL VIEWS

[To accompany H.R. 9005]

The Committee on International Relations, to whom was referred the bill (H.R. 9005) to authorize assistance for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

COMMITTEE ACTION

On May 19, 1975, the President sent to the Congress a foreign aid message—House Document 94-158—accompanied by a draft bill. As the President explained, however, the proposal was incomplete:

In order to permit the fullest possible consideration of foreign aid requirements by the Congress, the legislation I am transmitting today contains specific funding proposals for development assistance and related programs. However, because of the uncertainties caused by changing events, this request does not include specific amounts for grant military assistance, foreign military credit sales and some economic supporting assistance programs at this time. For these accounts, I am requesting an authorization for such sums as may be necessary and will return to the Congress with specific funding proposals as soon as possible.

The review of our policies in the Middle East, which I initiated last month, will not be completed until later this summer. I have, therefore, also omitted specific requests for assistance to the four major Middle Eastern aid recipients until this review is completed.

With this bill, the Congress is now in a position to begin consideration of those elements of our foreign aid programs on which I have made firm recommendations.

Subsequently a bipartisan group of committee members, with the approval of Chairman Thomas E. Morgan, developed a foreign assistance proposal which contained development assistance, food aid to poor nations, and international disaster assistance.

A committee print of that draft proposal became the basic document for hearings and markup by the committee which continued—often in two-a-day sessions, 5 days a week—from July 14 to July 28. Upon conclusion of the markup sessions, Chairman Morgan introduced the draft, as amended by the committee, as a clean bill on July 29. The measure, designated H.R. 9005, was cosponsored by 15 members of the committee.

H.R. 9005 was ordered reported by the committee on July 30 by a voice vote, a quorum being present.

[In millions of dollars]

PRINCIPAL PURPOSES OF THE BILL: AUTHORIZATIONS

The principal purposes of the bill are to authorize appropriations totaling \$1,354,150,000 for fiscal year 1976 and \$1,523,850,000 for fiscal year 1977, for certain international development assistance and international disaster assistance programs. The bill also authorizes appropriations for the transitional quarter.

The following table compares the amounts of authorized aid appropriated in fiscal year 1975, the amounts requested by the executive branch, and those amounts recommended by the committee for fiscal years 1976 and 1977:

(4)

	Authorizations (Public Law 93-189 and Public Law 94-559) fiscal year 1975	Appropriations (Public Law 94-11) fiscal year 1975	Executive request (H. Doc. 94-158)		Committee recommendations ¹	
			Fiscal year 1976	Fiscal year 1977	Fiscal year 1976	Fiscal year 1977
Food and nutrition (sec. 103).....	\$500.0	\$300.0	² \$628.8	² \$760.0	³ \$628.8	⁴ \$760.0
Population planning and health (sec. 104).....	165.0	125.0	⁵ 219.1	⁵ 251.6	⁶ 248.1	⁶ 280.6
Education and human resources de- velopment (sec. 105).....	92.0	82.0	⁷ 89.2	⁷ 101.8	89.2	101.8
Technical assistance, energy, research, reconstruction, and selected devel- opment problems (new sec. 106— superseding old secs. 106 and 107).....	⁸ 53.0 ⁷ 39.0	⁸ 37.0 ⁷ 30.0	⁹ 54.3 ⁹ 38.1	⁹ 48.0 ⁹ 48.0	¹⁰ 99.55	¹⁰ 104.55
Development and use of cooperatives. American schools and hospitals abroad (sec. 214).....	⁹ (20.0)				¹⁰ (20.0)	¹⁰ (20.0)
Local currency.....	19.0	17.5	¹¹ 10.0	¹¹ 10.0	¹¹ 25.0	¹¹ 25.0
Disaster assistance (sec. 492) (old sec. 639).....	6.5	6.5	7.0	7.0	7.0	7.0
International organizations and pro- grams (sec. 302).....	¹² 40.0	¹² 35.0	20.0	20.0	25.0	25.0
UNICEF.....	¹³ 165.0	125.0	189.5	214.9	194.5	219.9
Indus Basin:	(18.0)	(17.0)	(15.0)		(20.0)	(20.0)
Loans.....	(14)	.2	¹⁴ 10.0		¹⁴ 10.0	
Grants.....	14.5	9.0	27.0		27.0	
Portugal and Portuguese colonies.....	25.0	25.0			(18)	
Grants.....	(5.0)					
Loans.....	(20.0)					
Administrative expenses:						
AID.....	45.0	40.0				
State.....	(17)	4.8			(17)	(17)
Operating expenses.....			¹⁸ (205.2)	(19)	(20)	(20)
Total.....	1,164.0	837.0	1,293.0	1,461.3	1,354.15	1,523.85

¹ Includes authorization of such amounts as may be necessary for the transition quarter for programs funded in fiscal year 1976, but not to exceed one-quarter of the amount authorized for fiscal year 1976.

² Includes operating expenses allocated to the functional accounts for fiscal year 1976 and projected for fiscal year 1977 by AID at the request of the committee.

³ Reflects reduction of \$10,000,000 in food and nutrition and corresponding increase of \$10,000,000 in Indus Basin loans.

⁴ Funds available under sec. 103 may be used to carry out the purposes of the famine prevention and freedom from hunger section.

⁵ Not less than 67 percent of the funds made available shall be used for population planning.

⁶ For purposes of sec. 106—Selected development problems.

⁷ For purposes of sec. 107—Selected countries and organizations.

⁸ Replaces secs. 106 and 107.

⁹ Not less than \$20,000,000 of funds available for purposes of ch. I, pt. I, made available for assistance in the development of cooperatives in less developed countries during fiscal year 1975.

¹⁰ Not less than \$20,000,000 of funds available under this act shall be used during fiscal years 1976 and 1977, including the transition period, for technical assistance for development of cooperatives in less developed countries.

¹¹ Assistance limited to not more than 4 institutions in the same country and not more than 1 each to be a university and a hospital.

¹² Of which \$25,000,000 was earmarked for Cyprus.

¹³ Of which not less than \$500,000 was earmarked for contributions to the International Atomic Energy Agency as technical assistance in kind.

¹⁴ Previously authorized.

¹⁵ The Foreign Assistance Act of 1969 authorized \$51,220,000 for loans for the Indus Basin development for use beginning in fiscal year 1969. This bill adds \$10,000,000 to the authorization, to remain available until expanded.

¹⁶ The total amount authorized for fiscal year 1975 remains the same but the grant authorization was increased by \$2,750,000 and the loan authorization was decreased by the same amount.

¹⁷ Permanent authorization in existing law of such amounts as may be necessary.

¹⁸ Operating expenses allocated to the functional items above.

¹⁹ And for fiscal year 1977, such amounts as may be necessary. Amount of other funds which may be transferred for this purpose limited to not more than 10 percent of amount initially made available.

²⁰ Committee recommendations include operating expenses in the applicable item authorizations.

SUMMARY OF MAJOR POLICY PROVISIONS IN THE BILL

INTERNATIONAL DISASTER ASSISTANCE (TITLE I)

1. States the sense of Congress that prompt U.S. assistance to people and countries which are victims of natural and manmade disasters is an important part of our national tradition, and asserts the continued willingness to provide such help to disaster victims abroad.
2. Authorizes the President to appoint a Special Coordinator for Disaster Assistance, with the responsibility for promoting coordination in disaster situations both among U.S. agencies responding and between the United States and other donor countries.

FOOD AID TO POOR COUNTRIES (TITLE II)

1. Adds policy guidelines directed to helping meet urgent food needs abroad and promoting agricultural production in poor countries.
2. Continues and strengthens Congress' mandate that no more than 30 percent of U.S. food aid be allocated for political purposes, with at least 70 percent to be allocated where most needed for humanitarian purposes.
3. Assures long-term continuity of supplies, within Public Law 480 availabilities, for title II grant programs, particularly those administered through private and voluntary agencies.
4. Provides for selective use of Public Law 480 commodities on a grant basis as incentive for self-help by poor countries in agricultural and rural development and nutrition, subject to the policies and restrictions applying to programs for similar purposes under the Foreign Assistance Act.

DEVELOPMENT ASSISTANCE (TITLE III)

1. Contains policy language reaffirming "new directions" for development aid, especially in the major fields of agriculture, rural development, and nutrition; population planning and health; and education and human resource development.
2. Permits the use of dollar receipts from previous aid loans to support the activities of the proposed International Fund for Agricultural Development, or other agriculturally related activities.
3. Directs that of the funds available for population and health under section 104, not less than 67 percent may be used for population planning.
4. Provides that assistance may be furnished to recipient countries to help them alleviate their energy problems, through a variety of means, including conservation, development of energy sources, data analysis, and pilot projects.

5. Authorizes the use of up to \$20 million in development assistance funds over 3 years for expansion of activities in the field of intermediate technology.

6. Permits the President to waive the cost-sharing requirement in the case of a project or activity in the least developed countries.

7. Earmarks \$20 million in development assistance funds for technical assistance for the development of cooperatives in the less developed countries.

8. Expresses the sense of Congress that the President, to the extent practicable, should increase the loan funds provided by the United States to multilateral lending institutions and other organizations in which the United States participates.

9. Sets new criteria for the issuance of housing guaranties, including a limitation on the face value of guaranties in any country to \$5 million in any fiscal year.

10. Creates a new title designed to enhance the participation of U.S. land-grant and other eligible educational institutions in the task of increasing food production in the less developed countries.

11. Permits the forgiveness of \$3 million liability by the Government of the Cape Verde Islands incurred through a loan from the United States.

COMMITTEE COMMENT

This bill—the International Development and Food Assistance Act of 1975—is legislation of consolidation and progress.

It consolidates the gains made in 1973 when the Congress passed a comprehensive reform of the foreign aid program.

In the ensuing 2 years the Agency for International Development has attempted to redirect its program to fulfill the congressional objectives—namely, to help solve the most pressing problems of the poor majority of people in poor countries.

Those attempts, while not in every case satisfactory, have nevertheless demonstrated some significant achievements and a good-faith effort on the part of AID officials.

With the benefit of 2 years' experience, the committee has sought in this bill to build on the foundations of the 1973 reforms in order to—

Give the Agency further guidance on carrying out the "New Directions" mandate;

Eliminate or reorient funding categories which represent more traditional approaches to development aid;

Integrate "New Directions" policy and techniques, where possible, into the overseas distribution aspects of the Public Law 480 food aid program; and

Provide the redirected development assistance program an identification of its own, apart from military assistance and short-range political aid.

In addition to its consolidating effects, this bill breaks new ground in the field of international assistance. Among the innovations it contains are—

An effort to harness the capabilities of America's land-grant and other agricultural universities to the job of getting the results of research to the developing-country small farmer.

A new title which gives clearer focus and a special source of funding for U.S. efforts to help the victims of disasters;

An emphasis on helping countries solve their energy problems, perhaps the most serious challenge to development and stability since World War II;

Authorization for an expanded effort to develop and disseminate "intermediate technology"—technology tailored to the needs and capabilities of the less-developed countries; and

The committee believes that this bill represents the kind of foreign assistance legislation that the American people will support.

Representatives of civic, church, and other groups interested in foreign assistance have been virtually unanimous in their approval of this proposal, both in their testimony and in statements filed with the committee.

(8)

Further, a recent public opinion poll by the Chicago Council on Foreign Relations, sampling attitudes throughout the country, found that a strong majority of people (79 percent) said they would favor giving economic aid if they could be sure that it ended up by helping the people of the poor countries.

This poll confirmed the findings of an earlier poll by Peter D. Hart Associates for the Overseas Development Council which showed that fully two-thirds of Americans favored the idea of a responsible, mutually beneficial development aid program.

Americans want to know that U.S. assistance is genuinely benefiting poor people.

That also has been the idea behind the "New Directions" strategy.

Since the congressionally inspired reforms of 1973, increasing amounts of foreign assistance have been focused *directly* on the needs of the poor—rather than "trickling down"—or not—to those at the bottom of the economic ladder.

For example:

In the Dominican Republic, tens of thousands of farmers with less than 5 acres of land under cultivation have, for the first time, become eligible for farm credit to buy needed inputs such as seed, fertilizer, and hand tools.

In Nepal, the incidence of malaria has been reduced through an AID program, from almost 2.5 cases per thousand in 1971, to 0.14 cases per thousand in 1975 in selected areas involving nearly 80 percent of Nepal's 11.5 million people.

In Kenya, the impact of an AID-supported maize breeding project has been felt, especially on small farms. Since 1963 use of the improved seeds has increased corn production by 50 percent, rendering Kenya self-sufficient in corn—86 percent of which is cultivated on small, family-size farms.

In Indonesia, as a result of the first 5 years of U.S. assisted efforts on the densely populated islands of Java and Bali, an estimated 2 million couples, about 14 percent of those eligible, are practicing family planning.

In Guatemala, a new approach to rural primary education which emphasizes practical experience and farming skills has increased test scores and reduced drop-out rates in 27 regional pilot schools. In the next 5 years the program will be extended through the entire rural school system.

In Pakistan, AID engineers have helped develop indigenous tools for land leveling and cultivation, an effort in intermediate technology which has created a business for a number of small rural manufacturers, has increased land-leveling operations, is improving the yields and economic return of the small farmer.

Despite such success stories, the challenge of development—as succeeding sections of this report will point out—remains a formidable one.

This legislation, however, is another forward step in helping recipient countries meet that challenge.

For that reason, we believe H.R. 9005 deserves the support of the American people and those they have chosen to represent them in the House of Representatives.

As a result of the 1973 "New Directions" reforms, those funds have been concentrated in three general areas:

- Agriculture, rural development, and nutrition;
- Population planning and health; and
- Education and human resource development.

Because of the importance of those areas to the concept of development, some consideration of each is valuable.

B. AGRICULTURE, RURAL DEVELOPMENT, AND NUTRITION

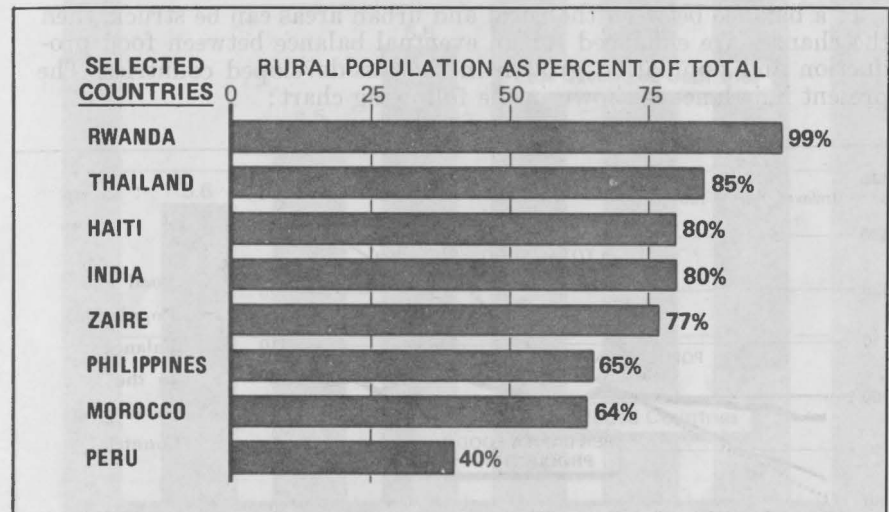
In recent years it has become apparent that the world is eating out of one pot.

Shortages of food anywhere drive up market prices and quickly make themselves felt in prices at the local supermarket.

It is clear now, as never before, that the American consumer and our Nation's economy have a vital stake in increasing the amount of food produced in the world.

That is one reason why the "New Directions" reforms have a major concentration on agriculture and rural development.

Furthermore, as the chart below shows, the population of most developing countries is predominantly rural:



In order to improve the quality of rural life in the less-developed countries, while at the same time increasing substantially the productive capacity of the average farmer, a variety of activities are required. Among them are—

Creation and strengthening of local institutions linked to the regional and national levels;

Organization of a system of financial institutions which provide both savings and credit services to the poor;

DEVELOPMENT ASSISTANCE

A. THE CHALLENGE OF DEVELOPMENT

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

An estimated 800 million persons in the developing world suffer from malnutrition.

For the poorest, life expectancy is almost 30 years less than in the United States.

Infant mortality is nearly four times higher than in the United States. One of every five children dies before the age of 5.

There is no regular access to health services for 85 percent of the people in less-developed nations.

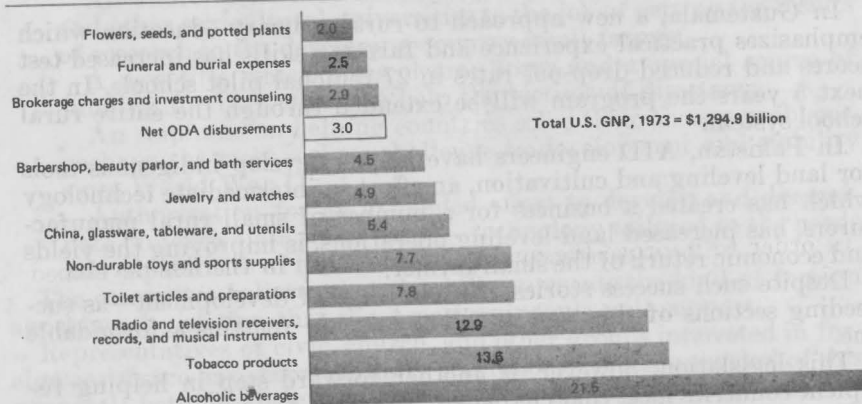
Current world population of 4 billion will double in 40 years if present growth rates continue. Population growth in the less-developed countries will account for 85 percent of that growth.

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

The total amount we spend in that effort, as the following chart shows, is roughly one-seventh what we Americans spend annually on alcoholic beverages and about one-fourth what we spend on tobacco products.

Selected U.S. Personal Consumption Expenditures and Net Overseas Development Assistance (ODA), 1973

[In billions of dollars]



Source: U.S. Department of Commerce, *Survey of Current Business*, Vol. 54, No. 7, July 1974, p. 24.

Stimulation of small, labor-intensive enterprises in rural towns;
Improvement of marketing facilities and systems;

Expansion of local or small-scale rural infrastructure and utilities such as farm-to-market roads, land improvement, energy and storage facilities;

More equitable and more secure land tenure arrangements; and

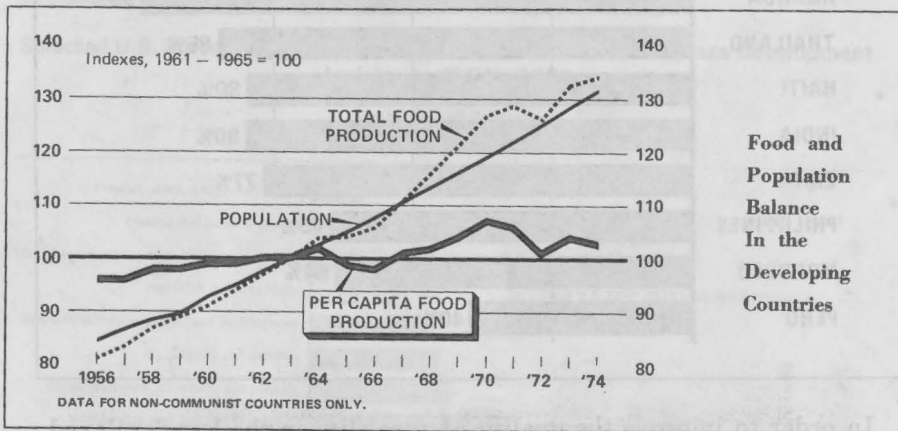
Systems to provide other services and supplies needed by farmers, such as extension, research, training, fertilizer, water, and improved seeds, in ways which assure access to them by small farmers.

The idea is to bring the farmer who may have only an acre or two under cultivation into a situation of productivity in which he cannot only feed his own family adequately, but have sufficient surplus to sell. He thereby can be a customer for the products and services of his rural market town and, beyond that, to the output of his nation's cities—without becoming part of the city.

As one witness told the committee:

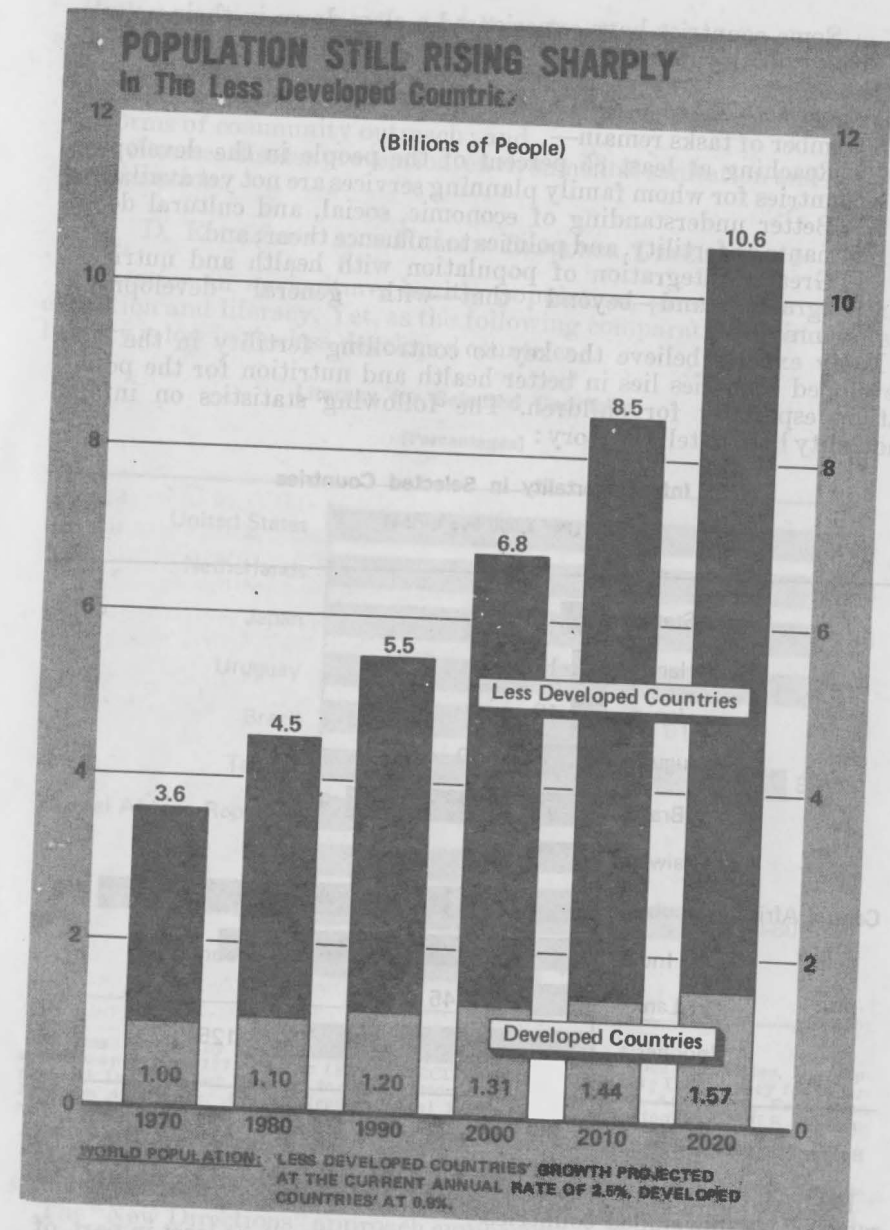
* * * Over a 10- or 15-year period the best way to help the urban poor is to staunch the flood of rural migrants into the cities, and that, therefore, if one is to have priorities, the priority really ought to be given to the rural poor * * *.

If a balance between the rural and urban areas can be struck, then the chances are enhanced for an eventual balance between food production and population growth in the less-developed countries. The present imbalance is shown in the following chart:



C. POPULATION PLANNING AND HEALTH

The problem of rapid population growth remains crucial to the future of the less-developed countries, as this chart attests:



Progress has been made, in some instances, as the result of United States efforts—

Consciousness of population issues among Third World leaders has been enhanced;

Countries with family planning programs have increased from 4 countries in 1963 to 34 in 1973;

Growth of other donor assistance has gone from \$7 million in 1969 to \$52 million in 1973; and

Some countries have experienced a slow-down in their population growth rates.

Despite gains, however, no one can rationally predict that the population growth problem will be licked in 10, or even 20 years.

A number of tasks remain—

Reaching at least 85 percent of the people in the developing countries for whom family planning services are not yet available;

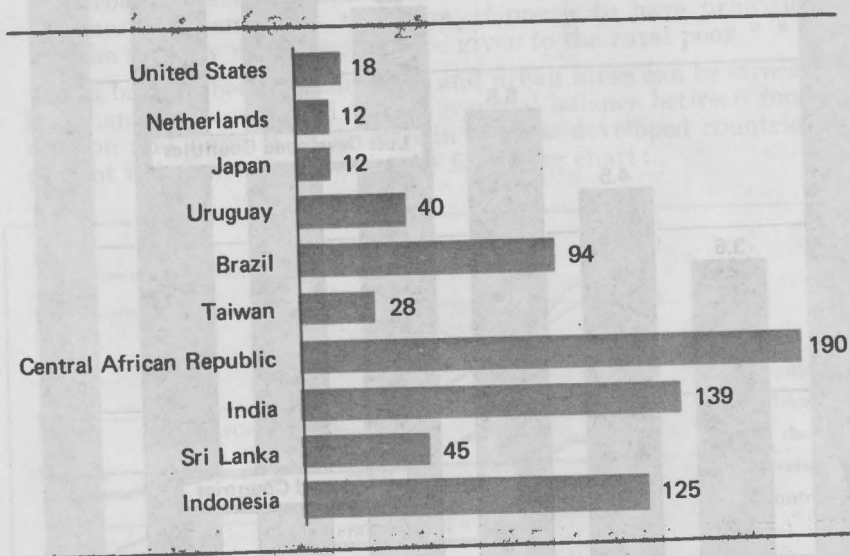
Better understanding of economic, social, and cultural determinants of fertility, and policies to influence them; and

Greater integration of population with health and nutrition programs, and—beyond that—with general development planning.

Many experts believe the key to controlling fertility in the less-developed countries lies in better health and nutrition for the population, especially for children. The following statistics on infant mortality help to tell the story:

Infant Mortality in Selected Countries

[Per 1,000 live births]



Source: Population Reference Bureau, "1975 World Population Data Sheet."

Desired family size has a direct correlation to population growth rates in less-developed countries.

In turn, desired family size appears to be a result, at least in part, of a couple's perception of how many of their children will live to maturity—to be a source of labor, comfort, and "social security."

Thus, paradoxically, insuring the survival of children, through better health care and nutrition, may be the best means of changing ideas on family size and reducing population growth rates.

Furthermore, bringing health care to millions in the LDC's is, in itself, a worthy objective.

But it cannot be done in the high-cost, curative modes of Western ty.

Rather, such programs should follow the "New Directions" strategy of health progress which—

Emphasizes preventive rather than curative medicine;

Uses paramedical and auxiliary medical personnel and other forms of community outreach; and

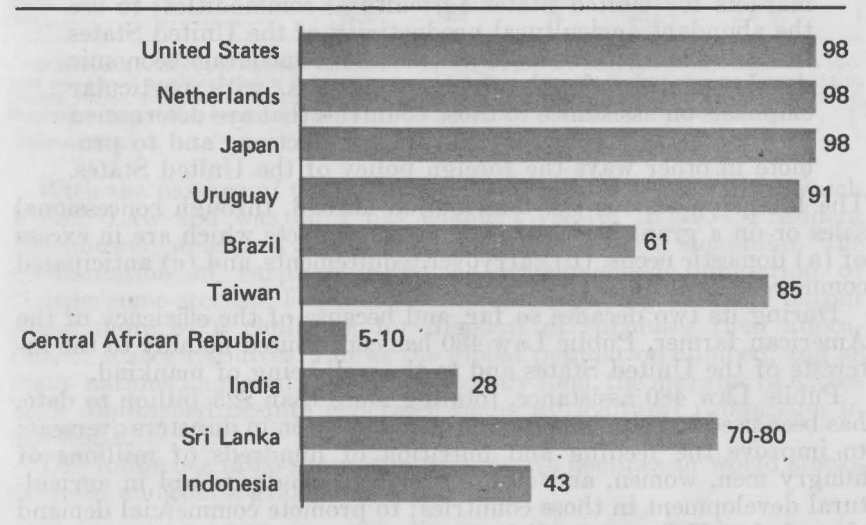
Stresses disease prevention, environmental sanitation and health education.

D. EDUCATION AND HUMAN RESOURCE DEVELOPMENT

Education in agriculture, health, population, presupposes general education and literacy. Yet, as the following comparative chart shows, literacy is low in the less-developed countries:

Literacy for Selected Countries

[Percentages]



Sources: Report by the Chairman of the Development Assistance Committee, *Development Co-operation, 1974 Review* (Paris: OECD, 1974), pp. 280-283; U.S. Agency for International Development, Bureau for Population and Humanitarian Assistance, *Population Program Assistance: Annual Report, Fiscal Year 1973* (Washington, D.C.: U.S. Government Printing Office, 1974), pp. 162-167.

Too often in the past, outside aid has been used to spread inadequate and inappropriate schooling to those who had never had it before.

The "New Directions" approach emphasizes, instead—

Expanding and improving nonformal educational methods, especially those designed to improve productive skills of rural families and the urban poor and to provide them with useful information;

Increasing the relevance of formal education systems to the needs of the poor, especially at the primary level, through reform of curricula, teaching materials and methods, and improved teacher training; and

Strengthening the management capabilities of institutions which enable the poor to participate in development.

FOOD-FOR-PEACE EXPORTS COMPARED WITH TOTAL U.S. AGRICULTURAL EXPORTS TO SOME DEVELOPING COUNTRIES SHOWING RAPID ECONOMIC GROWTH, 1959 AND 1973¹

[Dollar amounts in millions]

Country	1959			1973		
	Total agricultural exports	Food-for-peace exports	Food-for-peace exports as share of total (percent)	Total agricultural exports	Food-for-peace exports	Food-for-peace exports as share of total (percent)
Yugoslavia.....	\$110.6	\$109.4	99	\$90.8	0	0
Spain.....	127.1	125.4	99	386.8	0	0
India.....	250.9	246.8	98	138.0	\$57.9	42
China, Republic of (Taiwan).....	52.1	51.2	98	242.5	4.6	2
Poland.....	58.7	50.1	85	199.1	0	0
Greece.....	19.8	16.6	84	55.5	0	0
Brazil.....	37.0	30.9	84	127.7	9.2	7
Israel.....	49.3	40.9	83	144.9	50.5	35
Korea, Republic of.....	80.2	64.0	80	485.6	174.9	36
Chile.....	9.9	7.8	79	30.9	2.5	8
Egypt.....	35.6	25.8	72	83.3	.9	1
Morocco.....	10.3	7.2	71	36.7	13.0	35
Algeria.....	3.3	2.2	67	35.3	.2	1
Peru.....	19.5	10.4	54	92.4	3.8	4

¹ 37 developing nations which have been net food aid recipients in 1 year or another were net cash customers in 1973. They are: Algeria, Argentina, Austria, Brazil, Chile, Republic of China, Colombia, Cyprus, Dominican Republic, Egypt, Ethiopia, Finland, Ghana, Greece, Hungary, India, Iran, Iraq, Israel, Ivory Coast, Jordan, Kenya, Korea, Libya, Morocco, Mozambique, Peru, Poland, Portugal, Senegal, Sierra Leone, Somali, Spain, Sudan, Syria, Yugoslavia, and Zaire.

Source: USDA.

FOOD AID TO POOR COUNTRIES

Title II of this bill seeks to strengthen the humanitarian and self-help development role of American food aid to poor countries, and to increase the effectiveness of this major form of U.S. assistance, without impairing other purposes of the program. It does so by amending Public Law 480, the Agricultural Trade Development and Assistance Act of 1954, the authority for the Food-for-Peace program.

Public Law 480 is a unique and important statute which marries the bounty of American agriculture to various objectives of the United States abroad. Its stated purposes are—

to expand international trade; to develop and expand export markets for United States agricultural commodities; to use the abundant agricultural productivity of the United States to combat hunger and malnutrition and to encourage economic development in the developing countries, with particular emphasis on assistance to those countries that are determined to improve their own agricultural production; and to promote in other ways the foreign policy of the United States.

The law provides for the distribution abroad, through concessional sales or on a grant basis, of U.S. farm products which are in excess of (a) domestic needs, (b) carryover requirements, and (c) anticipated commercial exports.

During its two decades so far, and because of the efficiency of the American farmer, Public Law 480 has contributed notably to the interests of the United States and to the well-being of mankind.

Public Law 480 assistance, totaling more than \$25 billion to date, has been used to help fight famine and starvation in disasters overseas; to improve the feeding and nutrition of hundreds of millions of hungry men, women, and children in poor lands; to aid in agricultural development in those countries; to promote commercial demand abroad for U.S. commodities; and to serve U.S. foreign policy interests.

One illustration of its successes can be seen in the following table listing some 14 developing countries which received substantial Food-for-Peace aid in 1959 but by 1973 had become net cash customers for American farm products:

(16)

With the passage of time, however, the global context within which Public Law 480 was born has changed vastly. In 1954 President Eisenhower welcomed the new law as a means of stemming "the accumulation of surpluses" and he recommended liquidation of "burdensome stocks." For many years, America's agricultural output posed more of a challenge for disposal of surpluses than allocation of scarce resources. But as the global population climbed, and as many nations increased their ability to buy food, the margins of excess have diminished despite generally rising agricultural production in the world.

The following table shows the progressive declines in world stocks of wheat and coarse grains in recent years:

WORLD WHEAT AND COARSE GRAINS BEGINNING STOCKS

[In thousand metric tons]

Year	World	Major exporters ¹	United States
1960-61.....	169,106	127,838	103,683
1961-62.....	182,052	138,776	115,834
1962-63.....	155,410	115,912	101,654
1963-64.....	158,687	110,286	91,144
1964-65.....	153,820	108,790	87,586
1965-66.....	156,990	94,710	72,250
1966-67.....	121,242	69,875	53,243
1967-68.....	150,338	69,324	45,776
1968-69.....	162,336	84,446	59,097
1969-70.....	190,775	106,971	68,192
1970-71.....	167,993	112,745	68,714
1971-72.....	130,608	82,923	50,593
1972-73.....	148,796	94,534	68,516
1973-74.....	108,493	59,933	42,128
1974-75.....	110,452	47,435	27,110
1975-76.....	89,522	32,122	18,472

¹ United States, Canada, Australia, Argentina.

Source: USDA grain data base, April 1975.

At the same time, as the following table demonstrates, the proportion of Public Law 480 Food-for-Peace shipments to total agricultural exports has been dwindling:

PUBLIC LAW 480 SHIPMENTS COMPARED WITH TOTAL U.S. AGRICULTURAL EXPORTS, 1954-74
(Dollar amounts in millions)

Calendar year	Total Public Law 480 ¹	Total agricultural exports	Public Law 480 as a percent of total
1954 July to December.....	\$48	\$1,585	3
1955.....	505	3,199	16
1956.....	890	4,170	21
1957.....	974	4,506	22
1958.....	954	3,855	25
1959.....	875	3,955	22
1960.....	1,187	4,382	25
1961.....	1,123	5,024	22
1962.....	1,307	5,034	26
1963.....	1,472	5,584	26
1964.....	1,578	6,348	25
1965.....	1,304	6,229	21
1966.....	1,265	6,881	18
1967.....	1,217	6,380	19
1968.....	1,175	6,228	19
1969.....	1,021	5,936	17
1970.....	1,021	7,259	14
1971.....	932	7,693	13
1972.....	1,107	9,401	12
1973.....	750	17,680	4
1974 (preliminary).....	760	21,994	3

¹ Excludes Public Law 480 barter transactions since they are primarily commercial in character.

Source: USDA.

An unexpected combination of crop shortfall and sudden demand in 1972 accelerated concern over meeting shortages. This concern climaxed at the World Food Conference convened in Rome in November 1974. The Conference underlined the enormous challenge to the world of feeding mankind in the future.

Hunger is a stark reality among the poor today in many developing countries, wherein lives the bulk of the global population. Hundreds of millions of people in these lands do not get enough to eat. The gap between food production and needs of the rising populations in these countries is growing. The Food and Agriculture Organization (FAO) estimates their grain deficits could rise to 85 million tons by 1985, more than double the present gap.

Clearly, food aid alone can go only part way toward filling this gap. The Public Law 480 program for fiscal year 1976 is about 5.5 million tons. Other donors are contributing food aid also. Such assistance is necessary for its immediate benefits, and the need will continue for years to come; but the long-term solution lies in increasing agricultural production by the developing countries themselves—and in their means to purchase imports.

It is for this reason that the committee seeks to accentuate and give more effectiveness both to Public Law 480's purpose "to combat hunger and malnutrition" and to its goal of encouraging "economic development in the developing countries, with particular emphasis on assistance to those countries that are determined to improve their own agricultural production."

Various provisions in title II of this bill are directed to these goals by giving added articulation to the policy purposes of the Food-for-

Peace program, by setting mandates and guidelines concerning allocation of commodities distributed overseas, and by providing for closer integration with Foreign Assistance Act programs which also devote U.S. resources to the challenge of meeting the food needs of poor countries.

Policies such as the 30 percent limitation on food aid used for political purposes, expressed in the 1974 Foreign Assistance Act, would be continued and strengthened by amendment to Public Law 480; continuity of supplies to private voluntary organizations distributing Public Law 480 food abroad for humanitarian programs would be assured; added incentives would be provided for programs directed to increasing the productivity of small farmers, who comprise the great majority of rural populations in poor countries.

In proposing these amendments, which are directed to foreign affairs and overseas distribution aspects of Public Law 480, the committee is not attempting an extensive overhaul of the law. It recognizes the valuable service which the law has and will continue to perform. It also is not precluding consideration of additional international food-related legislation later this session. The Subcommittee on International Resources, Food, and Energy has held hearings during which recommendations have been made for U.S. food policy. Additionally, several related bills have been referred to the subcommittee which will continue its study of this critical matter.

The committee has kept in mind, in addressing proposed amendments to Public Law 480, that its jurisdiction over this legislation extends to its foreign policy and overseas distribution aspects while the Committee on Agriculture retains jurisdiction over its domestic aspects. In awareness that the interests of the two committees may converge and possibly overlap in some areas, the committee has endeavored to maintain close and cooperative consultation between the two committees. They appreciate the reciprocity shown in this connection by Chairman Foley and various members and staff of the Agriculture Committee. This bill incorporates some suggestions received from the Agriculture Committee.

The Committee received the following letter from the Chairman of the Committee on Agriculture:

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D.C., August 1, 1975.

MY DEAR MR. CHAIRMAN: H.R. 9005, reported by the Committee on International Relations, contains two provisions which relate to matters within the jurisdiction of the House Committee on Agriculture.

One is section 212, a provision which calls for an international agreement on a system of international food reserves to meet food shortage emergencies with costs to be shared among nations and with farmers and consumers to be given firm safeguards against market price disruption from such a system. This provision has consequences upon domestic agricultural legislation which is under the jurisdiction of this Committee.

Another provision is contained in Title XII which calls for assistance to land grant colleges and other agricultural institutions in the United States to enable them to carry out programs overseas in co-

operation with agricultural institutions and research centers. This provision relates to agricultural colleges and experiment stations, agricultural economics and research and agriculture generally which are matters under the jurisdiction of the Committee.

I had considered asking for joint or sequential referral of H.R. 9005, but I was advised that this might delay consideration of the bill by the House. Having a desire not to interfere with expeditious consideration of H.R. 9005, I decided not to insist on referral of the bill to the Committee on Agriculture, but I reserve the right to claim jurisdiction over the matters discussed above in the future. This action is also without prejudice to my offering perfecting amendments to either of these provisions on the Floor.

With kindest regards, I am,
Sincerely,

THOMAS S. FOLEY, *Chairman.*

It is the Committee's intent that the actions of the Committee on the bill do not derogate from the jurisdiction of the Committee on Agriculture on matters discussed in the letter of Mr. Foley.

The bill undertakes revisions in foreign affairs and overseas distribution aspects of Public Law 480 with a view to updating the Food-for-Peace program in the light of changed circumstances. The revisions reflect many recommendations the committee has received for improvements.

In its actions the committee is particularly conscious of the importance of food aid as dealing with man's most fundamental need, and of the importance of U.S. policy in a world in which the United States provides half of all food in international trade.

The committee sees the relative plenty of America's farm production as a blessing, rather than as a burden. And it desires a most careful tailoring of our food aid programs to make the most of a precious resource.

INTERNATIONAL DISASTER ASSISTANCE

By tradition, the American people have responded with generosity to the victims of natural and other disasters.

This characteristic has been reflected in the Congress, which has provided funds on many occasions for relief and rehabilitation efforts in the wake of earthquakes, floods, droughts, storms, and other calamities.

In recent years there have been increasing numbers of such disasters and a heightening human toll. The public and private response to them from the United States has been most generous, as the following table shows:

(21)

FISCAL YEAR 1975: REPORTED FOREIGN DISASTER STATISTICS AND EMERGENCY RELIEF EXPENDITURES

Country and disaster	Killed	Total reported victims	Famine or disaster relief funds	Other aid funds	Other government funds	Value of Public Law 480 food		Volags, other U.S. assistance	Total U.S. assistance
						To governments or to World Food Program	Through volags		
AFRICA									
Malagasy floods.....		5,000	\$20					\$15	\$35
Mauritius cyclone.....	9	826,199	300					9	309
Mozambique civil strife.....	90	25,000	25						25
Mozambique floods.....		75,000	250					1	27
Niger floods.....		16,000	26				\$1,336	33	1,394
Rwanda floods.....		1,900,000	25	1,725	\$3,000	\$7,065			10,790
Somalia drought ¹		2,000,000		169,675		20,083			89,768
Sahel drought ²				18,600		915			9,515
Ethiopia drought ³									
Africa subtotal.....			646	79,000	3,000	28,073	1,336	58	112,113
NEAR EAST-SOUTH ASIA									
Bangladesh floods.....	27,500	36,000,000	2,987		10,000	33,000		190	46,177
Pakistan earthquake.....	4,700	30,000	24					30	54
Yemen army worm.....			23						23
Near East-South Asia subtotal.....			3,034		10,000	33,000		220	46,254
EAST ASIA									
Australia cyclone.....	65	45,000	184					5	189
Burma floods.....		1,400,000	338						338
Fiji hurricane.....		23,000	50						50
Philippines floods.....		1,200,000	175				79	105	359
Thailand floods.....	239	620,256	152					2	154
East Asia subtotal.....			899				79	112	1,090
EUROPE									
Cyprus civil strife.....				25,000					25,000
Iceland volcano ⁴			17						17
Portugal fire.....	10	280	10						10
Europe subtotal.....			27	25,000					25,027
LATIN AMERICA									
Belize hurricane.....		70,000	4				2,261	5	2,270
Brazil floods.....	205	325,000	25				17	35	77
Chile floods.....	32	40,000	273				17		290
Colombia floods.....	300		20						20
Haiti drought.....		507,000	173				674	840	1,687
Honduras hurricane.....	8,000	600,000	1,697	19,000	115	5,620	2,289	12,216	40,937
Peru earthquake.....	78	47,452	13				2		15
Trinidad floods.....	2	50,000	5						5
Latin America, subtotal.....			2,210	19,000	115	5,620	5,260	13,096	45,301
Grand total.....			6,816	123,000	13,115	66,693	6,675	13,486	229,785

¹ Special appropriation, funded from disaster relief assistance account.

² Value of civil defense biscuits.

³ Disaster continued from previous year.

⁴ Special appropriation included in famine and disaster relief appropriation.

⁵ \$4,000,000 reconstruction grant special congressional authorization use development assistance funds. \$15,000,000 reconstruction grant special congressional authorization use development assistance funds.

⁶ DOD—Civil Air Patrol flights.

The situation, however, requires a more coordinated and unified effort, in order to achieve humanitarian purposes, including:

More insight and research into the prevention of future disasters;

Better preparedness when disasters do strike;

Improved coordination for disaster aid within the U.S. Government, between the Government and private voluntary agencies, and between the United States and other international donors;

More rational financing of disaster relief assistance.

All of these objectives would be advanced through the changes proposed in title I of this bill—"International Disaster Assistance."

TITLE XII—FAMINE PREVENTION

A major feature of the bill is the addition to the Foreign Assistance Act of a new Title XII—Famine Prevention and Freedom From Hunger.

This new authority is designed to enlist fuller and more effective use of one of America's great resources—its land-grant and similar agricultural colleges and universities—in meeting the challenge of increasing food supplies for the growing populations of developing countries.

The new title XII recognizes the large contribution that land-grant and other U.S. universities have made over the years toward making American farm production the envy of the world. It sees also that in a world of rising populations with rising expectations, increased food production and improved distribution, storage, and marketing in developing countries are needed both to prevent hunger and to build an economic base for growth, with greatest benefit to the poorest majorities.

These American universities long have shown their ability and interest in stimulating food production abroad, in cooperation with foreign agricultural institutions. But to maintain and increase such activities, the universities need dependable, long-term Federal funding.

The new title XII thus seeks, through Foreign Assistance Act funding, to strengthen the capabilities of land-grant and similar U.S. universities to help improve farm production in developing countries. It will promote the building of agricultural institutions and programs in poor countries which foster research and teaching and conveying agricultural information directly to farmers in the field. It will support long-term collaborative university research and the international agricultural research centers and specific research projects, and involve universities more fully in the international network of agricultural science. And it will accord a stronger, statutory role to the U.S. universities in assisting the Agency for International Development in these programs.

The general authority under title XII is vested in the President, who shall exercise it through the Administrator of AID. To assist in its administration, there is established a new, permanent Board for International Agricultural Development.

The Board will be a focal point for the increased U.S. university role in this area of foreign assistance. The Board is given broad responsibilities and duties in assisting the Administration. It will be composed of seven Presidentially appointed members, of whom at least four shall be from eligible universities and one shall be from a non-land-grant university.

Two subordinate units of the Board are also provided for: a Joint Research Committee, and a Joint Committee on Country Programs.

Eligibility for participation under the title includes both land-grant universities and other U.S. universities with demonstrable capacity in teaching, research, and extension work in agricultural sciences, and which can contribute effectively to the objectives of the title.

Various funding restrictions of the Foreign Assistance Act are waived for purposes of title XII to aid in its successful implementation over a long term. There is no specific level of authorization, the funding being derived from the amounts for section 103 (Food and Nutrition) of the act. However, the initial title XII expenditures are expected to be relatively small, and to increase rather slowly, because of the gradual nature of the institution-building process.

The committee intends that the assistance to U.S. universities to strengthen their capabilities for helping to increase agricultural production in developing countries will relate only to their overseas development responsibility, and will be limited to instances where university capacity is clearly lacking and is clearly required for the purposes of this title. Title XII aid to universities is not to be deemed as an end in itself. Foreign assistance funds are too limited to promote a large-scale effort to build U.S. university capacities which are only indirectly related to the objectives of the "New Directions" program. The committee intends that to the maximum extent possible, title XII funds will be spent in the recipient countries.

The committee also recognizes that American-style agricultural techniques usually cannot be directly transplanted to foreign countries, but must be adapted to local circumstances. This recognition is reflected in the new title. However, the committee believes that the education of farmers is a worthy goal and a good investment in each developing country. It also believes that a great virtue of promoting adequate agricultural educational institutions and systems in developing countries is that these mechanisms are relevant to indigenous needs and will remain able to deal not only with one specific agricultural problem, but also with future problems as they arise in this area.

The committee stresses the benefits to American farmers and consumers that can result from U.S. university collaboration with foreign universities. For example, the genetic materials for a new rust resistant winter wheat variety developed at an American university originated from materials imported from Brazil.

The new title XII was originally introduced this session by Congressman Findley as a separate bill with about 100 cosponsoring members. Mr. Findley, as a member of the committee, offered a similar measure including some suggested revisions as a section of this bill, and it was adopted.

The committee has received strong support for this proposal in testimony from representatives of the American agricultural university community and from AID.

PRIVATE INSTITUTIONS AND VOLUNTARY ORGANIZATIONS

The committee continues to endorse strongly the policy adopted in 1973 foreign aid reforms that "U.S. cooperation in development should be carried out to the maximum extent possible through the private sector, including those institutions which already have ties in the developing areas, such as educational institutions, cooperatives, credit unions, and voluntary agencies."

Pursuant to that objective, the committee has included in this legislation a number of provisions directly aimed at assisting and enhancing the work of private institutions and voluntary organizations. Among them are:

An earmarking of \$20 million for development of cooperatives in the less-developed countries;

Establishment of a minimum amount title II food commodities in order to assure long-term continuity of supplies for distribution programs of the private and voluntary organizations (PVO's).

Creation of a new title XII designed to enlist more fully American universities with capabilities in agriculture in the work of rural development in poor countries; and

Authorization of a new program of "intermediate technology" appropriate to less-developed countries to be carried out through the private sector.

In the context of its desire to see greater use made of private entities in AID's programs, the committee noted with appreciation the humanitarian work overseas of American private and voluntary organizations. During the past year, the planning and management skills of some of these agencies have been assisted by AID through a new program of development program grants. Similarly, the overseas programs in food production and nutrition, population planning and health, and education and human resources development of some of these agencies have been expanded through operational program grants. The committee heard testimony from PVO's on the need to expand further their overseas programs. The Agency confirmed that it may not have budgeted sufficient funds to cover PVO requests for operational program grants in fiscal year 1976.

Rather than consider an amendment which would mandate AID to make available for operations purposes the sum of \$10 million in addition to its budgeted request, the committee agreed that its report should reflect a request that the Agency make available for this purpose from other funds available to it the maximum possible amount above its fiscal year 1976 request, and that AID should strive for a level of \$25 million for this purpose in fiscal year 1977.

It should be noted no separate funding resource exists within AID for the exclusive funding of operational program grants to PVO's. As a result, the organizations compete for such funds with projects submitted from a variety of sources, including U.S. Government departments and agencies, developing country governments, universities and foundations, and private consulting firms. AID, in moving to honor the committee's request, may need to take internal administrative steps to assure that more funds will in fact become available for operational program grants in the coming 2 years from permissible accounts within the Agency. Should the amount of funds ultimately made available by the Congress for fiscal year 1976 be somewhat less than the congressional presentation requests, we would urge that high priority be given to insuring the availability of funds for this purpose.

While a higher dollar figure for operational program grants for fiscal year 1976 has not been stipulated by the committee, a target level of \$25 million in fiscal year 1977 has been indicated. This is designed to provide for the orderly but rapid expansion of private and voluntary organization programs desired by AID, the committee, and the private and voluntary organizations themselves. It is intended to help accelerate the fulfillment of the mandate of the Foreign Assistance Act of 1973 toward a broader partnership between AID and the private agencies in their humanitarian work overseas.

This year the committee also heard testimony from the National Association of the Partners of the Alliance, Inc. (NAPA), a voluntary organization operating in Latin America. The committee is aware of the activities undertaken by NAPA in providing development assistance on a voluntary and people-to-people basis. In providing the services of voluntary technicians through the vehicle of partnerships between groups in the various United States and geographical areas in Latin America, NAPA serves the interests of both the United States and Latin America. The committee notes that the value of the goods and services provided by NAPA's volunteers greatly exceeds the amount of funds provided by AID for support of NAPA's program. The committee is concerned that the funding proposed in the amount of \$250,000 for fiscal year 1976 for support for NAPA's program is inadequate. Because NAPA has demonstrated its effectiveness in Latin America, and has pledged itself to "New Directions" goals, the committee believes that AID support for NAPA's program should be substantially increased for fiscal year 1976 over the level budgeted. Furthermore, the committee is concerned that proposed termination of AID assistance to NAPA after 1976 is premature. To terminate assistance could well mean the death of the program. The committee emphasizes that the value of NAPA's program is such that AID support of NAPA should be continued beyond 1976.

(12)

HUMAN RIGHTS

During the course of the hearings and consideration of this bill, several members expressed concern over the levels of economic and food aid to certain countries which engage in a consistent pattern of gross violations of internationally recognized human rights. It was agreed that further study should be made of precisely how economic and food aid to these countries was implemented in order to determine whether the aid had the primary purpose of bolstering a particular government or of helping poor people in need of assistance.

(29)

The report on the Foreign Assistance Act of 1974, the committee called on AID to report on implementation of the Foreign Assistance Act of 1974. The AID Administrator responded to the committee's request in a report which has been published as a committee print. The report was issued in 1975 under the title "Implementation of New Directives in Development Assistance." The report sets forth in considerable detail AID's views and actions taken concerning the report. The committee in the future in order to provide the committee and the Congress with more reliable indicators of the impact of AID projects in terms of the new directives, the committee urges AID to include in its reports, in accordance with the provisions of section 221A of the Foreign Assistance Act of 1974, a study to analyze in advance the economic benefits which each project is intended to achieve. It includes data on projected gross output as well as projected employment and on projected gross output as well as projected employment of the program. The committee notes that the value of the goods and services provided by NAPA's volunteers greatly exceeds the amount of funds provided by AID for support of NAPA's program. The committee is concerned that the funding proposed in the amount of \$250,000 for fiscal year 1976 for support for NAPA's program is inadequate. Because NAPA has demonstrated its effectiveness in Latin America, and has pledged itself to "New Directions" goals, the committee believes that AID support for NAPA's program should be substantially increased for fiscal year 1976 over the level budgeted. Furthermore, the committee is concerned that proposed termination of AID assistance to NAPA after 1976 is premature. To terminate assistance could well mean the death of the program. The committee emphasizes that the value of NAPA's program is such that AID support of NAPA should be continued beyond 1976.

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IMPLEMENTATION OF DEVELOPMENT ASSISTANCE REFORMS

In the Foreign Assistance Act of 1973, the Congress enacted far-reaching reforms in the purposes and operation of development assistance programs carried out by AID. Although initially slow in responding to the legislation, AID has recently picked up the pace of implementation and can now be said to have made an effective start in turning its programs in the "New Directions" embodied in the 1973 act, and reaffirmed in this bill.

In its report on the Foreign Assistance Act of 1974, the committee called on AID to report on implementation of the reforms. On July 3, 1975, the AID Administrator transmitted to Chairman Morgan a report which has been published as a committee print dated July 22, 1975, under the title "Implementation of 'New Directions' in Development Assistance". The report sets forth in considerable detail AID's views and actions taken concerning the reforms.

In order to provide the committee and the Congress in the future with more reliable indicators of the impact of AID projects in terms of the new directions, the committee urges AID to increase its efforts, (in accordance with the provisions of section 621A of the Foreign Assistance Act of 1961) to analyze in advance the specific accomplishments which each project is intended to achieve, to include data on projected project outputs as well as project inputs in its program presentation material submitted to the Congress, and (for ongoing projects) to show actual results achieved and comparisons of the actual results with the original or intermediate projections. The committee does not want to underestimate or ignore factors in the success of projects which are difficult or impossible to quantify, but believes that more precise indications of project outputs, quantified where possible, would enable the Congress to assess more realistically the accomplishments of the AID program and the degree to which the Executive is complying with the intent of the Congress in enacting the reforms.

(30)

OPERATING EXPENSES

The original executive branch request for foreign assistance was submitted to the Congress with operating expenses included as part of AID program accounts. However, following discussion between AID and the Senate Appropriations Subcommittee on Foreign Operations during markup of the Foreign Assistance and Related Programs Appropriation Act for fiscal year 1975, in March of this year, the executive branch agreed to submit a budget amendment breaking the Agency's operating expenses out of each substantive program account and putting them into a single line item. The President's proposed Foreign Assistance Act of 1975 and AID's program presentation materials transmitted to the Congress were consistent with this proposed budget revision.

However, the committee included operating expenses in the various program accounts, in accordance with the original budget request, rather than breaking operating expenses out as a separate line item, as now proposed. There are several reasons for the committee's action:

(1) The committee does not believe that operating expenses should be handled as a line item without regard to the level of each of the programs being carried out by AID, but should be incorporated into each funding category and should reflect the level of funding and level of program activity of that particular category. The committee prefers an arrangement which forces competition for funds between direct costs of a program and the expenses of operating that program, and which permits adjustments—e.g., reduction in operating costs due to elimination of programs in Indochina—as changing program requirements dictate.

(2) There are ways of exercising control over operating costs which are more effective than reductions in funds authorized and appropriated for that purpose. The committee has exercised its oversight over AID to provide the Agency with guidance in the area of operating expenses and personnel costs, and the Agency has responded to congressional and other factors by reducing its personnel by over 7,000 direct-hire employees over the 4-year period from June 30, 1971 through June 30, 1975. For additional discussion of personnel actions and reductions, see the section "AID Personnel Adjustments."

These and other AID actions in streamlining the Agency and improving management efficiency indicate that AID has been responsive to congressional concern and congressional oversight. While oversight continues effective, the committee believes it is unnecessary to force AID, not simply to determine but to lock in, months before the beginning of a fiscal year, allocations for operating expenses for activities which are primarily program-oriented—especially when proposed programs must be substan-

(31)

tially reshaped as a result of large cuts in requested appropriations made after the middle of the fiscal year, and when the programs are carried out in several dozen countries under constantly changing and essentially unpredictable circumstances.

AID has provided the Congress in the past with detailed information on its operating expenses, and the committee fully expects this practice to continue, no matter how the funds for operating expenses are handled legislatively. The committee believes this arrangement is sufficient to exercise control over AID's operating expenses budget.

(3) The fact that this bill contains only part of AID's programs (development and related assistance) and that authorization levels for other programs administered by AID—notably security supporting assistance for countries in the Middle East—have not yet been determined or submitted to the Congress, also militated against a single line item for all AID operating expenses.

AID PERSONNEL REDUCTIONS

In accord with the direction provided by the Committee on International Relations in the Foreign Assistance Act of 1973 and in subsequent expressions of intent, the Agency for International Development has achieved substantial progress in adjusting its staff resources. These actions should give AID a firmer base from which to tailor its staff to the requirements of the "New Directions."

More specifically, the Agency has:

- Imposed a selective freeze on promotions of Foreign Service personnel;

- Continued a selective freeze on external recruitment;

- Significantly reduced manpower ceilings for both fiscal year 1975 and fiscal year 1976;

- Obtained special "early out" retirement authority;

- Created a special Retirement Task Force to assist potential retirees;

- Reduced substantially the Foreign Service reassignment complement;

- Completed a Civil Service classification survey, resulting in 202 positions being downgraded;

- Updated position descriptions;

- Introduced cyclical classification reviews of all positions and tighter controls on organizational structure; and

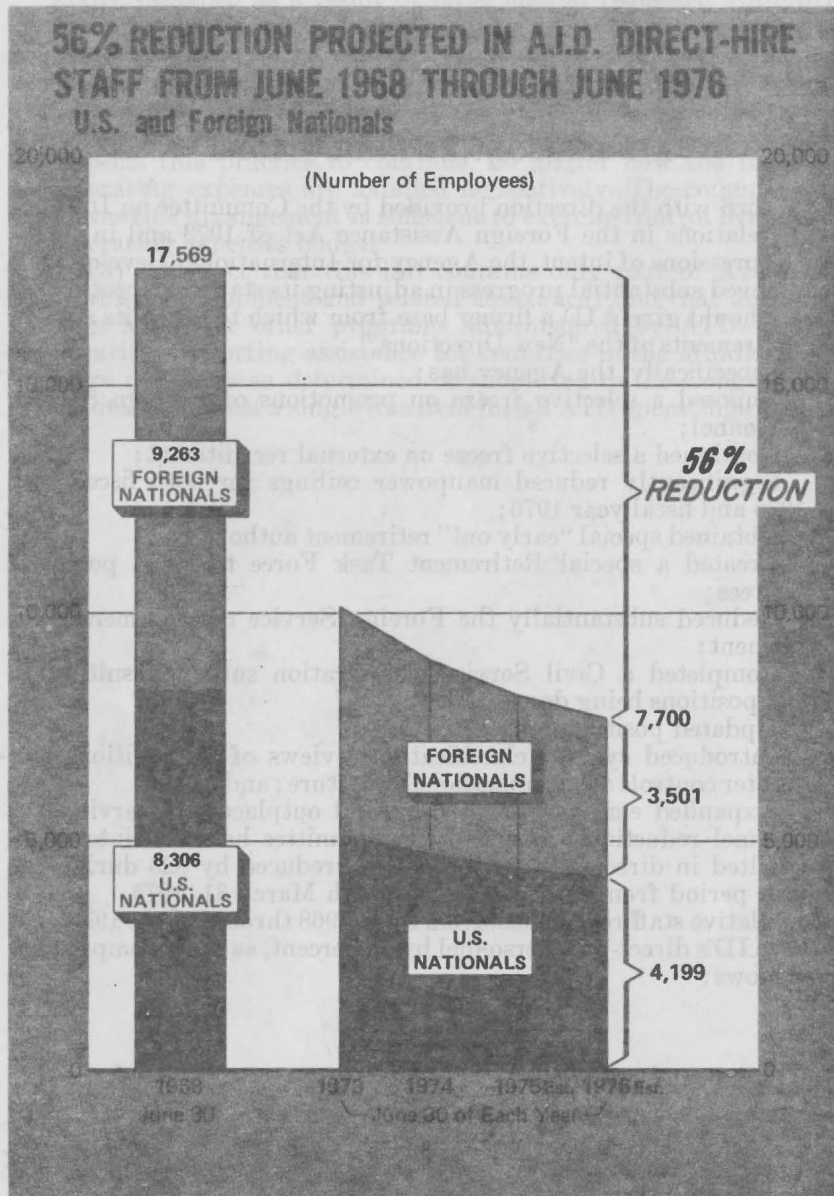
- Expanded employee counseling and outplacement services.

Personnel reductions, in which the committee has been interested, has resulted in direct-hire strength being reduced by 823 during the 9-month period from July 1, 1974, through March 31, 1975.

Cumulative staff reductions, from June 1968 through June 1976, will reduce AID's direct-hire personnel by 56 percent, as the accompanying chart shows:

(33)

The committee commends AID for its speed and effectiveness in trimming the size of the Agency. One of the major objectives of the 1973 reforms was to reduce the AID bureaucracy, both in Washington and abroad, in order to make a larger portion of shrinking development aid appropriations available for helping poor people abroad. AID has carried out this mandate in an effective manner.



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To meet the congressional mandate for greater emphasis on these functional programs and on the most severely affected countries, and to minimize political pressures for assistance on other grounds, strong professional staff from a variety of appropriate disciplines is needed within AID's development assistance programs. AID is urged to recruit and retain a high caliber of professionally qualified personnel for these programs.

TITLE II—FOOD AID TO POOR COUNTRIES

Section 201—Policy

This section adds three subparagraphs to the general policy statement (section 2) which follows the enacting clause of Public Law 480, the Agricultural Trade Development Assistance Act of 1954, as amended. It states that in furnishing food aid under the act the President shall (1) give priority consideration in meeting urgent food needs abroad to those countries most seriously affected by food shortages, (2) continue to urge other donor countries to increase their participation in efforts to address food needs of the developing world, and (3) relate U.S. assistance to self-help by the aid receiving countries, with emphasis on development of labor-intensive, small-farm agriculture.

In subparagraph (1) the term "most seriously affected" has a connotation similar to that set forth in more detail in section 207 of the bill. In applying priority consideration, the President must take into account domestic price and supply situations.

Subparagraph (2) is meant to apply both to countries which in the past have contributed food, fertilizer, or financial assistance in this respect to the developing world, and to countries with new affluence such as the oil-exporting nations.

Subparagraph (3) adds emphasis on development of labor-intensive, small-farm agriculture similar to that applied to Foreign Assistance Act programs related to agricultural production.

Section 202—World Food Conference target

This section adds a new section 3 to Public Law 480. Referring to the World Food Conference recommendation that donor countries provide a total of at least 10 million tons of food assistance annually, it urges the President to maintain a significant U.S. contribution to this target and to encourage other countries to maintain and increase their contributions as well.

Resolution XVIII adopted by the World Food Conference at Rome in November 1974 includes the following recommendation: "that all donor countries accept and implement the concept of forward planning of food aid, make all efforts to provide commodities and/or financial assistance that will ensure in physical terms at least 10 million tons of grains as food aid a year, starting from 1975, and also to provide adequate quantities of other food commodities."

Section 203—Exercise of authorities

This section amends section 103 of Public Law 480 in three respects:

1. Subsection 103(a) is amended to require the President, in exercising his title I authority, to take into account self-help efforts aimed at increasing agricultural production through labor-intensive, small-farm agriculture, as well as self-help efforts to reduce population growth rates.

SECTION-BY-SECTION ANALYSIS

TITLE I—INTERNATIONAL DISASTER RELIEF

Section 101—International disaster assistance

This section consolidates for the first time within the Foreign Assistance Act of 1961, as amended, provisions dealing with disaster relief and assistance, and provides an authorization of appropriations for that purpose.

The section creates three new sections of the act:

Section 491—Policy and general authority

This new section expresses the view of Congress that prompt U.S. assistance to the victims of natural and manmade disasters is an important expression of the humanitarian concern and tradition of the American people, and affirms the willingness of the United States to provide such assistance.

Section 492—Authorization

This new section provides an authorization of appropriations of \$25 million for disaster relief assistance for each of fiscal years 1976 and 1977. It also calls for quarterly reports to the Congress on the programming and obligations of funds under the section.

Section 493—Disaster assistance: Coordination

This new section authorizes the President to appoint a Special Coordinator for International Disaster Assistance whose responsibility would be to promote the maximum effectiveness and coordination in response to foreign disasters by U.S. agencies and between the United States and other donors. Included among the Coordinator's duties are to be the formulation and updating of contingency plans for providing disaster relief.

This provision merely puts a legal underpinning to a previous designation by the President that the Director of the Agency for International Development should act in the role of relief coordinator.

In recent years the committee has undertaken a number of staff studies of the U.S. response to disaster situations in such countries as Peru, Pakistan, Nicaragua, and Honduras. All point to the need for improved coordination among U.S. agencies, and among contributor countries and organizations.

2. Subsection 103(b) is amended to include reference to section 106 (b) (2) of Public Law 480 [see section 205(3) below] in the proviso in section 103(b). This permits foreign currency proceeds from sales under title I which are used for the specified purposes of section 106 (b) (2) to be considered as advance payment of title I credits in accordance with agreements between the United States and the foreign government.

3. The second proviso of subsection 103(d) is deleted. It provides for a waiver under specified circumstances of the prohibition on title I sales to countries which sell or furnish goods to, or permit their ships to carry goods to or from, Cuba or North Vietnam. In lieu of this proviso there is inserted a general national interest waiver authority of the same type now applicable to assistance under the Foreign Assistance Act of 1961.

Section 204—Foreign currencies from overseas sales

This section amends section 104 of Public Law 480:

1. By adding the House Committee on International Relations to the House Committee on Agriculture in those instances in which the House Committee on Agriculture is named in section 104, relating to executive branch reporting requirements. This amendment is pursuant to the jurisdictional responsibility of the House Committee on International Relations which commenced with the 94th Congress.

2. By repealing subsection (c), which provides for the use of local currency proceeds to procure equipment, materials, facilities, and services for the common defense including internal security. Subsection (c) already has been repealed in effect by section 40 of the Foreign Assistance Act of 1973.

Section 205—Use by foreign countries of proceeds of sales of agricultural commodities

This provision amends section 106(b) of Public Law 480 in two respects.

First, it requires the United States, in negotiating agreements with countries receiving Public Law 480, title I, agricultural commodities, to emphasize the use of the foreign currency proceeds from the sale of those commodities for the same general purpose set forth in section 102(b) (5) of the Foreign Assistance Act of 1961, namely, for activities which directly improve the lives of the poorest of their people and their capacity to participate in the development of their countries.

Second, the provision specifies that greatest emphasis shall be placed on the use of foreign currency proceeds from sales under Public Law 480, title I, for agricultural and rural development and nutrition, but only in accordance with the provisions of section 103 of the Foreign Assistance Act, which authorizes assistance in those fields, and only in those countries undertaking self-help measures in agricultural production and population control.

The committee recognizes the need in the usual case for incentives beyond the sale of U.S. agricultural commodities on a dollar-repayable credit basis in order for countries to agree to use additional currencies which they own (and appropriately consider to be part of their budget) for specified activities of particular interest to the United States. It

is largely the absence of such incentives which has prevented existing self-help provisions in Public Law 480, including those dealing with the use of title I sales proceeds, from being very effective in spurring agricultural development in countries receiving Public Law 480 commodities. Therefore, the committee (in section 203(2) of this bill) has amended section 103(b) of Public Law 480 to permit sales proceeds used for such specified activities to be the subject of agreements between the United States and the recipient country providing that payment for such purposes may be considered an advance payment of the equivalent amount owed to the United States under the title I agreement. This provision could not be used to alter the terms of existing title I agreements, but would apply only to new agreements.

The committee is conscious of the view that the provision of food under Public Law 480 has in some cases tended to act as a disincentive to increases in the recipient countries' own food production capabilities. This provision should counteract that tendency by helping to make the Public Law 480 program a positive incentive to greater food production in those selected countries which meet the criteria and conditions established in this section.

Section 206—Sales agreements with developing countries

This section amends section 109(a) of Public Law 480. It adds a requirement that, in considering self-help measures by developing countries before entering into title I sales agreements with these countries, the President shall take into particular account the extent to which such measures are being carried out so as to contribute directly to development progress in poor rural areas and to enable the poor to participate actively in increased production through small-farm agriculture.

Section 207—Assistance to most seriously affected countries

This section adds a new section 111 at the end of title I of Public Law 480. It requires that not more than 30 percent of food aid under Public Law 480 title I shall be allocated to countries other than those most seriously affected by inability to obtain enough food for their immediate requirements through domestic production or commercial purchase from abroad. The President may waive the percentage limitation if he certifies to Congress that such use of food assistance is required for humanitarian food purposes.

In that event, such food assistance may be provided if neither House of Congress disapproves by resolution within 30 calendar days after the certification. In determining which countries are most seriously affected, the President shall be guided by the United Nations list of countries most seriously affected by the current economic crisis.

A reduction below 70 percent in the proportion of food aid allocated to "most seriously affected" (MSA) countries resulting from significantly changed circumstances occurring after initial allocation shall not constitute a violation of the percentage requirement. Any reallocation of food aid due to significantly changed circumstances shall be in accordance with this section so far as practicable, and the President shall promptly report to Congress any reduction below the 70 percent, if it occurs, and the reasons therefor.

This section is stronger than the comparable 70-30 provision initiated with section 55(a)(5) of the Foreign Assistance Act of 1974 which expired June 30, 1975. The new language states that the 70-30 ratio "shall" apply, rather than "should" as in the 1974 law, and it carries no termination date. It requires a Presidential certification to Congress for any waiver, compared with the 1974 provision for waiver when the President "demonstrates to the appropriate Committees of Congress" the humanitarian purpose therefore; and it provides that no such waiver can take effect until 30 calendar days after certification, during which period the waiver can be vetoed by either House or Senate by simple resolution.

The term "food aid commodities" signifies that the 30 percent is to be calculated by commodity weight, not by dollar value.

The stipulation concerning the U.N. designation is not an absolute limitation. In providing that the President shall "be guided by" the U.N. designation of "most seriously affected" countries, this provision recognizes that there may be other countries, not on the U.N. list, suffering from serious food shortages.

The provision for a reduction below the 70 percent minimum under "significantly changed circumstances" is not a waiver authority and is unrelated to the certification/waiver provision in the first sentence of this section; it is to be narrowly construed and in no way used for evasion of the 70-30 requirement; and it is not intended to encourage increased allocations to non-MSA's above what they would otherwise receive. Rather, it recognizes the possibility of—and can apply only in case of—significant developments relating to programing for a "most seriously affected" country, which occur after the initial allocation for a fiscal year, which were unforeseen at the time of allocation, which were beyond the control of the programing officials, and which force a cancellation or substantial reduction in a Public Law 480 allocation to that country. In this event a reduction does not constitute a violation of the percentage requirement.

Significantly changed circumstances within the meaning of this provision must be directly related to Public Law 480 programing for the "most seriously affected" country involved. They may include major and unexpected changes in U.S. foreign policy considerations because of developments in that country, unforeseen technical or administrative difficulties which arise during the negotiation of an agreement, or substantial changes in the availability of the level or type of commodities which occur after the initial programing.

In no event can this provision apply until after the initial allocations are made for the fiscal year in accord with the 70-30 requirement. *Any reallocation of food aid due to such a significant change in circumstances must conform to the attainment of the overall 70 percent minimum as far as practicable.* If any reduction below the 70 percent occurs during the year, the President must report it promptly to the Congress with the reasons therefor. The committee will exercise close oversight over any application of this provision, and over compliance with this section as a whole.

Section 208—Continuity of distribution under title II

This section adds a new subsection (b) to Public Law 480, section 201. The new subsection provides that the minimum quantity of agricultural commodities distributed under Public Law 480 title II shall be 1½ million tons for each fiscal year, and the minimum distributed through nonprofit voluntary agencies and the World Food Program shall be 1 million tons each fiscal year, unless the President determines and reports to Congress, with his reasons, that such quantity cannot be used effectively for title II purposes. A proviso states that such minimum quantity shall not exceed the total quantity of commodities determined to be available for Public Law 480 (under Public Law 480, section 401) less the quantity required for famine or other urgent or extraordinary relief requirements.

The minimum for nonprofit voluntary agencies and the World Food Program was adopted following widespread criticism that past uncertainties about the variations in quantities of Public Law 480 supplies for these humanitarian programs had caused disruption and impaired their effectiveness. The minimum is designed to assure availability of at least 1 million tons of food a year for these programs, thereby promoting their effectiveness and permitting better forward planning. There is no minimum in the present law. The administration's fiscal 1976 allocation for voluntary agencies and the World Food Program under title II is slightly under 1 million tons.

The 1½-million-ton minimum for title II as a whole assures an annual minimum for all three types of food distributions abroad under title II—through voluntary agencies, the World Food Program, and government-to-government agreements. The 500,000-ton margin above the million-ton minimum for voluntary agencies/World Food Program provides assurance that this additional amount will be available for allocation to these programs or to government-to-government programs, as desired. The administration's fiscal year 1976 program for all of title II totals 1.3 million tons.

The minimums are to prevail except under certain extraordinary circumstances. In the unlikely event that total commodity availabilities under Public Law 480 (pursuant to section 401), including for both titles I and II, are less than 1.5 million tons, the minimum quantity for title II will be reduced accordingly. However, not less than 1 million tons shall be distributed through nonprofit voluntary agencies and the World Food Program to the extent that Public Law 480 commodities are available. The only higher priority is that for famine or other urgent or extraordinary relief requirements, the amount for which shall be subtracted from total Public Law 480 availability in calculating the amount available to meet the minimums.

The possibility of total Public Law 480 availability falling to 1.5 million tons or less appears remote. It has not occurred in the history of the program. The amount available for Public Law 480 is that which can be supplied after the Secretary of Agriculture determines what is needed for domestic requirements, adequate carryover, and anticipated commercial exports. The administration's fiscal 1976 programed total for Public Law 480 is 6 million tons.

Section 209—Limitation on use of foreign currencies

This provision would add a new section 206 to title II of Public Law 480 providing that, except in the case of famine or other urgent or extraordinary relief requirements, no assistance shall be furnished under title II pursuant to agreements providing for the sale of commodities and the generation of foreign currency proceeds unless certain criteria are met. First, the recipient country must be undertaking self-help measures in accordance with section 109 of Public Law 480 to increase its agricultural production, to improve storage and distribution of agricultural commodities, and to control population growth. Second, the specific uses of the foreign currencies are set forth in agreements between the United States and the recipient country. And third, the currencies are used for agricultural or rural development or nutrition programs in accordance with the provisions of section 103 of the Foreign Assistance Act of 1961.

The committee believes that title II authority to grant Public Law 480 commodities can be used in selected cases which meet the criteria laid down in this section to generate foreign currencies for these important activities—which are designed to help recipient countries become better able to feed their people out of their own agricultural production, in turn reducing their need to depend on commodities supplied by the United States under the Public Law 480 program.

Section 210—Advisory Committee

This section amends section 407 of Public Law 480 to allow members of the Public Law 480 Advisory Committee to designate persons to represent them on the Committee.

The Advisory Committee as presently established under section 407 of Public Law 480 is composed of the Secretary of State, the Secretary of the Treasury, the Secretary of Agriculture, the Director of the Office of Management and Budget, the Administrator of the Agency for International Development, the chairman and the ranking minority member of the House Committee on Agriculture and the House Committee on International Relations, and the chairman and ranking minority member of both the Senate Committee on Agriculture and Forestry and the Senate Committee on Foreign Relations.

Section 211—Reports to the Congress

This section amends section 408 of Public Law 480 by adding new subsections 408(b) and 408(c).

Subsection 408(b) requires the President, in his presentation to Congress of planned programing of food assistance for each fiscal year, to include a global assessment of food production and needs; self-help steps being taken under Public Law 480, section 109(a); steps being taken to encourage other donors to increase their food assistance efforts; and the relationship between Public Law 480 food assistance and other assistance provided to each country by the United States and other donors.

Subsection 408(c) requires the President to submit to Congress by October 1 each year a revised global assessment of food production and needs, and revised planned programing of food assistance for the cur-

rent fiscal year, reflecting to the maximum feasible extent the actual availability of commodities for food assistance.

The term current fiscal year shall mean, following the planned change in fiscal year timing, the year commencing with the October 1 deadline for submission of the revised assessment and programing.

Section 212—International food reserve system

This section creates a new section 412 in Public Law 480. It authorizes and encourages the President to seek international agreement for a system of national food reserves to meet food shortage emergencies and to provide insurance against unexpected food production shortfalls, with costs of such a system to be equitably shared among nations and firm safeguards to be given to farmers and consumers against market price disruption therefrom.

This section is similar to sense-of-Congress language passed during the 93d Congress. It encourages the President to continue in an international negotiating effort which is still under way. It does not constitute a commitment in support of any particular international system, the precise nature of which remains to be worked out in the negotiations.

TITLE III—DEVELOPMENT ASSISTANCE

Section 301—Development assistance policy

This section adds a new subsection (c) to section 102 of the Foreign Assistance Act of 1961, which sets forth policies under which programs authorized by that act are carried out.

The policy for development assistance stated in new subsection (c) is a restatement and reaffirmation of the main thrust of the reforms enacted in the Foreign Assistance Act of 1973. The basic features of the reforms are contained in this committee's report on the Foreign Assistance Act of 1973 (House Report No. 93-388, "Mutual Development and Cooperation Act of 1973", July 20, 1973) and in other legislative history of that act. In effect, this new subsection puts into legislative language some of the main ideas now contained in legislative history.

The new subsection specifies that AID's development assistance should be used not simply to transfer financial resources to developing countries, but to help them solve development problems in ways that substantially increase the participation of the poor. This expression of congressional intent is meant to clarify and reaffirm the policies contained in sections 102(b) (1), (2), and (5), enacted in 1973, to make two basic points.

First, the U.S. bilateral development aid program has declined to a level which severely limits its capacity to make resource transfers large enough to have in themselves a major economic impact on any but the smallest aid-receiving countries. Therefore, the Congress laid down a policy in 1973 which called for the use of development aid funds in a much more focused fashion than had been the case before: by using them to help countries solve specific development problems of greatest concern to the poor. To a considerable extent, solving development problems so as to better the lives of the poor means

changing the way things are done. Effecting systemic change can sometimes be done without a lot of money; most often, however, large sums are required to make the kind of changes that are needed. Therefore, the policy expressed in the legislative language does not necessarily imply that financial resources are not needed. However, the policy does imply that there is not enough money in the U.S. bilateral development aid program to allow for provision of financial resources which are *not* harnessed directly to overcoming the obstacles to fundamental change (or which, for that matter, may serve to perpetuate inefficient or unjust economic and social policies). Our aid must therefore be used in ways which are carefully designed not simply to affect GNP growth statistics this year, but to effect permanent change in productive capacity over the long term.

Second, this productive capacity should be the result of policies which engage the energies of all the people in a country, including most especially the poor, whose enormous productive capabilities are now so often largely wasted. Our assistance thus should be provided in accordance with a development strategy which seeks to involve the poor in the development process, through their participation in the productive life of the country, in the economic benefits of their labor, in the institutions of economic power, and in the decisions that most directly affect their well-being.

Accordingly, the subsection calls for greatest emphasis in allocating development assistance on those countries and those activities which most effectively involve the poor in development by making it possible for them to better their lives through their own effort. Certain means of involving the poor are basic. One is to insure their access to the economy through services and institutions at the local level, so that large numbers of small producers can together have the opportunity to enjoy the advantages and benefits of government services and of the private economy that in most poor countries are mainly reserved for larger enterprises and those who are not poor. Another is to increase production by creating jobs, so that the abundant labor which so many poor countries have and which is typically vastly underemployed can be put to productive work, and the high cost of expensive (and labor displacing) kinds of machinery and equipment can be saved. A third is to invest in productive activities according to the geographical area to be served, so that less attention is paid to large, overpopulated metropolitan areas where investment is generally concentrated, in favor of smaller cities and towns and outlying rural areas, and that planning the development of a region can be rationally approached and carried out.

AID has begun to make changes in its thinking and in its programs which reflect these considerations. Reaffirming these policy directions, however, will provide AID with more specific guidelines. Such a reaffirmation should also encourage AID to quicken the rate of change in its outlook and operations over the generally slow and rather erratic pace of implementation of the reforms since passage of the Foreign Assistance Act of 1973.¹

¹ For a detailed and thoughtful report by AID on the current status of implementation, see "Implementation of 'New Directions' in Development Assistance," Report to the Committee on International Relations on Implementation of Legislative Reforms in the Foreign Assistance Act of 1973, prepared by the Agency for International Development, Committee Print dated July 22, 1975.

Section 302—Food and nutrition

This section, in subsection 302(a)(1), amends section 103 of the Foreign Assistance Act of 1961 to authorize the appropriation of \$638.8 million for fiscal year 1976 and \$760 million for fiscal year 1977 for activities in the fields of agriculture, rural development, and nutrition. The amount authorized has been reduced by \$10 million from the level requested by the President for fiscal year 1976, in order to offset a \$10 million increase in the authorization for Indus Basin loans (see section 312(a)(2) below). The amount authorized for fiscal year 1977 corresponds to the President's request. Both authorizations include funds for operating expenses as well as program costs.

The committee is of the opinion that the President's request for these funds to provide U.S. assistance to developing countries to help them grow more of their own food, to improve their agricultural policies and practices, to increase the productive capacity of their rural areas, and to raise their nutritional levels constitutes a modest response to the great needs in this area which were so widely acknowledged at the World Food Conference in Rome last fall.

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

Many of the materials needed to increase food yields in the poor countries—commodities such as fertilizer and fuel for irrigation pumps—are now much more costly than they were a few years ago, and each dollar of assistance buys much less than it used to. In the committee's view, therefore, the amounts authorized are vitally needed and should be made available at the recommended levels.

In subsection 302(a)(2), the committee adds three new subsections to section 103 of the Foreign Assistance Act of 1961:

Section 103(c)—Policy

This new subsection in the act sets forth policy guidance for development aid activities in agricultural and rural development. Much of the substance of the subsection has already been stated in legislative history.

The subsection specifies that assistance provided under section 103 of the Foreign Assistance Act of 1961 shall be used primarily for activities specifically designed to increase the productivity and income of the rural poor. Funds under this section, while they may have the result of increasing the availability and quality of food for the urban poor, are not meant to be used primarily for that purpose. While food production is a major objective of this section, the main focus is not on who eats the food, but who grows it and derives the income from its production. Too many developing countries have kept farm prices too low to make farming a profitable business, in order to reduce the cost of food to the city dweller. The result has been that rural income has been artificially depressed and agricultural production has been unnecessarily impeded. Rather than adopting policies which would allow both producers and consumers of food to share in the benefits of rising

productivity—permitting reasonable profits for farmers without excessive prices for consumers—government policies have often allowed cities to receive benefits at the expense of the rural areas. Such policies are neither equitable nor economically sound—nor can they move developing countries to greater self-sufficiency in food production.

In this connection, the committee reiterates its belief that small-farm, labor-intensive agriculture is the key to greater food production, as well as to more equitable distribution of income in the rural areas of the developing countries, where most of the world's poor live. The committee is concerned, therefore, that the \$181 million worth of fertilizer, pesticides, seeds, farm implements and equipment, and other agricultural inputs which AID proposes to finance this year actually reach the small farmer. While AID's presentation materials and testimony indicate AID's expectation that AID financing of these commodities will indeed increase their availability to small farmers, special methods may be necessary to accomplish that objective. In any event, such commodities should be provided by AID to the greatest possible extent not just as a means of increasing availability, but in support of programs to increase physical and financial access to them by small farmers on a systematic basis.

Section 103(d)—Use of foreign currencies

This provision specifies that foreign currency proceeds from sales of commodities under Public Law 480 which are owned by foreign governments shall be used wherever practicable to carry out the purposes of section 103 of the Foreign Assistance Act.

The provision was inserted as a reflection within this section of the potential availability of such currencies under sections 106(b)(2) and 206 of Public Law 480 (added by sections 205 and 209 of this bill), which attempt to channel more Public Law 480 generated foreign currency proceeds into agricultural and rural development and nutrition activities.

Section 103(e)—Use of loan reflows

The third subsection added to section 103 authorizes repayments on prior year aid loans to be made available for specified purposes. First priority, for which the bill earmarks \$200 million, is a U.S. contribution to the proposed \$1.25 billion International Agricultural Development Fund. The use of loan reflows for this purpose was proposed in a bipartisan, bicameral initiative by 14 Senators and 14 House Members in a letter to the President on June 27, 1975. The text of the letter follows:

Washington, D.C., June 27, 1975.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: As members of Congress who are vitally concerned with global economic and food issues, we are very encouraged by recent Administration initiatives outlined by Secretary of State Henry Kissinger before the International Relations Council of Kansas City, his recent address

to the Ministerial Council of the Organization of Economic Cooperation and Development, and his statement before the International Energy Agency in Paris.

We have been exploring means by which the Congress could respond positively in the near future to these recent initiatives, in general, and to the Secretary's Paris pledge of support for efforts to increase food production in the developing world, in particular. We would like to solicit your support for the following action which we will soon propose the Congress take in an effort to accomplish this goal.

As you recall, the World Food Conference held at Rome in November of 1974 approved a resolution favoring the establishment of an International Fund for Agricultural Development "to finance agricultural development projects primarily for food production in the developing countries."

Working papers now circulating on the Fund anticipate it will operate at an annual level of \$1.25 billion, which will be contributed equally by members of OPEC and OECD. The OECD share will be \$625 million per annum, of which the U.S. share would be presumably \$200 million.

With a contribution of \$200 million, the U.S. could be instrumental in stimulating a total world effort of a minimum of \$1.25 billion and in establishing a major force for changing the world food scene if sustained over time. The Fund will become operational when six oil-exporting nations and six OECD members join, and a total of \$1.25 billion is reached. However, it is expected that other countries will join, thus swelling the total well beyond this figure. The target date for opening the Fund is January 1976. The Secretary of State had already told the OECD the United States supports this initiative and will do its fair share.

We believe there is substantial potential Congressional support for this venture because it will draw upon contributions from other wealthy countries, as well as the U.S.; and because it is also directed at the world food problem, in whose solution all of us have a large stake.

In our estimation, the best method to finance the U.S. share of \$200 million would be with repayments of previous A.I.D. loans to other countries. These repayments exceeded \$200 million in FY 1975; and every year, until the present, such funds have been added to the appropriations available to the Agency. However, last year, Congress changed the law and stipulated that the loan repayments will be turned over to the U.S. Treasury.

It is our proposal to change the law and allow these loan reflows to be used for the U.S. contribution to the Fund, with the remainder of the total reflows to be made available for our bilateral food and nutrition programs and expanded agricultural research activities.

There are several advantages to using such reflows for the above purposes. First, it would be well received in developing countries, where the U.S. has been able to respond to requests

that it soften the terms of its loans to alleviate the growing debt burden of poor countries by pointing out the repayments to the U.S. are plowed back into development. Second, it keeps new authorizations for foreign aid to a minimum, since such reflows could be made available without adding to the authorization or appropriations total.

We intend to move on this proposal in the very near future. We hope this initiative will be a joint Administration-Legislative effort and that we will receive an early response from you indicating your willingness to join with us in this important endeavor.

This letter was signed by the following House members: John B. Anderson, Edward B. Biester, Jonathan Bingham, John H. Buchanan, Charles C. Diggs, Jr., Pierre S. du Pont, Dante B. Fascell, Donald M. Fraser, Lee H. Hamilton, David R. Obey, Leo J. Ryan, Stephen J. Solarz, Charles W. Whalen, Jr., and Clement J. Zablocki.

It was also signed by the following Senators: Howard H. Baker, Jr., Edward W. Brooke, Dick Clark, Alan Cranston, John Culver, Hubert H. Humphrey, Jacob K. Javits, Edward M. Kennedy, Gale McGee, George McGovern, Walter F. Mondale, Charles H. Percy, Richard S. Schweiker, and John V. Tunney.

The Secretary of State has pledged U.S. support for the fund, and negotiations are now under way on its establishment. The level of the U.S. contribution, therefore, has not yet been fixed. However, it should be noted that a U.S. contribution of \$200 million would amount to 16 percent of a \$1.25 billion fund, and that the OPEC countries may contribute about half of the fund's assets. The committee, in setting a floor of \$200 million, does not intend to compel the Executive to contribute that amount if other countries are not willing to make substantial contributions as well. On the other hand, it does not mean to restrict the U.S. contribution to that amount if, on the basis of negotiations, a somewhat greater U.S. contribution would make it possible to increase significantly the contributions of other countries.

The balance of the repayments, estimated at \$353 million in fiscal year 1976 and \$403 million in fiscal year 1977, can be used for an expanded agricultural research program, as envisaged by the new title XII added to chapter 2 of part I of the Foreign Assistance Act by section 311 of this bill. (AID's estimate of the cost of agricultural research is nearly \$50 million for fiscal year 1976 and some \$75 million for fiscal year 1977.)

The loan reflows can be used to fund the \$136 million worth of additional program requirements in the fields of agriculture, rural development, and nutrition which AID has identified but for which the new funds proposed to be appropriated by the administration are insufficient.

They can be used to finance increased programs carried out by private and voluntary agencies, much of whose work is in the areas covered by section 103. In this connection, the committee urges AID to expand its new operational program grants and development program grants as quickly as practicable, looking toward a combined level of \$25 million by fiscal year 1977.

The additional funds from loans reflows can also be put into expanded cooperative activities in accordance with section 111 of the Foreign Assistance Act of 1961, as amended by section 308 of this bill. Programs in support of the activities of farmer cooperatives, rural credit unions, rural electric cooperatives, and similar institutions in developing countries may well be able to use \$100 million or more annually of AID funds.

In short, the committee believes that it is time for the U.S. response to the proposals made at the World Food Conference to move from rhetoric to reality. The use of loan repayments to contribute a fair share to the International Agricultural Development Fund, to spearhead a major agricultural research effort, and to increase U.S. support for other important activities in the fields of agriculture, rural development, and nutrition, can go far toward helping this country join with others in meeting the challenge of world poverty and world hunger.

Finally, section 302(b) repeals section 203 of the Foreign Assistance Act of 1961, which would prevent loan repayments from being used for the purposes specified in new subsection 103(e).

Section 303—Agricultural research

Section 303 adds a new section 103A to the Foreign Assistance Act of 1961 which sets forth policy intended to apply to all agricultural research carried out under the Foreign Assistance Act, including but not limited to that undertaken pursuant to section 103 (general authority for AID activities in the field of agriculture), section 107 (intermediate technology), title XII of chapter 2 of part I (famine prevention and freedom from hunger), or any other provision authorizing such research.

The new section requires that agricultural research be responsive to the needs of small farmers; that it not neglect nontechnological aspects of small-farm agriculture, such as economic, cultural, and social factors, appropriate institutions, and the relationships among all these elements; and that research be adapted to local conditions through extensive field testing.

The new section also calls for dissemination of research results through institutional and other arrangements which assure that small farmers have access both to existing technology and to new technology resulting from further research.

A greater balance should be sought between the large sums being spent on research on improved plant and animal varieties and other technical aspects of agriculture related to genetic research and the much smaller amounts currently devoted to suitable institutions and other means of assuring the practical availability and utility of research results on small farms.

Section 304—Population planning and health

This section amends section 104 of the act and has three principal effects:

First, it authorizes an appropriation for population planning and health, including operating expenses, amounting to \$248.1 million for fiscal year 1976 and \$280.6 million for fiscal year 1977, of which the amounts represent a \$29 million increase over the executive branch

request in each of the 2 years. The committee, however, believed that because appropriations for population planning have been sharply limited for the past 2 years, additional funding for that purpose is needed and justified. Moreover, the Agency for International Development currently has pending before the Office of Management and Budget a supplementary budget request for an additional \$29 million in population planning funds and has presented OMB with a detailed program on how those funds would be expended.

Second, the section provides that not less than 67 percent of the funds made available under the section for any fiscal year shall be used for population planning programs including operating expenses which may be involved. The figure corresponds to the funding percentage for population planning which the executive branch has programed.

Third, the section includes policy language which establishes priority objectives for the use of the funds under the population planning and health category. The new language, in effect, incorporates in the act itself concepts which previously were included in the legislative history of the Foreign Assistance Act of 1973, which set the "New Directions" policy.

The committee emphasized that there are three subsections in the population planning and health category: (1) low-cost integrated health and population planning delivery systems; (2) preventive health programs, and (3) population planning programs which include education in responsible parenthood and motivational programs as well as delivery of family planning services and which are coordinated with programs aimed at reducing the infant mortality rate, providing better nutrition to pregnant women and infants, and raising the general standard of living of the poor.

Testimony received by the committee and the Subcommittee on International Resources, Food, and Energy, and staff field studies which have reviewed population planning programs abroad indicate that in many situations, particularly in areas like Latin America and Africa, family planning is more acceptable and successful if it is an integral part of health outreach efforts. Beyond that, many experts have seen the need for extending a broader range of opportunities to the poor in the developing countries in order to motivate acceptance of smaller family sizes. Thus, there is the need for coordinating population planning with improved health, nutrition, and living standards in the less-developed countries.

An amendment was added in committee which directed that population planning growth be coordinated with programs aimed at reducing the infant mortality rate, providing better nutrition to pregnant women and infants, and raising the standard of living of the poor.

It is the view of the committee that simply making birth control devices and advice available may not be the most effective way of reducing the rate of population growth. Coordinated programs which improve the health of pregnant women and infants (so that a family does not need to have a large number of births in order to insure that a few children will survive), and improve the living standard of the

poor (one of this bill's major aims), in addition to providing birth control information, could be more effective in lowering birth rates.

This amendment thus establishes the policy that AID and those countries which want to participate in population planning programs should concentrate on such coordinated programs because, historically and from testimony by experts before the committee, this is believed to be a more effective way of getting at the problem.

At the same time, however, it is recognized that such coordination must be encouraged in the recipient countries in ways which are most effective in the light of indigenous cultural patterns. In some countries of Asia, for example, networks for contraceptive distribution have been successful which are independent of existing clinical or health activities.

AID's population programs abroad have, in many instances, been of an integrated nature with health and nutrition. Unfortunately, the organizational structure of the Agency in Washington has limited possibilities for such joint planning and activity for that portion of section 104 funding allocated to integrated programs. The committee has been informed by the Agency that it is currently studying institutional remedies for this problem.

Section 305—Education and human resource development

Section 305 authorizes the appropriation of \$89.2 million for fiscal year 1976 and \$101.8 million for fiscal year 1977 for activities in the fields of education, human resource development, and public administration. The amount authorized corresponds to the President's request, including funds for operating expenses as well as program costs in this area.

In addition to the activities proposed to be carried out with the funds requested for fiscal year 1976, AID has specified over \$10 million of program requirements in the education field which such funds are insufficient to cover.

Section 305, like the comparable provisions in previous sections, sets forth additional policy guidance for development aid activities in this area, based largely on existing legislative history. The section specifies that assistance under this section shall be used primarily for programs in both nonformal and formal education which are designed to be of practical use to both the rural and urban poor, as well as for programs which strengthen the management capabilities of government agencies and private organizations that play an important role in enabling the poor to participate in development.

Although programs in education and human resource development benefiting major urban centers are not by any means precluded under this authorization category—especially in the context of establishing or improving national educational programs or systems—the primary emphasis should remain on rural areas.

Section 306—Technical assistance, energy, research, reconstruction, and selected development problems; intermediate technology

This section provides authority and funds for activities outside the major functional areas covered by sections 103–105 of the Foreign As-

assistance Act of 1961. The section also authorizes funds for an expanded and coordinated private effort in the field of intermediate technology. It creates two new sections of the Foreign Assistance Act:

Section 106—Technical assistance, energy, research, reconstruction, and selected development problems

At present, development aid programs which do not fit within the three functional categories authorized by sections 103-105 are funded under two additional categories—selected development programs (section 106) and selected countries and organizations (section 107). Those two authorization categories were included in the Foreign Assistance Act of 1973 in order to cover certain AID activities which at that time formed a very substantial part of the total program. From the outset, these additional categories were expected to decline as the emphasis of the AID program shifted away from program lending and major infrastructure projects in fields such as transportation and power. The amounts proposed for fiscal year 1976 for these two categories have now been reduced to the point where the two can be merged into one. Section 306 therefore consolidates the two in a new section 106 of the Foreign Assistance Act, for which certain program emphases are also specified. These are:

(1) Technical assistance, particularly through U.S. private and voluntary organizations and regional and international development organizations. Almost all of the activities proposed by AID for fiscal year 1976 under existing section 107 of the Foreign Assistance Act are for grants to and contracts with private or international agencies. This paragraph in effect continues the authority of present section 107 with respect to programs carried out through such agencies.

The committee recognizes the steps that AID has taken to engage the voluntary agencies in development programs which support the principles and policies set forth in the Foreign Assistance Act of 1973. However, as noted previously under section 302 above, the committee urges AID to increase programs carried out by private and voluntary organizations as rapidly as practicable, in accordance with section 102(b)(3) of the Foreign Assistance Act of 1961.

(2) Programs to help developing countries increase their production or conservation of energy. Activities in the energy field directly related to agricultural or rural development can be carried out under section 103 of the Foreign Assistance Act. Activities involving intermediate technology can be carried out under new section 107. This paragraph is mainly intended to provide specific authority for AID to help poor countries hard hit by high energy costs to respond to their overall energy problem by seeking new sources of production and exploring possibilities of conservation, so that over time their use of and dependence on expensive imports of oil can be reduced.

One of the ways in which the United States can assist developing countries in this field is to insure that research and development on new energy sources and conservation potential for the

United States and other industrialized countries is extended to cover conditions that may exist in developing countries.

(3) Research activities, to the extent that they are not carried out under sections 103-105. The repeal of section 241 of the Foreign Assistance Act of 1961, dealing with research, and the inclusion of similar language in this paragraph does not imply that all research should be funded under this section, but only that research is one of the important functions carried out under the development assistance program which cannot always be confined within the major functional areas authorized by sections 103-105.

(4) Disaster reconstruction. Often reconstruction following natural or manmade disasters requires funds for urban housing or other activities which fall outside the scope of the major functional development assistance areas. AID's proposed program for fiscal year 1976 contains disaster reconstruction projects for both Honduras and Nicaragua, amounting to \$9 million.

(5) Special development problems faced by the very poorest and least developed countries, especially in Africa, and programs which may be necessary to make possible the proper use of projects previously funded by assistance from the United States.

(6) Urban development—not in the sense of elaborate planning and construction in large metropolitan centers, but the financing of activities which can directly help the urban poor who are crowded into the slum areas of big cities.

Subsection (b) of new section 106 authorizes the appropriation of \$99.55 million for fiscal year 1976 and \$104.5 million for fiscal year 1977 for programs in these various areas. These amounts represent the authorizations requested by the President, including operating costs, plus additional funds for increased ocean freight costs of transporting commodities for the overseas programs of private and voluntary organizations, amounting to an estimated \$7.15 million in fiscal year 1976 and \$8.5 million in fiscal year 1977.

The committee has authorized these increased funds for voluntary agency ocean freight costs because it does not want to prevent commodities used in the overseas programs of these agencies from being shipped abroad, nor the additional costs to cut into other programs carried out by AID under this section or by the voluntary agencies. However, the committee is concerned over the faulty estimates which necessitated this action. The committee strongly urges, therefore, that the voluntary agencies participating in this program work out a system which will result in more accurate projections of ocean freight costs likely to be incurred, so that both AID and the Congress can act in a more informed and more orderly manner with respect to this item.

Section 107—Intermediate technology

This new section of the Foreign Assistance Act of 1961 permits a total of up to \$20 million of the funds made available under sections 103-106 over the 3-year period covering fiscal years 1976-78 to be used for grants to support an expanded and centralized private effort in the field of intermediate technology.

The experience of more than a quarter century of development assistance programs overseas has clearly demonstrated that much of the technology used in the United States and other industrialized countries is not well suited to the economies of developing countries. It is too big, it is too expensive, and it does not create the jobs needed to absorb rapidly expanding labor forces in countries which already have an abundance of labor. It is not appropriate for use on the very small farms and in the very small business enterprises that make up so much of the economic activity in the developing world.

If the poor are to participate in development, as envisioned by the reforms enacted in the Foreign Assistance Act of 1973 and by this bill, they must have access to tools and machines that are suited to labor-intensive production methods and fit their small farms, small businesses, and small incomes. They must have access to technology which is neither so primitive that it offers no escape from low production and low income nor so highly sophisticated that it is out of reach for poor people and ultimately uneconomic for poor countries—in short, *intermediate technology*.

Accordingly, the bill adds this new section 107 to the Foreign Assistance Act of 1961 in order to impel AID to study proposals for an institute of intermediate technology and to develop a plan for expansion and centralization of private efforts in this field. It is not meant to limit the amount of AID funds used for other activities involving intermediate technology, which should be expanded as rapidly as possible.

Among the objectives of such an increased effort in intermediate technology are the following:

(1) To promote the development and dissemination of technologies appropriate for developing countries, particularly in the areas of agriculture and rural development, small business enterprise, and energy;

(2) To identify, design, and adapt from existing designs, appropriately scaled, labor-intensive technology, and policies and institutions directly related to their use;

(3) To formulate policies and techniques to facilitate the organization of new small businesses;

(4) To engage in field testing of intermediate technology;

(5) To establish and maintain an information center for the collection and dissemination of information on intermediate technology; and

(6) To support expansion and coordination of developing country efforts in this field.

These objectives are based on the experience of the several institutes of intermediate technology that are functioning in both industrialized and developing countries.

The committee expects AID to begin immediately to develop its proposals for use of the funds authorized under this section, in conjunction with the private organizations now carrying out activities in intermediate technology and those which would be involved in a new effort, and to keep the committee fully informed during the planning process.

Section 307—Cost-sharing

This amendment to section 110(a) of the Foreign Assistance Act of 1961 permits the President, in the case of programs or projects in nations which meet the United Nations criteria for "relatively least developed countries," to waive the requirement that such nations contribute 25 percent of the total cost of U.S. aid projects agreed to under sections 103-107. This amendment is particularly critical in support of AID programs in the poorest countries as, for example, in the Sahel region of Africa, which have extreme difficulty in providing the required 25 percent of program costs. The amendment, which was supported by the executive branch, provides for flexibility in the administration of the 25-percent requirement so as to allow for those cases in which a nation would be denied needed development assistance because it is too poor to meet the 25-percent requirement.

The Sahelian countries perhaps exemplify the difficulties many of the least developed have in meeting the 25-percent requirement. With the formidable economic handicaps of poor resource endowment, large geographic size, high transport costs, and inadequate infrastructure, in addition to the impact of prolonged drought and of worldwide price inflation, particularly for food grains and oil, the ability of these countries to meet the 25-percent requirement is considerably diminished.

Section 308—Development and use of cooperatives

This provision amends section 111 of the Foreign Assistance Act of 1961 in two major ways:

(1) It adds a policy statement requiring that high priority be given to increasing the use of funds made available under the Foreign Assistance Act for assistance in the development of cooperatives in less-developed countries.

(2) It earmarks \$20 million over the 2½-year period comprising fiscal years 1976 and 1977 and the interim quarter to be used for technical assistance for that purpose.

Although this section does not earmark funds for capital assistance provided through cooperatives, the committee urges AID to increase such assistance over current levels to the maximum extent feasible. In the committee's view, strong cooperatives constitute one of the most important aspects of broad-based economic development. Properly structured, financially sound cooperatives and cooperative federations can not only make it possible for numerous small farmers and other poor people in developing countries to gain access to productive opportunities and other economic benefits, but they can also have a positive impact on how people understand their ability to organize to help themselves.

In this connection, the committee notes that the funds included in the AID program in support of cooperatives are mostly for countries in Latin America and for the Philippines. The program contains practically no funds for cooperative development in other parts of Asia, and only small amounts for Africa. Recognizing that some countries have greater need for and greater interest in cooperative development than others, the committee nevertheless urges AID to respond

to opportunities which exist for strengthening cooperatives in countries which are not now receiving assistance for that purpose.

Section 309—Integrating women into national economies

Existing section 113 of the Foreign Assistance Act of 1961 requires that development aid programs authorized under sections 103 through 107 of that act be administered so as to give particular attention to integration of women into the national economies of foreign countries.

This section would extend that requirement to cover all programs authorized under part I of the Foreign Assistance Act. Among the additional programs covered by this amendment are the American schools and hospitals abroad program, the housing and other guaranty programs carried out by AID, and the programs of the Overseas Private Investment Corporation. Although programs such as international disaster relief, international narcotics control, and security supporting assistance are also covered as a result of this amendment, the committee recognizes that, as a practical matter, new opportunities for contributing to improvement in the status of women pursuant to this provision are likely to be extremely limited under such programs.

Section 310—Development assistance

This section deals with three disparate matters: (1) U.S. contributions to multilateral lending organizations, (2) housing guaranties, and (3) American schools and hospitals abroad.

Section 310(1)—U.S. contributions to multilateral lending organizations

This provision expresses the sense of the Congress that the President should increase the funds provided by the United States to multilateral lending institutions and multilateral organizations in which the United States participates for use for making loans to developing countries.

The intention of this provision is to reaffirm, in repealing the existing outdated statement in section 209(c) of the Foreign Assistance Act of 1961 (stating that the President should reduce bilateral lending to \$100 million by the end of fiscal year 1975) that greater amounts of U.S. foreign assistance funds should be provided through multilateral agencies.

Section 310(2)—American schools and hospitals abroad

This provision amends section 214 of the Foreign Assistance Act of 1961 in two respects: (1) by authorizing funds for the American schools and hospitals program for fiscal years 1976 and 1977 and (2) by limiting the number and kind of institutions in any one country that may receive funds in any fiscal year.

(1) Subparagraphs (A) (i) and (B) authorize the appropriation of \$25 million in dollars and \$7 million equivalent in excess foreign currencies to carry out the program, including operating expenses of the program, for each of the fiscal years 1976 and 1977. The committee believes that this program is very worthwhile and should be continued at a somewhat increased level over the next 2 fiscal years.

(2) Subparagraph (A) (ii) limits assistance under this program to not more than four institutions in any one country in any fiscal year.

This amendment also provides that not more than one university and one hospital complex in any one country may receive assistance under this program in any fiscal year. A "university" is any institution of higher learning.

The purpose of these provisions is to help insure wider geographic distribution of the limited funds available and to carry out the stated intent of the law: namely, to provide support to a selected number of institutions, sponsored by American citizens, which serve as demonstration centers for American ideals and practices in the fields of education and health.

At present, approximately 50 percent of the funds authorized and appropriated under this section go to institutions in the Middle East. The committee believes this represents too heavy a concentration in a single region.

Moreover, during recent years, requests for assistance under this program have proliferated to the point that requests for funds in fiscal year 1976 equal nearly three times the funds authorized in this bill. Many of these requests have come from institutions which perform valuable social and educational services in the countries in which they are located, but which seem outside the stated purview of section 214. The committee believes that the limited funds provided under section 214 should be reserved for centers of excellence which, in fact, serve as demonstration centers for American achievements in education and health.

The further limitation to support only one university and only one hospital complex in a country at the same time was deemed necessary because such facilities require more funds, and this program, with limited funds, cannot be expected to support several large institutions in the same country.

Section 310(3)—Housing guaranty program

Subparagraph (A) of this subsection amends section 223(i) of the Foreign Assistance Act to extend the authority for the housing guaranty program from June 30, 1976, to September 30, 1978.

Subparagraph (B) amends subsection 223 of the act by adding a new subsection (j) to clarify the guidelines of the housing guaranty program. One purpose of these clarifications is to emphasize that every project undertaken should have the primary purpose of serving as a pilot project. The program is not to serve the purpose of simply transferring resources from the United States to developing countries. The program is intended to benefit the poor primarily through providing guaranties for projects which will help the development of national housing policy and housing and mortgage institutions responsive to their housing needs. This clarification is accomplished by inserting policy language directing that projects should be designed to demonstrate the feasibility and suitability of particular kinds of housing, or of financial or other institutional arrangements, on a pilot basis. It also places a ceiling of \$5 million on the guaranties that can be issued in any country in any fiscal year.

A second stated policy goal is that the program be implemented in consonance with the development assistance program for the recipient country. The program is intended to service poor, less-developed countries, not higher-income countries. In the past some projects have been

undertaken for nondevelopmental reasons in higher-income countries. It is the intention of the committee that nondevelopmental use of the program be terminated and that all future projects be for developmental purposes only. In accordance with this policy, the new subsection requires that, except for regional projects, projects shall be guaranteed only in countries which are receiving, or in the past 2 fiscal years have received, development assistance (under chapter 1 of part I of the Foreign Assistance Act), and that projects must be coordinated with and complementary to the development assistance program for a particular country.

The third policy focus is that the program should direct its efforts toward the housing needs of the poor. AID's shelter program policy statement of October 22, 1974, has already established guidelines to this effect. This section reinforces that policy by requiring that at least 90 percent of the guaranties issued must be for housing suitable for families with incomes below the median income in their country (or in their urban area).

In making these changes in the housing guaranty program, it is the committee's intention that the U.S. Government should not guaranty housing investments which do not meet the criteria. Therefore, other agencies "such as the Overseas Private Investment Corporation" should not undertake to issue guaranties of housing investments which would be prohibited under this section.

Section 311—Famine prevention

This section adds a new title—Title XII—Famine Prevention and Freedom From Hunger—at the end of chapter 2 of part I of the Foreign Assistance Act of 1961. The sections of the new title XII are as follows:

Section 296—General provisions

Subsection 296(a) contains a congressional declaration that, in order to prevent famine and establish freedom from hunger, the United States should strengthen the capacities of land-grant and other U.S. universities eligible under this title in program-related agricultural institutional development and research; should improve the participation of these universities in U.S. governmental efforts internationally to apply agricultural sciences more effectively to increasing world food production; and should provide increased and longer term support to the application of science to solving developing countries' food and nutrition problems. The strengthening of university capacities is to be consistent with Foreign Assistance Act sections 103 and 103A, which set forth development assistance policy for agriculture, rural development, and nutrition and for agricultural research.

The declaration is based on congressional findings that (1) governmental creation and support of land-grant universities has promoted U.S. agricultural progress; (2) U.S. universities long have shown their ability to cooperate with foreign agricultural institutions in expanding food production abroad; (3) the greatest potential for increasing food production is in the developing countries, and that this is necessary not only to prevent hunger but to build the base for economic growth; (4) increasing the supply and security of supply

of food is of greatest benefit to the poorest majority in the developing world; (5) research, teaching, and extension work, and institutional development to this end are prime factors in increasing food production abroad; (6) agricultural research abroad has and will continue to provide benefits for U.S. agriculture and food benefits to all; and (7) universities need a dependable source of Federal and other financing in order to expand or continue their efforts to help in increasing agricultural production in developing countries.

In subsection 296(b) Congress declares that various components must be brought together to increase world food production, including: (1) strengthening the capabilities of universities to aid in increasing agricultural production in developing countries; (2) institution-building programs for developing of agricultural research and extension capacities in developing countries which need assistance; (3) international agricultural research centers; (4) contract research; and (5) grants for research programs.

In reference to (1) above, capacity-strengthening assistance to universities under this title is to relate only to their overseas development responsibility and is to be limited to instances where university capacity is clearly lacking and is clearly required for the purposes of this title. (For further reference see discussion under "Title XII—Famine Prevention".) The reference to need for assistance in (2) of this subsection relates to financial need, the intent being to rule out such assistance under this title to countries such as oil-exporting states which do not require external financial aid.

Subsection 296(c) calls on the United States to (1) involve U.S. universities more extensively in each component named in subsection 296(b); (2) provide mechanisms for the eligible universities to participate and advise on the planning, development, implementation, and administration of each component; and (3) assist the universities in cooperative joint efforts with agricultural institutions in developing nations, and with regional and international agricultural research centers, these efforts being directed to strengthening their capabilities to engage more effectively in research, teaching, and extension work for solving food production, distribution, storage, marketing, and consumption problems in agriculturally underdeveloped nations.

Subsection 296(d) defines the term "universities" as used in this title. The term means those colleges or universities throughout the United States and its possessions which receive benefits under the First or Second Morrill Acts, commonly known as "land-grant" universities, and other U.S. universities which (1) have demonstrable capacity in teaching, research, and extension activities in the agricultural sciences, and (2) can contribute effectively to the objectives of this title.

The term "extension activities" in subparagraph (1) of this subsection includes such activities as training, educational and technical assistance to farmers; field trials; operation of demonstration farms; field days for farmers, homemakers, or youth; extension courses for noncollege credit; and educational and technical workshops. It does *not* mean that a university must have a Cooperative Extension Service as established under the Smith-Lever Act of 1914. It *does* mean that the university must have "demonstrable capacity" and experience with

extension activities and their interrelationship with teaching and research.

Questions were raised during committee consideration of this legislation concerning the inclusion of such non-land-grant universities as Texas Technological University, Texas Arts and Industries University, California State University at Fresno, California Polytechnic State University at San Luis Obispo, and California State University at Chico. The definition in this subsection is intended to extend eligibility to such universities.

Subsection 296(e) defines the "Administrator" in this title as the Administrator of the Agency for International Development.

Section 297—General authority

Subsection 297(a) authorizes the President to provide assistance on such terms and conditions as he shall determine, to:

(1) Strengthen the capabilities of universities in teaching, research, and extension work to enable them to carry out current programs authorized by paragraphs (2), (3), (4), and (5) of this subsection, and those projected for the next 5 years as mentioned in the annual report required by section 300 of this title.

(2) Build the institutional and human resource capacities of developing countries so they can participate more fully in the international agricultural problem-solving effort and supply new solutions to local circumstances;

(3) Provide support for long-term research on food production, distribution, storage, marketing, and consumption, which is undertaken by universities in a collaborative manner.

(4) Involve universities more fully in the international network of agricultural science, including activities of the international research centers and international organizations such as the United Nations Development Program and the Food and Agriculture Organization, and with the institutions of agriculturally developing nations;

(5) Provide support for international agricultural research centers, for research projects designed to solve specific problems, and to develop and strengthen national research systems in developing countries.

Subsection 297(b) requires that programs under this title shall be carried out so as to:

(1) Use and strengthen the capabilities of universities in (A) developing capacities in the developing nations for teaching in agriculture and relevant fields appropriate to local needs; (B) agricultural research in the developing countries, at international agricultural research centers, or in the United States; (C) the planning, initiation, and development of extension services in developing nations; or (D) educational and scientific exchanges for assisting in development in developing countries;

(2) Take into account the value of such programs to U.S. agriculture, integrating them so far as practical with other U.S. Federal- or state-supported programs so as to maximize their contribution to agricultural development in the United States and in the developing countries; and

(3) Build on existing programs and institutions including those of the universities and the U.S. Department of Agriculture, whenever practicable.

Subsection 297(c) requires that to the maximum practicable extent, the activities under this section shall (1) be designed for the most effective interrelationship between teaching, research, and extension work in agriculture, (2) focus primarily on the needs of farmers, and (3) be adapted to local circumstances.

Subsection 297(d) states that the Presidential authority under this section shall be exercised through the Administrator of the Agency for International Development.

Section 298—Board for International Agricultural Development

Subsection 298(a) states that the President shall establish a Board for International Agricultural Development to assist in administering the programs authorized by this title. The Board is to consist of seven members. Not less than four are to be chosen from the universities. One of the seven shall be from a non-land-grant university. The Board is to be permanent, and thus not subject to the 2-year expiration requirement of the Federal Advisory Committee Act. The President is to set terms of members at the time of appointment. Board members will be entitled to reimbursement for expenses incurred in performance of their duties.

Subsection 298(b) includes in the Board's responsibilities the participation in the planning, development, and implementation of the initiation of recommendations for, and the monitoring of, the activities set forth under section 297 (General Authority) of this title.

Subsection 298(c) includes in the Board's duties: (1) participation in formulating policy, procedures and criteria for project proposal review, selection, and monitoring; (2) maintaining a current roster of universities interested in and capable of partaking in programs under this title; (3) recommending which countries could benefit from programs under this title and identifying countries interested in developing agricultural institutions for teaching, research, or extension work; (4) reviewing agreements between the Administrator and universities engaged in programs under this title; (5) reviewing activities by universities under this title to assure compliance with the title's purposes; (6) recommending to the Administrator the apportionment of funds under section 297 of this title; and (7) assessing the impact of programs under this title in solving developing countries' agricultural problems.

Under subsection 298(d) the President may authorize the Board to create such subordinate units as may be necessary for the performance of its duties, including:

(1) A Joint Research Committee, to take part in the administration and development of programs for long-term collaborative research described in section 297(a) (3) of this title; and

(2) A Joint Committee on Country Programs, to assist in implementing the bilateral activities described in sections 297(a) (2), 297(a) (4), and 297(a) (5) of this title.

Additionally, under subsection 298(e), the Board is to be consulted in the preparation of the annual report required by section 300 of this title and on other agricultural development activities related to programs under this title.

Section 299—Authorization

Subsection 299(a) authorizes for the purposes of this title any funds hereafter made available under section 103 (Food and Nutrition) of the Foreign Assistance Act. Funds for these purposes are not subject to the \$10 million ceiling in section 211(d) of the act on assistance to U.S. research and educational institutions, or to the 40-country limitation in section 211(a) of the act.

To allow for long-term funding needed for programs under this title and to encourage support by others, including the university community, funds under this title are exempted from the 3-year funding limitation contained in section 110(b) of the Foreign Assistance Act. Also, it is expected that, for programs under this title, the Administrator will fully use existing authorities such as under section 635(h) of the act, permitting commitments of assistance for not more than 5 years, subject to any future action of the Congress.

Subsection 299(b) provides that foreign currencies owned by the United States and determined by the Secretary of the Treasury to be excess to the needs of the United States shall be used to the maximum extent possible in lieu of dollars in carrying out programs under this title. This provision, while seeking to make maximum use of U.S.-owned excess foreign currencies, does not constitute an exemption from the appropriations process.

Subsection 299(c) provides that funding authorized under this title shall be in addition to any allotments or grants from other authorizations.

Subsection 299(d) provides that universities may receive and spend funds from other sources, public and private, to carry out the purposes of this title. However, all such funds shall be disclosed to the Administrator periodically, and at least once a year.

It is the committee's intent that to the maximum extent possible, funds under this title will be spent in recipient countries and within recipient countries at the field level. Assistance to universities is to be limited to where clearly required for purposes of this title (see "Title XII—Famine Prevention").

Section 300—Annual report

This section requires the President to transmit a report to Congress no later than April 1 each year. The report is to detail the activities carried out under this title during the preceding fiscal year, and to contain a projection of programs and activities to be conducted over the ensuing 5 fiscal years. Each report shall contain a summary of the Board's activities, and can include separate views of the Board concerning any aspect of the programs under this title.

Section 312—International organizations and programs

Subsection 312(a) (1) amends section 302(a) of the Foreign Assistance Act by authorizing \$194.5 million for fiscal year 1976 and \$219.9 million for fiscal year 1977 for international organizations and programs. This authorization includes funds for the Organization of American States (OAS), which previously had been funded under a different section of the act. The funds go primarily to the UNDP, UNICEF, UNRWA, and the OAS.

VOLUNTARY CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS AND PROGRAMS

[In thousands of dollars]

International organizations and programs	Fiscal year 1974 actual	Fiscal year 1975 estimate	Fiscal year 1976 proposed	Fifth quarter
United Nations programs.....	125,025	125,000	173,700	13,400
U.N. Development Program.....	90,203	77,897	120,000	.....
U.N. Children's Fund.....	15,000	17,000	20,000	.....
International Atomic Energy Agency Operational Fund.....	2,000	2,500	3,500	.....
World Meteorological Organization Voluntary Assist- ance Program.....	1,500	1,500	1,500	.....
U.N. Food and Agriculture Organization World Food Program.....	1,500	1,500	1,500	.....
U.N. Institute for Training and Research.....	400	400	400	.....
International Secretariat for Voluntary Service.....	72	60	60	.....
U.N. Relief and Works Agency.....	14,300	23,200	26,700	13,400
U.N. Funds for Southern Africans.....	50	50	50	.....
World Heritage Fund.....	.....	143	50	.....
U.N. Disaster Relief Organization.....	.....	750	.....	.....
Organization of American States.....	.....	.....	20,800	5,800
Special Multilateral Fund for Education, Science, and Culture.....	.....	.....	7,590	2,080
Special Multilateral Fund—Special projects.....	.....	.....	6,000	1,740
Special Development Assistance Fund.....	.....	.....	6,410	1,760
Inter-American Export Promotion Center.....	.....	.....	800	220
Total—United Nations and OAS programs.....	125,025	125,000	194,500	19,200

Subsection 312(a) (2) increases the ceiling on U.S. loans for Indus Basin development from \$51,220,000 to \$61,220,000.

In August 1971, the Tarbela Dam, near completion, was damaged. The structural failure is being repaired at a cost of approximately \$60 million. This additional cost of completing the project is being shared by six contributors, with the U.S. share being \$10 million.

Subsection 312(a) (3) provides \$27 million for fiscal year 1976 and for the transition quarter for Indus Basin development. This is the final U.S. grant contribution to the construction of the Tarbela Dam and completes the U.S. contribution to the Indus Basin development project.

Subsection 312(b) corrects a technical error in the Foreign Assistance Act of 1974. It amends section 54 of that act in order to place that provision properly in part I rather than in part III of the Foreign Assistance Act of 1961.

Section 313—Assistance to the Cape Verde Islands

Section 313 of the bill amends section 496 of the Foreign Assistance Act of 1961 to increase the amount of grants and decrease the amount

of loans authorized under that section for Portugal and present or former Portuguese colonies in Africa, and to forgive repayment of a loan made to the Cape Verde Islands. It does not authorize appropriation of additional funds.

Section 496 of the Foreign Assistance Act, enacted last year, authorizes \$5 million for grants and \$20 million for loans for fiscal year 1975 for economic assistance for Portugal and the countries and colonies in Africa which were, prior to April 25, 1974, colonies of Portugal.

Funds made available under this section which have not yet been obligated remain available for obligation under current continuing resolution authority. \$2,750,000 of the loan funds remain unobligated. However, pending and possible requests for use of the remaining funds require grant funding. Such requests include a proposal for the U.N. High Commissioner for Refugees (UNHCR) for a cash grant contribution toward a \$7,150,000 program for the repatriation, immediate relief, and resettlement of refugees in Mozambique, for which AID would like to consider a grant of about \$1.8 million. The UNHCR is preparing a similar request for Angola. Other possible uses of grant assistance are \$100,000 for U.S. scholarships for the new nation of Sao Tome and Principe and a rural development program in Guinea-Bissau.

This amendment would make possible the obligation of the remaining \$2,750,000 of what are now loan funds for such programs on a grant basis, by raising the existing grant level in section 496 by that amount and lowering the loan level by the same amount.

This section of the bill would also permit a \$3 million loan made to the Cape Verde Islands to be turned into a grant. Cape Verde is in serious economic difficulty and almost totally dependent on external aid because of an 8-year drought. Assistance from the United States to start labor-intensive rural works programs in the area of agriculture—dikes for gullies, simple irrigation ditches, and hand-laid stone farm-to-market roads—could not be provided on a grant basis because of the provisions of section 496 of the Foreign Assistance Act. The assistance therefore was provided in the form of a loan for \$3 million. However, the extreme poverty of the people of Cape Verde and the islands' precarious economic situation make it inappropriate for the United States to require repayment on the loan. Since section 620(r) of the Foreign Assistance Act of 1961 prohibits relieving any country of liability for repayment of a loan made under the Foreign Assistance Act, specific legislation waiving the requirement for repayment is necessary.

Section 314—Support for reimbursable development programs

This section extends through fiscal year 1977 the authority enacted last year to use AID funds for programs in countries, especially those in which U.S. development programs have been concluded or those not receiving economic assistance, in order (1) to facilitate open and fair access to natural resources of interest to the United States, and (2) to stimulate programs consistent with the provisions applicable to economic assistance for which the foreign country agrees to reimburse the United States.

This provision also increases from \$1 million to \$2 million the amount of AID funds that may be used for this purpose.

Section 315—Transition provisions for interim quarter

Section 665—Transition provisions for interim quarter

Section 315 of the committee draft adds a new section 665 to the Foreign Assistance Act of 1961 (FAA) authorizing appropriations during the interim quarter (July 1–September 30, 1976) at a rate not to exceed one-fourth the fiscal year 1976 authorization rate, for development programs and extends during the quarter the FAA authorities and restrictions applicable during fiscal year 1976.

This provision is necessary not only to fund development activities but also to continue authorities and restrictions, which establish a legal framework for the development program.

REQUIRED REPORT SECTIONS

COST ESTIMATE

Pursuant to clause 7 of Rule XIII of the House Rules, the committee has examined the requests submitted by the President to carry out the various programs authorized by this bill. It has made adjustments in the requests and recommends \$1,354,150,000 in fiscal year 1976 and \$1,523,850,000 in fiscal year 1977, as shown in the table included in the section of this report entitled "Purposes of the Bill."

In addition, section 302 of the bill authorizes repayments on prior year aid loans to be made available for specified purposes. The repayments are estimated at approximately \$353 million in fiscal year 1976 and \$403 million in fiscal year 1977.

It is not possible to project with any degree of accuracy the amounts which will be spent on development assistance and disaster aid over the next 5 years. Program costs are directly affected by a variety of factors, many of them unpredictable, such as weather conditions, political changes, and the international economic situation. Such a projection is further complicated by changing foreign policy needs and interests of the United States.

STATEMENTS REQUIRED BY RULE XI(1)(3) OF HOUSE RULES

A. Oversight Findings and Recommendations

This report contains numerous references to oversight findings by the committee on the implementation of the reforms mandated in the Foreign Assistance Act of 1973. Among principal sources of the oversight have been:

1. An oversight and review report on AID's implementation of the reforms which appeared as part of the committee report on the Foreign Assistance Act of 1974.

2. Requests to AID for reports on its progress in implementing the reforms. (A preliminary report was transmitted to the committee in January 1975, and a full report transmitted on July 3, 1975, has been printed under the title "Implementation of 'New Directions' in Development Assistance".)

3. A report on a staff study mission to Colombia, Bolivia, Guatemala, and the Dominican Republic entitled "'New Directions' in Development Assistance: Implementation in Four Latin American Countries."

4. Constant interchange between committee members and staff and AID officials on elements of the reforms, particularly through the Oversight Subcommittee.

(66)

As a result of such oversight activities, the International Development and Food Assistance Act of 1975 which the committee reports herewith contains numerous provisions extending the basic principles of the "New Directions" to the Public Law 480 program and clarifying and reaffirming them with respect to the AID development assistance program.

B. Budget Authority

The bill creates a new budget authority to the extent that it contains the authorization of appropriations for fiscal years 1976 and 1977. See the section of the report entitled "Principal Purposes of the Bill: Authorizations" for precise amounts.

The bill also permits, in section 302, the use of repayments on prior year aid loans to be made available for specified development-related purposes.

C. Congressional Budget Office Estimate and Comparison

No estimate and comparison prepared by the Director of the Congressional Budget Office under section 403 of the Congressional Budget Act of 1974 has been received by the committee.

D. Committee on Government Operations Summary

No oversight findings and recommendations have been received which relate to this measure from the Committee on Government Operations under clause 2(b)(2) of Rule X.

INFLATIONARY IMPACT STATEMENT

It is difficult to assess with any pretense at accuracy the "inflationary impact" of an authorization of appropriations contained in this bill. In fulfilling the requirements of this section, however, the committee believes the following factors to be significant:

1. Total net flow of resources from the United States to the less developed countries in 1973 was 0.6 percent of U.S. gross national product. Official development assistance (ODA) was less than 0.25 percent of U.S. gross national product. In 1973, ODA accounted for 36 percent of total U.S. capital outflow to the less developed countries, a decline from nearly 50 percent in 1971.

2. Developing countries accounted for 29.8 percent of total U.S. imports and 32.1 percent of exports in 1973. The United States had a favorable trade balance with developing countries in each of the 4 years, 1970-73. The surplus was \$2.3 billion in 1973 and, excluding trade with oil-exporting nations, was \$5.6 billion.

3. Net U.S. official development aid in 1963 was \$3.6 billion, while 1973 ODA deflated for 1963 prices was \$1.6 billion.

4. For fiscal year 1974, of total expenditures for development assistance of \$1.268 billion, \$908 million was spent in the United States; of total expenditures for supporting and reconstruction assistance of \$622 million, \$446 million was for procurement in the United States. Expenditures outside the United States amounted to \$536 million,

which is offset by receipts of interest and principal on previous loans of \$405 million including the \$5 million in expenditures in excess currencies. The net impact of AID activities in fiscal year 1974 was a net outflow of \$126 million.

5. U.S. agricultural commodities provided as concessional sales represented 26 percent of total agricultural exports in 1962 and 1963 but declined steadily to 12 percent in 1972 and dropped sharply to 4 percent in 1973 and 3 percent in 1974.

6. Inflows into the United States on investment income from less developed countries totaled almost \$5 billion in 1973, and fees and royalties totaled \$650 million.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

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

FOREIGN ASSISTANCE ACT OF 1961

* * * * *

PART I

CHAPTER 1—POLICY ; DEVELOPMENT ASSISTANCE AUTHORIZATIONS

SEC. 102. STATEMENT OF POLICY.—(a) * * *

* * * * *

(c) *Assistance under this chapter should be used not simply for the purpose of transferring financial resources to developing countries, but to help countries solve development problems in accordance with a strategy that aims to increase substantially the participation of the poor. Accordingly, greatest emphasis shall be placed on countries and activities which effectively involve the poor in development, by expanding their access to the economy through services and institutions at the local level, increasing labor-intensive production, spreading productive investment and services out from major cities to small towns and outlying rural areas, and otherwise providing opportunities for the poor to better their lives through their own effort.*

SEC. 103. FOOD AND NUTRITION.—(a) In order to alleviate starvation, hunger, and malnutrition, and to provide basic services to poor people, enhancing their capacity for self-help, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for agriculture, rural development, and nutrition. There are authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, \$291,000,000 for the fiscal year 1974, and \$500,000,000 for the fiscal year 1975, \$628,800,000 for the fiscal year 1976 and \$760,000,000 for the fiscal year 1977, which amounts are authorized to remain available until expended.

(b) The Congress finds that, due to rising world food, fertilizer, and petroleum costs, human suffering and deprivation are growing in the poorest and most slowly developing countries. The greatest potential for significantly expanding world food production at relatively

low cost lies in increasing the productivity of small farmers who constitute a majority of the nearly one billion people living in those countries. Increasing the emphasis on rural development and expanded food production in the poorest nations of the developing world is a matter of social justice as well as an important factor in slowing the rate of inflation in the industrialized countries. In the allocation of funds under this section, special attention should be given to increasing agricultural production in the countries with per capita incomes under \$300 a year and which are the most severely affected by sharp increases in worldwide commodity prices.

(c) Assistance provided under this section shall be used primarily for activities which are specifically designed to increase the productivity and income of the rural poor, through such means as creation and strengthening of local institutions linked to the regional and national levels; organization of a system of financial institutions which provide both savings and credit services to the poor; stimulation of small, labor-intensive enterprises in rural towns; improvement of marketing facilities and systems; expansion of local or small-scale rural infrastructure and utilities such as farm-to-market roads, land improvement, energy, and storage facilities; establishment of more equitable and more secure land tenure arrangements; and creation and strengthening of systems to provide other services and supplies needed by farmers, such as extension, research, training, fertilizer, water, and improved seed, in ways which assure access to them by small farmers.

(d) Foreign currency proceeds from sales of commodities provided under the Agricultural Trade Development and Assistance Act of 1954 which are owned by foreign governments shall be used whenever practicable to carry out the provisions of this section.

(e) Dollar receipts from loans made pursuant to this part and from loans made under predecessor foreign assistance legislation are authorized to be made available for each of the fiscal years 1976 and 1977 for use, in addition to funds otherwise available for such purposes, for the purposes of supporting the activities of the proposed International Fund for Agricultural Development (a total of \$200,000,000 of such receipts may be used only for such purpose), undertaking agricultural research in accordance with section 103A, and making loans for other activities under this section. Such amounts shall remain available until expended.

SEC. 103A. AGRICULTURAL RESEARCH.—Agricultural research carried out under this Act shall (1) take account of the special needs of small farmers in the determination of research priorities, (2) include research on the interrelationships among technology, institutions, and economic, social, and cultural factors affecting small-farm agriculture, and (3) make extensive use of field testing to adapt basic research to local conditions. Special emphasis shall be placed on disseminating research results to the farms on which they can be put to use, and especially on institutional and other arrangements needed to assure that small farmers have effective access to both new and existing improved technology.

SEC. 104. POPULATION PLANNING AND HEALTH.—(a) In order to increase the opportunities and motivation for family planning, to reduce the rate of population growth, to prevent and combat disease, and to

help provide health services for the great majority, the President is authorized to furnish assistance on such terms and conditions as he may determine, for population planning and health. There are authorized to be appropriated to the President for the purposes of this section, in addition to the funds otherwise available for such purposes, \$145,000,000 for the fiscal year 1974, and \$165,000,000 for the fiscal year 1975, \$248,100,000 for the fiscal year 1976 and \$280,600,000 for the fiscal year 1977, which amounts are authorized to remain available until expended. Not less than 67 percent of the funds made available under this section for any fiscal year shall be used for population planning.

(b) Assistance provided under this section shall be used primarily for extension of low-cost, integrated delivery systems to provide health and family planning services, especially to rural areas and to the poorest economic sectors, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems, and other modes of community outreach; health programs which emphasize disease prevention, environmental sanitation, and health education; and population planning programs which include education in responsible parenthood and motivational programs, as well as delivery of family planning services and which are coordinated with programs aimed at reducing the infant mortality rate, providing better nutrition to pregnant women and infants, and raising the standard of living of the poor.

SEC. 105. EDUCATION AND HUMAN RESOURCES DEVELOPMENT.—(a) In order to reduce illiteracy, to extend basic education and to increase manpower training in skills related to development, the President is authorized to furnish assistance on such terms and conditions as he may determine, for education, public administration, and human resource development. There are authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, \$90,000,000 for the fiscal year 1974, and \$92,000,000 for the fiscal year 1975, \$89,200,000 for the fiscal year 1976 and \$101,800,000 for the fiscal year 1977, which amounts are authorized to remain available until expended.

(b) Assistance provided under this section shall be used primarily to expand and strengthen nonformal education methods, especially those designed to improve productive skills of rural families and the urban poor and to provide them with useful information; to increase the relevance of formal education systems to the needs of the poor, especially at the primary level, through reform of curricula, teaching materials, and teaching methods, and improved teacher training; and to strengthen the management capabilities of institutions which enable the poor to participate in development.

SEC. 106. SELECTED DEVELOPMENT PROBLEMS.—The President is authorized to furnish assistance on such terms and conditions as he may determine, to help solve economic and social development problems in fields such as transportation, power, industry, urban development, and export development. There are authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, \$53,000,000 for each of the fiscal years 1974 and 1975, which amounts are authorized to remain available until expended.

[SEC. 107. SELECTED COUNTRIES AND ORGANIZATIONS.—The President is authorized to furnish assistance on such terms and conditions as he may determine, in support of the general economy of recipient countries or for development programs conducted by private or international organizations. There are authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, \$39,000,000 for each of the fiscal years 1974 and 1975, which amounts are authorized to remain available until expended.]

SEC. 106. TECHNICAL ASSISTANCE, ENERGY, RESEARCH, RECONSTRUCTION, AND SELECTED DEVELOPMENT PROBLEMS.—(a) *The President is authorized to furnish assistance, on such terms and conditions as he may determine, for the following activities, to the extent that such activities are not authorized by sections 103, 104, and 105 of this Act:*

(1) *programs of technical cooperation and development, particularly the development efforts of United States private and voluntary agencies and regional and international development organizations;*

(2) *programs to help developing countries alleviate their energy problems by increasing their production and conservation of energy, through such means as research and development of suitable energy sources and conservation methods, collection and analysis of information concerning countries' potential supplies of and needs for energy, and pilot projects to test new methods of production or conservation of energy;*

(3) *programs of research into, and evaluation of, the process of economic development in less developed countries and areas, into the factors affecting the relative success and costs of development activities, and into the means, techniques, and such other aspects of development assistance as the President may determine in order to render such assistance of increasing value and benefit;*

(4) *programs of reconstruction following natural or manmade disasters;*

(5) *programs designed to help solve special development problems in the poorest countries and to make possible proper utilization of infrastructure and related projects funded with earlier United States assistance; and*

(6) *programs of urban development, with particular emphasis on small, labor intensive enterprises, marketing systems for small producers, and financial and other institutions which enable the urban poor to participate in the economic and social development of their country.*

(b) *There is authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, \$99,550,000 for the fiscal year 1976 and \$104,500,000 for the fiscal year 1977, which amounts are authorized to remain available until expended.*

SEC. 107. INTERMEDIATE TECHNOLOGY.—*Of the funds made available to carry out this chapter for the fiscal years 1976, 1977, and 1978, a total of \$20,000,000 may be used for activities in the field of intermediate technology, through grants in support of an expanded and coordinated private effort to promote the development and dissemination of technologies appropriate for developing countries.*

* * * * *

SEC. 110. COST-SHARING AND FUNDING LIMITS.—(a) No assistance shall be furnished by the United States Government to a country under sections 103 through 107 of this Act until the country provides assurances to the President, and the President is satisfied, that such country provide at least 25 per centum of the costs of the entire program, project, or activity with respect to which such assistance is to be furnished, except that such costs borne by such country may be provided on an "in-kind" basis *and except that the President may waive this cost-sharing requirement in the case of a project or activity in a country which meets the United Nations' criteria for relatively least developed countries.*

* * * * *

[SEC. 111. DEVELOPMENT AND USE OF COOPERATIVES.—In order to strengthen the participation of the urban and rural poor in their country's development, not less than \$20,000,000 of the funds made available for the purposes of this chapter shall be available during the fiscal years 1974 and 1975 only for assistance in the development of cooperatives in the less developed countries which will enable and encourage greater numbers of the poor to help themselves toward a better life.]

SEC. 111. DEVELOPMENT AND USE OF COOPERATIVES.—*In order to strengthen the participation of the rural and urban poor in their country's development, high priority shall be given to increasing the use of funds made available under this Act for assistance in the development of cooperatives in the less developed countries which will enable and encourage greater numbers of the poor to help themselves toward a better life. Not less than \$20,000,000 of such funds shall be used during the fiscal years 1976 and 1977, including the period from July 1, 1976, through September 30, 1976, only for technical assistance to carry out the purposes of this section.*

SEC. 112. PROHIBITING POLICE TRAINING.—* * * [Repealed 1974]

SEC. 113. INTEGRATING WOMEN INTO NATIONAL ECONOMIES.—[Sections 103 through 107] *Part I* of this Act shall be administered so as to give particular attention to those programs, projects, and activities which tend to integrate women into the national economies of foreign countries, thus improving their status and assisting the total development effort.

* * * * *

CHAPTER 2—DEVELOPMENT ASSISTANCE

TITLE I—DEVELOPMENT LOAN FUND

* * * * *

[SEC. 203. FISCAL PROVISIONS.—Not more than 50 per centum of dollar receipts scheduled to be paid during each of the fiscal year 1974 and 1975 from loans made pursuant to this part and from loans made under predecessor foreign assistance legislation are authorized to be made available for each such fiscal year for use for purposes of making loans under chapter 1 of this part. Such receipts shall remain available until expended.

[On and after July 1, 1975, none of the dollar receipts paid during any fiscal year from loans made pursuant to this part or from loans made under predecessor foreign assistance legislation are authorized

to be made available during any fiscal year for use for purposes of making loans under chapter 1 of this part. All such receipts shall be deposited in the Treasury as miscellaneous receipts.]

* * * * *

SEC. 209. MULTILATERAL AND REGIONAL PROGRAMS.—(a) The Congress recognizes that the planning and administration of development assistance by, or under the sponsorship of the United Nations, multilateral lending institutions, and other multilateral organizations may contribute to the efficiency and effectiveness of that assistance through participation of other donors in the development effort, improved coordination of policies and programs, pooling of knowledge, avoidance of duplication of facilities and manpower, and greater encouragement of self-help performance.

(b) It is further the sense of the Congress (1) that where problems or opportunities are common to two or more countries in a region, in such fields as agriculture, education, transportation, communications, power, watershed development, disease control, and establishment of development banks, these countries often can more effectively resolve such problems and exploit such opportunities by joining together in regional organizations or working together on regional programs, (2) that assistance often can be utilized more efficiently in regional programs than in separate country programs, and (3) that to the maximum extent practicable consistent with the purposes of this Act assistance under this Act should be furnished so as to encourage less developed countries to cooperate with each other in regional development programs.

[(c) Notwithstanding any other provision of law, the President should reduce the amounts and numbers of loans made by the United States directly to individual foreign countries with the objective of reducing the total amount of bilateral loans made under this Act so that, by not later than June 30, 1975, such total amount shall not exceed \$100,000,000.]

(c) *It is the sense of the Congress that the President should increase, to the extent practicable, the funds provided by the United States to multilateral lending institutions and multilateral organizations in which the United States participates for use by such institutions and organizations in making loans to foreign countries.*

* * * * *

TITLE II—TECHNICAL COOPERATION AND DEVELOPMENT GRANTS

* * * * *

SEC. 214. AMERICAN SCHOOLS AND HOSPITALS ABROAD.—(a) The President is authorized to furnish assistance, on such terms and conditions as he may specify, to schools and libraries outside the United States founded or sponsored by United States citizens and serving as study and demonstration centers for ideas and practices of the United States.

(b) The President is authorized, notwithstanding the provisions of the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1611 et seq.) to furnish assistance, on such terms and conditions as he may specify, to institutions referred to in subsection (a) of this section, and

to hospital centers for medical education and research outside the United States, founded or sponsored by United States citizens.

(c) To carry out the purposes of this section, there are authorized to be appropriated to the President for each of the fiscal years 1974 and 1975 \$19,000,000, and for each of the fiscal years 1976 and 1977, \$25,000,000, which amounts are authorized to remain available until expended. *Amounts appropriated under this subsection may not be used to furnish assistance under this section in any fiscal year to more than four institutions in the same country, and not more than one such institution may be a university and not more than one such institution may be a hospital.*

(d) There are authorized to be appropriated to the President to carry out the purposes of this section, in addition to funds otherwise available for such purposes, for each of the fiscal years 1974 and 1975 \$6,500,000 and for each of the fiscal years 1976 and 1977, \$7,000,000, in foreign currencies which the Secretary of the Treasury determines to be excess to the normal requirements of the United States.

* * * * *

TITLE III—HOUSING AND OTHER CREDIT GUARANTY PROGRAMS

* * * * *

SEC. 223. GENERAL PROVISIONS.—(a) * * *

* * * * *

(i) The authority of section 221 and section 222 shall continue until [June 30, 1976] *September 30, 1978.*

(j) *Guaranties shall be issued under sections 221 and 222 only for housing projects which (1) except for regional projects, are in countries which are receiving, or which in the previous two fiscal years have received, development assistance under chapter 1 of part I of this Act, (2) are coordinated with and complementary to such assistance, and (3) are specifically designed to demonstrate the feasibility and suitability of particular kinds of housing or of financial or other institutional arrangements on a pilot basis. Of the aggregate face value of such guaranties hereafter issued, not less than 90 per centum shall be issued for housing suitable for families with income below the median income (below the median urban income for housing in urban areas) in the country in which the housing is located. The face value of guaranties issued with respect to housing in any country shall not exceed \$5,000,000 in any fiscal year.*

* * * * *

TITLE XII—FAMINE PREVENTION AND FREEDOM FROM HUNGER

SEC. 296. GENERAL PROVISIONS.—(a) *The Congress declares that, in order to prevent famine and establish freedom from hunger, the United States should strengthen the capacities of the United States land-grant and other eligible universities in program-related agricultural institutional development and research, consistent with sections 103 and 103A, should improve their participation in the United States Government's international efforts to apply more effectively agricultural sciences to the goal of increasing world food production,*

and in general should provide increased and longer term support to the application of science to solving food and nutrition problems of the developing countries.

The Congress so declares because it finds—

(1) that the establishment, endowment, and continuing support of land-grant universities in the United States by Federal, State, and county governments has led to agricultural progress in this country;

(2) that land-grant and other universities in the United States have demonstrated over many years their ability to cooperate with foreign agricultural institutions in expanding indigenous food production for both domestic and international markets;

(3) that, in a world of growing population with rising expectations, increased food production and improved distribution, storage, and marketing in the developing countries is necessary not only to prevent hunger but to build the economic base for growth, and moreover, that the greatest potential for increasing world food supplies is in the developing countries where the gap between food need and food supply is the greatest and current yields are lowest;

(4) that increasing and making more secure the supply of food is of greatest benefit to the poorest majority in the developing world;

(5) that research, teaching, and extension activities, and appropriate institutional development therefor are prime factors in increasing agricultural production abroad (as well as in the United States) and in improving food distribution, storage, and marketing;

(6) moreover, that agricultural research abroad has in the past and will continue in the future to provide benefits for agriculture in the United States and that increasing the availability of food of higher nutritional quality is of benefit to all; and

(7) that universities need a dependable source of Federal funding, as well as other financing, in order to expand, or in some cases to continue, their efforts to assist in increasing agricultural production in developing countries.

(b) Accordingly, the Congress declares that, in order to prevent famine and establish freedom from hunger, various components must be brought together in order to increase world food production, including—

(1) strengthening the capabilities of universities to assist in increasing agricultural production in developing countries;

(2) institution-building programs for development of national and regional agricultural research and extension capacities in developing countries which need assistance;

(3) international agricultural research centers;

(4) contract research; and

(5) research program grants.

(c) The United States should—

(1) effectively involve the United States land-grant and other eligible universities more extensively in each component;

(2) provide mechanisms for the universities to participate and advise in the planning, development, implementation, and administration of each component; and

(3) assist such universities in cooperative joint efforts with—

(A) agricultural institutions in developing nations, and

(B) regional and international agricultural research centers,

directed to strengthening their joint and respective capabilities and to engage them more effectively in research, teaching, and extension activities for solving problems in food production, distribution, storage, marketing, and consumption in agriculturally underdeveloped nations.

(d) As used in this title, the term "universities" means those colleges or universities in each State, territory, or possession of the United States, or the District of Columbia now receiving, or which may hereafter receive, benefits under the Act of July 2, 1862 (known as the First Morrill Act), or the Act of August 30, 1890 (known as the Second Morrill Act), which are commonly known as "land grant" universities and other United States universities which—

(1) have demonstrable capacity in teaching, research, and extension activities in the agricultural sciences; and

(2) can contribute effectively to the attainment of the objectives of this title.

(e) As used in this title, the term "Administrator" means the Administrator of the Agency for International Development.

SEC. 297. GENERAL AUTHORITY.—(a) To carry out the purposes of this title, the President is authorized to provide assistance on such terms and conditions as he shall determine—

(1) to strengthen the capabilities of universities in teaching, research, and extension work to enable them to implement current programs authorized by paragraphs (2) (3) (4), and (5) of this subsection, and those proposed in the report required by section 300 of this title;

(2) to build and strengthen the institutional capacity and human resource skills of agriculturally developing countries so that these countries may participate more fully in the international agricultural problem-solving effort and to introduce and adapt new solutions to local circumstances;

(3) to provide program support for long-term collaborative university research on food production, distribution, storage, marketing, and consumption;

(4) to involve universities more fully in the international network of agricultural science, including the international research centers, the activities of international organizations such as the United Nations Development Program and the Food and Agriculture Organization, and the institutions of agriculturally developing nations; and

(5) to provide program support for international agricultural research centers, to provide support for research projects identified for specific problem-solving needs, and to develop and strengthen national research systems in the developing countries.

(b) Programs under this title shall be carried out so as to—

(1) utilize and strengthen the capabilities of universities in—

(A) developing capacity in the cooperating nation for classroom teaching in agriculture, plant and animal sciences, human nutrition, and vocational and domestic arts and other relevant fields appropriate to local needs;

(B) agricultural research to be conducted in the cooperating nations, at international agricultural research centers, or in the United States;

(C) the planning, initiation, and development of extension services through which information concerning agriculture and related subjects will be made available directly to farmers and farm families in the agriculturally developing nations by means of education and demonstration; or

(D) the exchange of educators, scientists, and students for the purpose of assisting in successful development in the cooperating nations;

(2) take into account the value to United States agriculture of such programs, integrating to the extent practicable the programs and financing authorized under this title with those supported by other Federal or State resources so as to maximize the contribution to the development of agriculture in the United States and in agriculturally developing nations; and

(3) whenever practicable, build on existing programs and institutions including those of the universities and the United States Department of Agriculture.

(c) To the maximum extent practicable, activities under this section shall (1) be designed to achieve the most effective interrelationship among the teaching of agricultural sciences, research, and extension work, (2) focus primarily on the needs of agricultural producers, and (3) be adapted to local circumstances.

(d) The President shall exercise his authority under this section through the Administrator.

SEC. 298. BOARD FOR INTERNATIONAL AGRICULTURAL DEVELOPMENT.—

(a) To assist in the administration of the programs authorized by this title, the President shall establish a permanent Board for International Agricultural Development (hereafter in this title referred to as the "Board") consisting of seven members, not less than four to be selected from the universities and one of the seven shall be selected from a non-land-grant university. Terms of members shall be set by the President at the time of appointment. Members of the Board shall be entitled to such reimbursement for expenses incurred in the performance of their duties (including per diem in lieu of subsistence while away from their homes or regular place of business) as the President deems appropriate.

(b) The Board's general areas of responsibility shall include, but not be limited to—

(1) participating in the planning, development, implementation of,

(2) initiating recommendations for, and

(3) monitoring of,

the activities described in section 297 of this title.

(c) The Board's duties shall include, but not necessarily be limited to—

(1) participating in the formulation of basic policy, procedures, and criteria for project proposal review, selection, and monitoring;

(2) developing and keeping current a roster of universities—

(A) interested in exploring their potential for collaborative relationships with agricultural institutions, and with scientists working on significant programs designed to increase food production in developing countries,

(B) having capacity in the agricultural sciences,

(C) able to maintain an appropriate balance of teaching, research, and extension functions,

(D) having capacity, experience, and commitment with respect to international agricultural efforts, and

(E) able to contribute to solving the problems addressed by this title;

(3) recommending which developing nations could benefit from programs carried out under this title, and identifying those nations which have an interest in establishing or developing agricultural institutions which engage in teaching, research, or extension activities;

(4) reviewing and evaluating memorandums of understanding or other documents that detail the terms and conditions between the Administrator and universities participating in programs under this title;

(5) reviewing and evaluating agreements and activities authorized by this title and undertaken by universities to assure compliance with the purposes of this title;

(6) recommending to the Administrator the apportionment of funds under section 297 of this title; and

(7) assessing the impact of programs carried out under this title in solving agricultural problems in the developing nations.

(d) The President may authorize the Board to create such subordinate units as may be necessary for the performance of its duties, including but not limited to the following:

(1) a Joint Research Committee to participate in the administration and development of the collaborative activities described in section 297 (a) (3) of this title; and

(2) a Joint Committee on Country Programs which shall assist in the implementation of the bilateral activities described in sections 297 (a) (2), 297 (a) (4), and 297 (a) (5).

(e) In addition to any other functions assigned to and agreed to by the Board, the Board shall be consulted in the preparation of the annual report required by section 300 of this title and on other agricultural development activities related to programs under this title.

SEC. 299. AUTHORIZATION.—(a) The President is authorized to use any of the funds hereafter made available under section 103 of this Act to carry out the purposes of this title. Funds made available for such purposes may be used without regard to the provisions of sections 110 (b), 211 (a), and 211 (d) of this Act.

(b) *Foreign currencies owned by the United States and determined by the Secretary of the Treasury to be excess to the needs of the United States shall be used to the maximum extent possible in lieu of dollars in carrying out the provisions of this title.*

(c) *Assistance authorized under this title shall be in addition to any allotments or grants that may be made under other authorizations.*

(d) *Universities may accept and expend funds from other sources, public and private, in order to carry out the purposes of this title. All such funds, both prospective and in hand, shall be periodically disclosed to the Administrator as he shall by regulation require, but no less often than in an annual report.*

SEC. 300. ANNUAL REPORT.—The President shall transmit to the Congress, not later than April 1 of each year, a report detailing the activities carried out pursuant to this title during the preceding fiscal year and containing a projection of programs and activities to be conducted during the subsequent five fiscal years. Each report shall contain a summary of the activities of the Board established pursuant to section 298 of this title and may include the separate views of the Board with respect to any aspect of the programs conducted or proposed to be conducted under this title.

CHAPTER 3—INTERNATIONAL ORGANIZATIONS AND PROGRAMS

* * * * *

SEC. 302. AUTHORIZATION.—(a) There is authorized to be appropriated to the President for grants to carry out the purposes of this chapter, in addition to funds available under any other Act for such purposes, for the fiscal year 1974, \$127,822,000 and for the fiscal year 1975, \$165,000,000, and for the fiscal year 1976, \$194,500,000 and for the fiscal year 1977, \$219,900,000.

(b)(1) *There is authorized to be appropriated to the President for loans for Indus Basin Development to carry out the purposes of this section, in addition to funds available under this or any other Act for such purposes, for use beginning in the fiscal year 1969, \$51,220,000 \$61,220,000. Such amounts are authorized to remain available until expended.*

(2) *There is authorized to be appropriated to the President for grants for Indus Basin Development, in addition to any other funds available for such purposes, for use in the fiscal year 1974, \$14,500,000, and for use in the fiscal year 1975, \$14,500,000, and for use beginning in the fiscal year 1976, \$27,000,000, which amounts shall remain available until expended. The President shall not exercise any special authority granted to him under section 610(a) or 614(a) of this Act to transfer any amount appropriated under this paragraph to, and to consolidate such amount with, any funds made available under any other provisions of this Act.*

* * * * *

(d) *Of the funds made available to carry out this chapter for each of the fiscal years [1974 and 1975, \$18,000,000] 1976 and 1977, \$20,000,000 shall be available in each such fiscal year only for contributions to the United Nations Children's Fund.*

* * * * *

Chapter 9—[Refugee Relief] International Disaster Assistance

[SEC. 491. REFUGEE RELIEF ASSISTANCE.—There is authorized to be appropriated to the President for the fiscal year 1972, in addition to funds otherwise available for such purposes, not to exceed \$250,000,000, to remain available until expended, for use by the President in providing assistance for the relief and rehabilitation of refugees from East Pakistan and for humanitarian relief in East Pakistan. Such assistance shall be distributed, to the maximum extent practicable, under the auspices of and by international institutions and relief agencies or United States voluntary agencies.]

SEC. 491. POLICY AND GENERAL AUTHORITY.—(a) The Congress, recognizing that prompt United States assistance to alleviate human suffering caused by natural and manmade disasters is an important expression of the humanitarian concern and tradition of the people of the United States, affirms the willingness of the United States to provide assistance for the relief and rehabilitation of people and countries affected by such disasters.

(b) *Subject to the limitation on appropriations in section 492, and notwithstanding any other provision of this or any other Act, the President is authorized to furnish assistance to any foreign country or international organization on such terms and conditions as he may determine, for international disaster relief and rehabilitation, including assistance relating to disaster preparedness, and to the prediction of, and contingency planning for, natural disasters abroad.*

(c) *In carrying out the provisions of this section the President shall insure that the assistance provided by the United States shall, to the greatest extent possible, reach those most in need of relief and rehabilitation as a result of natural and manmade disasters.*

SEC. 492. AUTHORIZATION.—There is authorized to be appropriated to the President to carry out section 491, \$25,000,000 for each of the fiscal years 1976 and 1977. The President shall submit quarterly reports to the Committee on Foreign Relations of the Senate and to the Speaker of the House of Representatives on the programing and obligation of funds under this section.

SEC. 493. DISASTER ASSISTANCE—COORDINATION.—The President is authorized to appoint a Special Coordinator for International Disaster Assistance whose responsibility shall be to promote maximum effectiveness and coordination in responses to foreign disasters by United States agencies and between the United States and other donors. Included among the Special Coordinator's responsibilities shall be the formulation and updating of contingency plans for providing disaster relief.

SEC. [452] 494. DISASTER RELIEF ASSISTANCE.—There are authorized to be appropriated, in addition to other sums available for such purposes, \$65,000,000 for use by the President for disaster relief and emergency recovery needs in Pakistan, and Nicaragua, under such terms and conditions as he may determine, such sums to remain available until expended.

SEC. [639A] 494A. FAMINE AND DISASTER RELIEF TO DROUGHT-STRIKEN AFRICAN NATIONS.—(a) The Congress affirms the response of the United States Government in providing famine and disaster

relief and related assistance in connection with the drought in the nations of Africa. The President shall report to Congress as soon as possible on solutions to this problem of famine and further propose how any of these solutions may be carried out by multilateral organizations.

(b) Notwithstanding any prohibitions or restrictions contained in this or any other Act, there is authorized to be appropriated to the President, in addition to funds otherwise available for such purposes, \$110,000,000 to remain available until expended, for use by the President, under such terms and conditions as he may determine, for emergency and recovery needs, including drought, famine, and disaster relief, and rehabilitation and related assistance, for the drought-stricken nations of Africa. Of the amount authorized to be appropriated under this subsection, not more than \$10,000,000 shall be available for Ethiopia.

SEC. [639B] 494B. AFRICAN SAHEL DEVELOPMENT PROGRAM.—The Congress supports the initiative of the United States Government in undertaking consultations and planning with the countries concerned, with other nations providing assistance, with the United Nations, and with other concerned international and regional organizations, toward the development and support of a comprehensive long-term African Sahel development program.

CHAPTER 10—ASSISTANCE TO PORTUGAL AND PORTUGUESE COLONIES IN AFRICA GAINING INDEPENDENCE

SEC. 496. ASSISTANCE TO PORTUGAL AND PORTUGUESE COLONIES IN AFRICA GAINING INDEPENDENCE.—There are authorized to be appropriated to the President for the fiscal year 1975, in addition to funds otherwise available for such purposes, not to exceed—

- (1) [\$5,000,000] \$7,750,000 to make grants; and
- (2) [\$20,000,000] \$17,250,000 to make loans;

to remain available until expended, for use by the President in providing economic assistance, on such terms and conditions as he may determine, for Portugal and the countries and colonies in Africa which were, prior to April 25, 1974, colonies of Portugal. *Notwithstanding the provisions of section 620(r) of this Act, the United States is authorized to forgive the liability incurred by the Government of the Cape Verde Islands for the repayment of a \$3,000,000 loan on June 30, 1975.*

PART III

CHAPTER 2—ADMINISTRATIVE PROVISIONS

[SEC. 639. FAMINE OR DISASTER RELIEF.—Notwithstanding any other provision of this or any other Act, the President may provide famine or disaster relief assistance to any foreign country on such terms and conditions as he may determine. For fiscal year 1975 there is authorized to be appropriated not to exceed \$40,000,000, to provide such assistance. The President shall submit quarterly reports during

such fiscal year to the Committee on Foreign Relations and the Committee on Appropriations of the Senate and to the Speaker of the House of Representatives on the programming and obligation of funds under this section.]

CHAPTER 3—MISCELLANEOUS PROVISIONS

SEC. 661. REIMBURSABLE DEVELOPMENT PROGRAMS.—The President is authorized to use up to \$1,000,000 of the funds made available for the purposes of this Act [in each of the fiscal years 1975 and 1976] in the fiscal year 1975 and \$2,000,000 in each of the fiscal years 1976 and 1977 to work with friendly countries, especially those in which United States development programs have been concluded or those not receiving assistance under part I of this Act, in (1) facilitating open and fair access to natural resources of interest to the United States and (2) stimulation of reimbursable aid programs consistent with part I of this Act. Any funds used for purposes of this section may be used notwithstanding any other provision of this Act.

SEC. 665. TRANSITION PROVISIONS FOR INTERIM QUARTER.—There are authorized to be appropriated for the period July 1, 1976, through September 30, 1976, such amounts as may be necessary to conduct programs and activities for which funding was authorized for fiscal year 1976 by the International Development and Food Assistance Act of 1975, in accordance with the provisions applicable to such programs and activities for such fiscal year, except that the total amount appropriated for such period shall not exceed one-fourth of the total amount authorized to be appropriated for the fiscal year 1976 for such programs and activities.

SECTION 54 OF THE FOREIGN ASSISTANCE ACT OF 1974

INTEGRATION OF WOMEN

SEC. 54. Chapter 3 of part [III] I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

“SEC. 305. Integration of Women.—The President is requested to instruct each representative of the United States to each international organization of which the United States is a member (including but not limited to the International Bank for Reconstruction and Development, the Asian Development Bank, the Inter-American Development Bank, the International Monetary Fund, the United Nations, and the Organization for Economic Cooperation and Development) to carry out their duties with respect to such organizations in such a manner as to encourage and promote the integration of women into the national

economies of member and recipient countries and into professional and policy-making positions within such organizations, thereby improving the status of women.”

AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

AN ACT To increase the consumption of United States agricultural commodities in foreign countries, to improve the foreign relations of the United States, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the “Agricultural Trade Development and Assistance Act of 1954”

SEC. 2. The Congress hereby declares it to be the policy of the United States to expand international trade; to develop and expand export markets for United States agricultural commodities; to use the abundant agricultural productivity of the United States to combat hunger and malnutrition and to encourage economic development in the developing countries, with particular emphasis on assistance to those countries that are determined to improve their own agricultural production; and to promote in other ways the foreign policy of the United States.

In furnishing food aid under this Act, the President shall—

(1) *give priority consideration, in helping to meet urgent food needs abroad, to making available the maximum feasible volume of food commodities (with appropriate regard to domestic price and supply situations) to those countries most seriously affected by food shortages and inability to meet immediate food requirements;*

(2) *continue to urge all traditional and potential new donors of food, fertilizer, or the means of financing these commodities to increase their participation in efforts to address the emergency and longer term food needs of the developing world; and*

(3) *relate United States assistance to efforts by aid-receiving countries to increase their own agricultural production, with emphasis on development of labor-intensive, small-farm agriculture.*

Sec. 3. Pursuant to the World Food Conference recommendation that donor countries provide a total of at least ten million tons of food assistance annually, the President is urged to maintain a significant United States contribution to this goal and to encourage other countries to maintain and increase their contributions as well.

TITLE I

* * * * *

SEC. 103. In exercising the authorities conferred upon him by this title, the President shall—

(a) take into account efforts of friendly countries to help themselves toward a greater degree of self-reliance, including efforts to [meet their problems of food production and population growth;] *increase their own agricultural production, especially through labor-intensive, small-farm agriculture, and to reduce their rate of population growth;*

(b) take steps to assure a progressive transition from sales for foreign currencies to sales for dollars (or to the extent that transition to sales for dollars under the terms applicable to such sales is not possible, transition to sales for foreign currencies on credit terms no less favorable to the United States than those for development loans made under section 201 of the Foreign Assistance Act of 1961, as amended, and on terms which permit conversion to dollars at the exchange rate applicable to the sales agreement) at a rate whereby the transition can be completed by December 31, 1971: *Provided, That, except where he determines that it would be inconsistent with the objectives of the Act, the President shall determine the amount of foreign currencies needed for the uses specified in subsections (a), (b), (c), (e), and (h) of section 104 and in section 106(b)(2), and the agreements for such credit sales shall provide for payment of such amounts in dollars or in foreign currencies upon delivery of the agricultural commodities. Such payment may be considered as an advance payment of the earliest installments;*

* * * * *

(d) makes sales agreements only with those countries which he determines to be friendly to the United States: *Provided, That the President shall periodically review the status of those countries which are eligible under this subsection and report the results of such review to the Congress. As used in this Act, “friendly country” shall not include (1) any country or area dominated or controlled by a foreign government or organization controlling a world Communist movement, or (2) for the purpose only of sales of agricultural commodities for foreign currencies under title I of this Act, any country or area dominated by a Communist government, or (3) for the purpose only of sales of agricultural commodities under title I of this Act, any nation which sells or furnishes or permits ships or aircraft under its registry to transport to or from Cuba or North Vietnam (excluding United States installations in Cuba) any equipment, materials, or commodities so long as they are governed by a Communist regime: [Provided, That with respect to furnishing, selling, or selling and transporting to Cuba medical supplies, non-strategic raw materials for agriculture, and non-strategic agricultural or food commodities, sales agreements may be entered into if the President finds with respect to each such country, and so informs the Senate and the House of Representatives of the reasons therefor, that the making of each such agreement would be in the national interest of the United States and all such findings and reasons therefor shall be published in the Federal Register, Provided, That this exclusion from the definition of “friendly country” may be waived by the President if he determines that such waiver is in the national interest and reports such determination to the Congress or (4) for the purposes only of sales under title I of this Act the United Arab Republic, unless the President determines that such sale is in the national interest of the United States. No sales to the United Arab Republic shall be based upon the requirements of that nation*

for more than one fiscal year. The President shall keep the President of the Senate and the Speaker of the House of Representatives fully and currently informed with respect to sales made to the United Arab Republic under title I of this Act. Notwithstanding any other Act, the President may enter into agreements for the sale of agricultural commodities for dollars on credit terms under title I of this Act with countries which fall within the definition of "friendly country" for the purpose of such sales and no sales under this Act shall be made with any country if the President finds such country is (a) an aggressor, in a military sense, against any country having diplomatic relations with the United States, or (b) using funds, of any sort, from the United States for purposes inimical to the foreign policies of the United States;

* * * * *

SEC. 104. Notwithstanding any other provision of law, the President may use or enter into agreements with foreign countries or international organizations to use the foreign currencies, including principal and interest from loan repayments, which accrue in connection with sales for foreign currencies under this title for one or more of the following purposes:

(a) For payment of United States obligations (including obligations entered into pursuant to other legislation);

(b) For carrying out programs of United States Government agencies to—

(1) help develop new markets for United States agricultural commodities on a mutually benefiting basis. From sale proceeds and loan repayments under this title not less than the equivalent of 5 per centum of the total sales made each year under this title shall be set aside in the amounts and kinds of foreign currencies specified by the Secretary of Agriculture and made available in advance for use as provided by this paragraph over such period of years as the Secretary of Agriculture determines will most effectively carry out the purpose of this paragraph: *Provided*, That the Secretary of Agriculture may release such amounts of the foreign currencies so set aside as he determines cannot be effectively used for agricultural market development purposes under this section, except that no release shall be made until the expiration of thirty days following the date on which notice of such proposed release is transmitted by the President to the Senate Committee on Agriculture and Forestry and to the House Committee on Agriculture and the House Committee on International Relations, if transmitted while Congress is in session, or sixty days following the date of transmittal if transmitted while Congress is not in session. Provision shall be made in sale and loan agreements for the convertibility of such amount of the proceeds thereof (not less than 2 per centum) as the Secretary of Agriculture determines to be needed to carry out the purpose of this paragraph in those countries which are or offer reasonable potential of becoming dollar markets for

United States agricultural commodities. Such sums shall be converted into the types and kinds of foreign currencies as the Secretary deems necessary to carry out the provisions of this paragraph and such sums shall be deposited to a special Treasury account and shall not be made available or expended except for carrying out the provisions of this paragraph. Notwithstanding any other provision of law, if sufficient foreign currencies for carrying out the purpose of this paragraph in such countries are not otherwise available, the Secretary of Agriculture is authorized and directed to enter into agreements with such countries for the sale of agricultural commodities in such amounts as the Secretary of Agriculture determines to be adequate and for the use of the proceeds to carry out the purpose of this paragraph. In carrying out agricultural market development activities, nonprofit agricultural trade organizations shall be utilized to the maximum extent practicable. The purpose of this paragraph shall include such representation of agricultural industries as may be required during the course of discussions on trade programs relating either to individual commodities or groups of commodities;

(2) finance with not less than 2 per centum of the total sales proceeds received each year in each country activities to assist international educational and cultural exchange and to provide for the strengthening of the resources of American schools, colleges, universities, and other public and nonprofit private educational agencies for international studies and research under the programs authorized by title VI of the National Defense Education Act, the Mutual Educational and Cultural Exchange Act of 1961, the International Education Act of 1966, the Higher Education Act of 1965, the Elementary and Secondary Education Act of 1965, the National Foundation on the Arts and the Humanities Act of 1965, and the Public Broadcasting Act of 1967;

(3) collect, collate, translate, abstract, and disseminate scientific and technological information and conduct research and support scientific activities overseas including programs and projects of scientific cooperation between the United States and other countries such as coordinated research against diseases common to all of mankind or unique to individual regions of the globe, and promote and support programs of medical and scientific research, cultural and educational development, family planning, health, nutrition, and sanitation;

(4) acquire by purchase, lease, rental, or otherwise, sites and buildings and grounds abroad, for United States Government use including offices, residence quarters, community and other facilities, and construct, repair, alter, and furnish such buildings and facilities;

(5) finance under the direction of the Librarian of Congress, in consultation with the National Science Foundation and other interested agencies, (A) programs outside the

United States for the analysis and evaluation of foreign books, periodicals, and other materials to determine whether they would provide information of technical or scientific significance in the United States and whether such books, periodicals, and other materials are of cultural or educational significance, (B) the registry, indexing, binding, reproduction, cataloging, abstracting, translating, and dissemination of books, periodicals, and related materials determined to have such significance; and (C) the acquisition of such books, periodicals, and other materials and the deposit thereof in libraries and research centers in the United States specializing in the areas to which they relate;

[(c) To procure equipment, materials, facilities, and services for the common defense including internal security;]

(d) For assistance to meet emergency or extraordinary relief requirements other than requirements for food commodities; *Provided*, That not more than a total amount equivalent to \$5,000,000 may be made available for this purpose during any fiscal year;

(e) For use to the maximum extent under the procedures established by such agency as the President shall designate for loans to United States business firms (including cooperatives) and branches, subsidiaries, or affiliates of such firms for business development and trade expansion in such countries, including loans for private home construction, and for loans to domestic or foreign firms (including cooperatives) for the establishment of facilities for aiding in the utilization, distribution, or otherwise increasing the consumption of, and markets for, United States agricultural products: *Provided, however*, That no such loans shall be made for the manufacture of any products intended to be exported to the United States in competition with products produced in the United States and due consideration shall be given to the continued expansion of markets for United States agricultural commodities or the products thereof. Foreign currencies may be accepted in repayment of such loans;

(f) To promote multilateral trade and agricultural and other economic development, under procedures, established by the President, by loans or by use in any other manner which the President may determine to be in the national interest of the United States, particularly to assist programs of recipient countries designed to promote, increase, or improve food production, processing, distribution, or marketing in food-deficit countries friendly to the United States, for which purpose the President may utilize to the extent practicable the services of nonprofit voluntary agencies registered with and approved by the Advisory Committee on Voluntary Foreign Aid: *Provided*, That no such funds may be utilized to promote religious activities;

(g) For the purchase of goods or services for other friendly countries;

(h) For financing, at the request of such country, programs emphasizing material welfare, child health and nutrition, and activities, where participation is voluntary, related to the problems of population growth, under procedures established by the Presi-

dent through any agency of the United States, or through any local agency which he determines is qualified to administer such activities. Not less than 5 per centum of the total sales proceeds received each year shall, if requested by the foreign country be used for voluntary programs to control population growth;

(i) For paying, to the maximum extent practicable, the costs outside the United States of carrying out the program authorized in section 406 of this Act;

(j) For sale for dollars to United States citizens and nonprofit organizations for travel or other purposes of currencies determined to be in excess of the needs of departments and agencies of the United States for such currencies. The United States dollars received from the sale of such foreign currencies shall be deposited to the account of Commodity Credit Corporation; and

(k) For paying, to the maximum extent practicable, the costs of carrying out programs for the control of rodents, insects, weeds, and other animal or plant pests;

Provided, That—

(1) Section 1415 of the Supplemental Appropriation Act, 1953, shall apply to currencies used for the purposes specified in subsections (a) and (b), and in the case of currencies to be used for the purposes specified in paragraph (2) of subsection (b) the Appropriation Act may specifically authorize the use of such currencies and shall not require the appropriations of dollars for the purchase of such currencies.

(2) Section 1415 of the Supplemental Appropriation Act, 1953, shall apply to all foreign currencies used for grants under subsections (f) and (g), to not less than 10 per centum of the foreign currencies which accrue pursuant to agreements entered into on or before December 31, 1964, and to not less than 20 per centum in the aggregate of the foreign currencies which accrue pursuant to agreements entered into thereafter: *Provided, however*, That the President is authorized to waive such applicability of section 1415 in any case where he determines that it would be inappropriate or inconsistent with the purposes of this title.

(3) No agreement or proposal to grant any foreign currencies (except as provided in subsection (c) of this section), or to use (except pursuant to appropriation Act) any principal or interest from loan repayments under this section shall be entered into or carried out until the expiration of thirty days following the date on which such agreement or proposal is transmitted by the President to the Senate Committee on Agriculture and Forestry and to the House Committee on Agriculture and the House Committee on International Relations, if transmitted while Congress is in session, or sixty days following the date of transmittal if transmitted while Congress is not in session.

(4) Any loan made under the authority of this section shall bear interest at such rate as the President may determine but not less than the cost of funds to the United States Treasury, taking into consideration the current average market yields on outstanding marketable obligations of the United States having maturity comparable to the maturity of such loans, unless the President shall in specific instances after consultation with the advisory committee established under section 407 designate a different rate:

Provided, further, That paragraphs (2), (3), and (4) of the foregoing proviso shall not apply in the case of any nation where the foreign currencies or credits owned by the United States and available for use by it in such nation are determined by the Secretary of the Treasury to be in excess of the normal requirements of the departments and agencies of the United States for expenditures in such nations for the fiscal years following the fiscal year in which such determination is made. The amount of any such excess shall be devoted to the extent practicable and without regard to paragraph (1) of the foregoing proviso, to the acquisition of sites, buildings, and grounds under paragraph (4) of subsection (b) of this section and to assist such nation in undertaking self-help measures to increase its production of agricultural commodities and its facilities for storage and distribution of such commodities. Assistance under the foregoing provision shall be limited to self-help measures additional to those which would be undertaken without such assistance. Upon the determination by the Secretary of the Treasury that such an excess exists with respect to any nation, the President shall advise the Senate Committee on Agriculture and Forestry and the House Committee on Agriculture and the House Committee on International Relations of such determination; and shall thereafter report to each such Committee as often as may be necessary to keep such Committee advised as to the extent of such excess, the purposes for which it is used or proposed to be used, and the effects of such use.

* * * * *

SEC. 106. (a) Payment by any friendly country for commodities purchased for dollars on credit shall be upon terms as favorable to the United States as the economy of such country will permit. Payment for such commodities shall be in dollars with interest at such rates as the Secretary may determine but not less than the minimum rate required by section 201 of the Foreign Assistance Act of 1961 for loans made under that section. Payment may be made in reasonable annual amounts over periods of not to exceed twenty years from the date of the last delivery of commodities in each calendar year under the agreement, except that the date for beginning such annual payment may be deferred for a period not later than two years after such date of last delivery, and interest shall be computed from the date of such last delivery. Delivery of such commodities shall be made in annual installments for not more than ten years following the date of the sales agreement and subject to the availability of the commodities at the time delivery is to be made.

(b) (1) Agreements hereunder for the sale of agricultural commodities for dollars on credit terms shall include provisions to assure that the proceeds from the sale of the commodities in the recipient country are used for such economic development purposes as are agreed upon in the sales agreement or any amendment thereto. *In negotiating such agreements with recipient countries, the United States shall emphasize the use of such proceeds for purposes which directly improve the lives of the poorest of their people and their capacity to participate in the development of their countries.*

(2) *Greatest emphasis shall be placed on the use of such proceeds to carry out programs of agricultural development, rural development, and nutrition in those countries which are undertaking self-help measures to increase agricultural production, improve storage and distribution, and reduce population growth in accordance with section 109 of this Act, subject to the policies, procedures, restrictions, and other provisions applicable to funds provided under section 103 of the Foreign Assistance Act of 1961, pursuant to agreements between the United States and foreign governments under which uses of such proceeds shall be made for such purposes. Such uses shall be deemed payments for the purpose of section 103(b) of this Act and shall be described in the reports required by section 408 of this Act and section 657 of the Foreign Assistance Act of 1961.*

(3) *In entering into agreements for the sale of agricultural commodities for dollars on credit terms, priority shall be given to countries which agree to use the proceeds from the sale of the commodities in accordance with the country's agricultural development plan which—*

(A) *is designed to increase the access of the poor in the recipient country to an adequate, nutritious, and stable food supply;*

(B) *provides for such objectives as—*

(i) *making farm production equipment and facilities available to farmers,*

(ii) *credit on reasonable terms and conditions for small farmers, and*

(iii) *farm extension and technical information services designed to improve the marketing, storage, and distribution system for agricultural commodities and to develop the physical and institutional infrastructure supporting the small farmer;*

(C) *provides for participation by the poor, insofar as possible, in the foregoing at the regional and local levels; and*

(D) *is designed to reach the largest practicable number of farmers in the recipient country.*

* * * * *

SEC. 109. (a) Before entering into agreements with developing countries for the sale of United States agricultural commodities on whatever terms, the President shall consider the extent to which the recipient country is undertaking wherever practicable self-help measures to increase per capita production and improve the means for storage and distribution of agricultural commodities, including:

(1) *devoting land resources to the production of needed food rather than to the production of nonfood crops—especially nonfood crops in world surplus;*

(2) *development of the agricultural chemical, farm machinery and equipment, transportation and other necessary industries through private enterprise;*

(3) *training and instructing farmers in agricultural methods and techniques;*

(4) *constructing adequate storage facilities;*

(5) *improving marketing and distribution systems;*

(6) creating a favorable environment for private enterprise and investment, both domestic and foreign, and utilizing available technical know-how;

(7) establishing and maintaining Government policies to insure adequate incentives to producers;

(8) establishing and expanding institutions for adaptive agricultural research;

(9) allocating for these purposes sufficient national budgetary and foreign exchange resources (including those supplied by bilateral, multilateral and consortium aid programs) and local currency resources (resulting from loans or grants to recipient governments of the proceeds of local currency sales);

(10) carrying out voluntary programs to control population growth.

In taking these self-help measures into consideration the President shall take into particular account the extent to which they are being carried out in ways designed to contribute directly to development progress in poor rural areas and to enable the poor to participate actively in increasing agricultural production through small farm agriculture.

SEC. 111. Not more than 30 per centum of the food aid commodities provided under this title shall be allocated to countries other than those most seriously affected by inability to secure sufficient food for their immediate requirements through their own production or commercial purchase from abroad, unless the President certifies to the Congress that the use of such food assistance is required for humanitarian food purposes and neither House of Congress disapproves such use, by resolution, within thirty calendar days after such certification. In determining which countries are most seriously affected, for the purpose of this section, the President shall be guided by the United Nations designation of countries as "Most Seriously Affected" by the current economic crisis. A reduction below 70 per centum in the proportion of food aid allocated to most seriously affected countries which results from significantly changed circumstances occurring after the initial allocation shall not constitute a violation of the requirements of this section. Any reallocation of food aid shall be in accordance with this section so far as practicable. The President shall report promptly any such reduction, and the reasons therefor, to the Congress.

TITLE II

SEC. 201. (a) The President is authorized to determine requirements and furnish agricultural commodities, on behalf of the people of the United States of America, to meet famine or other urgent or extraordinary relief requirements; to combat malnutrition, especially in children; to promote economic and community development in friendly developing areas; and for needy persons and nonprofit school lunch and preschool feeding programs outside the United States. The Commodity Credit Corporation shall make available to the President such agricultural commodities determined to be available under section 401 as he may request.

(b) The minimum quantity of agricultural commodities distributed under this title shall be one and a half million tons and the minimum distributed through nonprofit voluntary agencies and the World Food Program shall be one million tons in each fiscal year, unless the President determines and reports to the Congress, together with his reasons, that such quantity cannot be used effectively to carry out the purposes of this title: Provided, That such minimum quantity shall not exceed the total quantity of commodities determined to be available for disposition under this Act pursuant to section 401, less the quantity of commodities required to meet famine or other urgent or extraordinary relief requirements.

SEC. 206. Except to meet famine or other urgent or extraordinary relief requirements, no assistance under this title shall be provided under an agreement permitting generation of foreign currency proceeds unless (1) the country receiving the assistance is undertaking self-help measures in accordance with section 109 of this Act, (2) the specific uses to which the foreign currencies are to be put are set forth and agreed to by the United States and the recipient country, and (3) the currencies are used for purposes specified in section 103 of the Foreign Assistance Act of 1961, in accordance with the limitations, restrictions, and other provisions applicable to funds provided under such section. The President shall include information on currencies used in accordance with this section in the reports required under section 408 of this Act and section 657 of the Foreign Assistance Act of 1961.

TITLE IV

SEC. 407. There is hereby established in Advisory Committee composed of the Secretary of State, the Secretary of the Treasury, the Secretary of Agriculture, the Director of the Bureau of the Budget, the Administrator of the Agency for International Development, the chairman and the ranking minority member of both the House Committee on Agriculture and the House Committee on Foreign Affairs, and the chairman and the ranking minority member of both the Senate Committee on Agriculture and Forestry and the Senate Committee on Foreign Relations, or their designees. The Advisory Committee shall survey the general policies relating to the administration of the Act, including the manner of implementing the self-help provisions, the uses to be made of foreign currencies which accrue in connection with sales for foreign currencies under title I, the amount of currencies to be reserved in sales agreements for loans to private industry under section 104(e), rates of exchange, interest rates, and the terms under which dollar credit sales are made, and shall advise the President with respect thereto. The Advisory Committee shall meet not less than four times during each calendar year at the call of the Acting Chairman of such Committee who shall preside in the following order: The chairman of the House Committee on Agriculture, the chairman of the Senate Committee on Foreign Relations, the

chairman of the Senate Committee on Agriculture and Forestry, and the chairman of the House Committee on Foreign Affairs.

SEC. 408. (a) The President shall make a report to Congress not later than April 1 each year with respect to the activities carried out under this Act during the preceding calendar year. Such report shall describe the progress of each country with which agreements are in effect under title I in carrying out its agreement under such title.

(b) In his presentation to the Congress of planned programming of food assistance for each fiscal year, the President shall include a global assessment of food production and needs, self-help steps which are being taken by food-short countries under section 109(a) of this Act, steps which are being taken to encourage other countries to increase their participation in food assistance or the financing of food assistance, and the relationship between food assistance provided to each country under this Act and other foreign assistance provided to such country by the United States and other donors.

(c) Not later than October 1 of each calendar year the President shall submit to the Congress a revised global assessment of food production and needs, and revised planned programming of food assistance for the current fiscal year, to reflect, to the maximum extent feasible, the actual availability of commodities for food assistance.

* * * * *

SEC. 412. The President is authorized and encouraged to seek international agreement for a system of national food reserves to meet food shortage emergencies and to provide insurance against unexpected shortfalls in food production, with costs of such a system to be equitably shared among nations and with farmers and consumers to be given firm safeguards against market price disruption from such a system.

ADDITIONAL VIEWS OF HON. MICHAEL J. HARRINGTON

The International Development and Food Assistance Act of 1975 contains noteworthy provisions to increase the humanitarian and decrease the political purposes of the Food for Peace Program. By specifically requiring that 70 percent of agricultural commodities provided under Title I be allocated to those countries most seriously affected by food deficits, the bill represents a positive step toward reordering the priorities of the food aid program.

Nevertheless, the political objectives of Food for Peace remain clearly apparent despite AID insistence that "Title I food aid is provided to countries with food deficits. . . . The absolute need for food is the most important consideration." Close examination of the disproportionately high allocation of Title I food aid to Chile for 1976 leads to the inevitable conclusion that political considerations remain primary. Thus, in its present form, the 1976 foreign aid bill still fails to limit adequately Executive use of Food for Peace to achieve highly questionable foreign policy objectives.

In 1976 only three Latin American countries will receive food assistance under Title I: Chile, Haiti and Honduras. Chile, with a per capita GNP of \$795 will receive 85 percent of the total Title I assistance for all of Latin America. Honduras, with a per capita GNP of \$271, will receive 10 percent of the total and Haiti, recently termed an "island of hunger" with a per capita GNP of \$113, will receive a mere 5 percent of the total Title I food aid for all of Latin America. In 1975, moreover, Chile received 83 percent of the total Title I food aid for Latin America.

Haiti and Honduras are both currently on the U.N. MSA (Most Seriously Affected) list and, according to a recent report, 300,000 Haitians are in imminent danger of starvation. Another MSA, El Salvador, is currently receiving no assistance whatsoever under Title I. And the Dominican Republic, currently experiencing the worst drought in 43 years, was also considered ineligible for Title I assistance.

Clearly, it is ultimately self-defeating to enact a food aid bill that fails to ensure the provision of food to those areas in greatest need of immediate food assistance. Furthermore, it seems to me that there is something inherently wrong with a food aid bill that aims at using food to strengthen a political alliance with a regime that is, at present, the most ruthless dictatorship in the Western Hemisphere.

From 1970 to 1974 absolutely no food aid whatsoever under Title I was provided to the Allende regime. Thus, the massive infusion of Title I aid amounting to \$57.8 million in 1975 and \$55.1 million in 1976 is merely the administration's technique of circumventing last year's congressional ceiling of \$25 million on total economic assistance to Chile.

There is no constituency either in the country or in the Congress for the administration's policy of unwavering support for the Chilean junta and I consequently object to those aspects of this bill that implement such questionable policies.

It is, therefore, my intention to offer on the floor an amendment to this bill prohibiting the sale of agricultural commodities under Title I to any country in Latin America with a Gross National Product per capita which exceeds \$650 unless the President reports to the Congress the reasons why such commodities should be sold to such country and neither House of Congress, within 30 legislative days after receiving such report, adopts a resolution stating in effect that it objects to such sale.

MICHAEL J. HARRINGTON.

SUPPLEMENTAL VIEWS OF HON. STEPHEN J. SOLARZ

H.R. 9005 represents a significant departure from previous foreign assistance measures—and, as such, it merits the serious consideration of those who have been critical of our foreign aid program in the past. For the first time in the history of the House, economic and humanitarian assistance have been separated from the military and security supporting assistance provisions of our foreign aid program—thus affording Congress an opportunity to consider the question of providing development assistance to the poorer nations of the world on its own merits.

I believe this bill represents a large step forward toward the institutionalization of international idealism. Its emphasis is on aid not for political purposes but for humanitarian objectives. And, in a world where millions of people suffer from starvation, high infant mortality, low life expectancy, and limited educational opportunities, this is as it should be.

I think it important to point out, in this regard, that 72 percent of the development assistance provided for in the bill is for countries with per capita incomes of \$275 a year or less. Eighty-nine percent of our development assistance programs are slated for nations with annual per capita incomes of \$500 or less. In view of the fact that the United Nations development program earmarks 85 percent of its budget for countries in this category, it should be clear that this is a bill designed to assist the genuinely poor, rather than simply the politically important, nations of the world.

The emphasis throughout the bill is on getting our assistance to those who need it the most. Recognizing that the great majority of poor people in the world live in rural areas, it attempts to focus our development effort on the rural sector of the countries we assist—although ample provision is made for programs designed to help the urban poor as well.

There are a number of other significant improvements in the bill compared to previous foreign assistance acts. Perhaps most importantly, the committee has earmarked in Section 208 of the bill, a minimum contribution of 1.5 million tons of food for Title II of the Public Law 480 program. This means that after whatever food is needed for both our domestic consumption and foreign sales, that at least 1.5 million tons of free commodities will be available for the hundreds of millions of hungry people around the world who benefit from the Food for Peace Program. Significantly, the bill carries over the provision first enacted in 1973 requiring that at least 70 percent of Title I Public Law 480 food be made available to the most seriously affected nations—thereby insuring the fact that the great bulk of our food aid will be given out for humanitarian rather than political purposes.

The bill also encourages expanded and centralized efforts in the area of intermediate technology—with an authorization of \$20 million—

designed to produce the kind of skills and equipment which are a precondition for meaningful economic progress throughout most of the underdeveloped world. This is probably the most promising approach to economic development which has yet been tried and it holds out great hope for significantly improving the effectiveness of our development efforts.

Finally the bill also provides for a famine prevention program in which American land grant colleges, which have done so much to increase agricultural productivity at home, will be encouraged and assisted to increase agricultural productivity abroad.

There are those who contend that with all of our economic problems here at home we ought to abandon our development assistance programs abroad. With an unemployment rate of 8.6 percent, an inflation rate of 9.6 percent, and a tremendous backlog of unmet social needs, there is an understandable feeling on the part of many in both the Congress and the country that we ought to concentrate our limited resources on solving our own problems before attempting to solve everyone elses.

There is some merit and a lot of appeal in this argument. But it seems to me that it represents a rather shortsighted view of our own national interest. The fact is that the United States cannot prosper as an island of plenty in a world of deprivation. For better or worse, we have a number of important economic, political and defense agreements with the developing nations of the world which it is clearly in our interest to maintain. We not only depend on the less developed countries for much of our raw materials but also for the purchase of much of our exports as well. U.S. investment in the developing countries was up to \$28 billion as of last year and the less developed countries were responsible for almost one-third of our total exports. Abandoning our continuing efforts to help the poorest nations of the world help themselves would be, therefore, not only callous but counter-productive as well.

Under these circumstances, it is somewhat ironic to find opponents of the bill argue that we are doing too much for the developing nations of the world when, in reality, we are really doing too little. The fact is that the United States ranks 14th out of the 17 most developed nations of the world in terms of the percentage of its GNP which it provides for development assistance. Despite the call of the General Assembly of the U.N. in 1970 for each of the developing nations to earmark .07 percent of their GNP for such purposes, our own foreign assistance budget has dropped drastically from .31 percent in 1970 to the .01 percent of our GNP provided for in this bill for fiscal years 1976 and 1977. Consequently, it seems fair to say that in terms of both our capacity as well as our obligations we should be providing more rather than less in the way of economic and humanitarian assistance to the poorer countries of the world—not so much because it is in our interest to do so, although it is, but because it is right. Indeed, instead of cutting back on the comparatively paltry level of economic assistance we are now providing, we ought to be moving in the direction of meeting the target levels established by the United Nations several years ago.

STEPHEN J. SOLARZ.

94TH CONGRESS }
1st Session }

HOUSE OF REPRESENTATIVES

{ REPORT
No. 94-691

CONFERENCE REPORT
ON
**INTERNATIONAL DEVELOPMENT AND
FOOD ASSISTANCE ACT OF 1975**

H.R. 9005

TO AUTHORIZE ASSISTANCE FOR DISASTER RELIEF AND
REHABILITATION, TO PROVIDE FOR OVERSEAS DISTRIBUTION AND PRODUCTION OF AGRICULTURAL COMMODITIES,
TO AMEND THE FOREIGN ASSISTANCE ACT OF 1961, AND
FOR OTHER PURPOSES



DECEMBER 4, 1975.—Ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

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CONTENTS

	Page
Conference report.....	1
Joint explanatory statement of the committee of conference.....	15
Title I—International Disaster Assistance:	
International disaster assistance authorization.....	17
African drought area development programs.....	17
Cyprus relief and rehabilitation.....	18
Indochina Migration and Refugee Assistance Act amendments..	18
Title II—Food Aid to Poor Countries:	
Public Law 480 food to be made available to countries requiring	
it.....	18
Relation of food aid to recipients' agricultural consumption.....	19
Emphasis on small, family farm agriculture; transportation,	
storage, and distribution of food.....	19
Expansion of food consumption.....	19
Public Law 480 allocations to be based on market potential.....	20
Food aid program to recognize and support American farm	
economy.....	20
World Food Conference target.....	20
Increased agricultural consumption as a self-help measure.....	20
Self-help through small, family farm agriculture and improved	
food, transportation, storage, and distribution.....	21
Waiver of prohibitions on Public Law 480 title I sales to countries	
trading with Cuba or North Vietnam.....	21
Blended and protein fortified foods.....	21
International fund for agricultural development.....	22
Senate Foreign Relations Committee to receive Public Law 480	
notifications.....	22
Prohibition on use of local currencies for development of aborti-	
facients or abortion techniques.....	22
Agricultural consumption as a self-help measure.....	22
Transportation of food as a self-help measure.....	23
Self-help in storage, distribution, and transportation specified to	
refer to food commodities.....	23
Eligibility of farmer-to-farmer program under payment forgive-	
ness procedure.....	23
Applicability of development aid provisions to local currency	
uses under forgiveness agreements.....	23
Percentage limitation on forgiveness agreements.....	24
Priorities for entering sales agreements under title I of Public Law	
480.....	24
Inclusion of improved systems of transportation of agricultural	
commodities in measuring self-help.....	24
Assistance to most seriously affected countries.....	25
Overall minimum for title II distribution.....	26
Title II voluntary agencies minimum.....	26
Generation of foreign currencies under title II subject to written	
agreement.....	26
Use of foreign currency proceeds under title II agreements.....	27
Applicability of development aid provisions to local currency	
uses under title II agreements.....	27
Advisory committee.....	27
Year covered by reports to the Congress.....	27
Date for filing report to the Congress.....	28
Recipients of Presidential report.....	28

Joint explanatory statement of the committee of conference—Continued

	Page
Title II—Food Aid to Poor Countries—Continued	
Requirement of congressional approval of international food re-	
serve system.....	28
Holding of food reserves.....	28
Report on World Food Conference followup.....	28
Long-term commercial agreements.....	29
Farmer-to-farmer program.....	29
Title III—Development Assistance:	
Food and nutrition authorization, fiscal year 1976.....	29
Food and nutrition authorization, fiscal year 1977.....	30
Receipts from past aid loans.....	30
Population planning and health authorization, fiscal year 1976.....	30
Population planning and health authorization, fiscal year 1977.....	30
Population earmarking.....	31
Southern African education assistance.....	31
Earmarking of ocean freight costs.....	31
Intermediate technology.....	31
Cost sharing.....	32
Human rights and development assistance.....	32
Criteria for allocation of development aid.....	33
American schools and hospitals abroad.....	33
Worldwide housing guaranties.....	33
Housing projects in Latin American countries.....	34
Housing guaranty guidelines.....	34
Famine prevention—Placement in Public Law 480.....	34
Famine prevention—General provisions.....	35
Famine prevention—Consumption.....	35
Famine prevention—Definition of universities.....	35
Famine prevention—Aquaculture.....	36
Famine prevention—Fishermen.....	36
Famine prevention—Commerce Department.....	36
Famine prevention—Focus of activities.....	36
Famine prevention—Name of board.....	36
Famine prevention—Size of board.....	37
Famine prevention—Composition of board.....	37
International organizations and programs.....	37
Namibia Institute.....	37
Inter-American Commission on Human Rights.....	37
International Fertilizer Development Center.....	38
Assistance to former Portuguese colonies in Africa.....	38
Furnishing of services and commodities.....	38
Discrimination against U.S. personnel.....	39
Transition provisions for interim quarter.....	39
Operating expenses.....	39
Ceiling on aid to Chile.....	40
Settlement of debt owed the United States.....	40
Participation by other countries in providing assistance to Israel	
or Egypt.....	40
Membership of North Vietnam or South Vietnam in the United	
Nations.....	40
Agency for International Development loans report.....	41

INTERNATIONAL DEVELOPMENT AND FOOD
ASSISTANCE ACT OF 1975

DECEMBER 4, 1975.—Ordered to be printed

Mr. MORGAN, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany H.R. 9005]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9005), to authorize assistance for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 6, 11, 13, 17, 18, 20, 21, 23, 24, 29, 30, 41, 55, 64, 65, 67, 70, 72, 73, 75, 77, 78, 86, 87, 89, 90, 91, 92, 93, 94, 98, 99, 102, 105, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 120, 127, 132, 133.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 7, 8, 10, 15, 16, 26, 27, 28, 31, 36, 37, 39, 40, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 62, 63, 69, 79, 81, 82, 95, 96, 97, 100, 100a, 101, 107, 119, 121, 123, and agree to the same.

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with amendments as follows:

Restore the matter proposed to be stricken out by the Senate amendment; omit the matter proposed to be inserted by the Senate amendment; and on page 3 of the House engrossed bill, in line 6, immediately after the period, insert the following new sentence: *Amounts appropriated under this section are authorized to remain available until expended.*

And the Senate agree to the same.

Amendment numbered 3:

That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: 639;

And the Senate agree to the same.

Amendment numbered 4:

That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

(7) *in section 494B, as redesignated by paragraph (5) of this section—*

(A) *by striking out "SAHEL" in the section caption,*

(B) *by inserting "(a)" immediately after the section caption,*

(C) *by striking out "supports" and inserting in lieu thereof "reaffirms its support of", and*

(D) *by adding the following new subsections at the end thereof:*

"(b) *The President is authorized to develop a long-term comprehensive development program for the Sahel and other drought-stricken nations in Africa.*

"(c) *In developing this long-term program, the President shall—*

"(1) consider international coordination for the planning and implementation of such program;

"(2) seek greater participation and support by African countries and organizations in determining development priorities; and

(3) begin such planning immediately.

"(d) *There is authorized to be appropriated to the President, to carry out the purposes of this section, in addition to funds otherwise available for such purposes, \$5,000,000 for the fiscal year 1976, which amount is authorized to remain available until expended. The President shall submit to the Foreign Relations and Appropriations Committees of the Senate and the International Relations and Appropriations Committees of the House of Representatives not later than April 30, 1976, a comprehensive proposal for carrying out the provisions of this section which shall include budget materials relating to programs for the fiscal year 1977."; and*

And the Senate agree to the same.

Amendment numbered 5:

That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

(8) *by adding the following new section immediately after new section 494B:*

"*SEC. 495. CYPRUS RELIEF AND REHABILITATION.—The President is authorized to furnish assistance, on such terms and conditions as he may determine, for the relief and rehabilitation of refugees and other needy people in Cyprus. There is authorized to be appropriated for the purposes of this section, in addition to amounts otherwise available for such purposes, \$30,000,000. Such amount is authorized to remain available until expended. Assistance under this section shall be provided in accordance with the policy and general authority contained in section 491.*"

And the Senate agree to the same.

Amendment numbered 9:

That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following: *on a normal commercial basis.*

And the Senate agree to the same.

Amendment numbered 12:

That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following: *with emphasis on development of small, family farm agriculture, and improve their facilities for transportation, storage, and distribution of food commodities;*

And the Senate agree to the same.

Amendment numbered 14:

That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

"(4) *give special consideration to the potential for expanding markets for America's agricultural abundance abroad in the allocation of commodities or concessional financing; and*

And the Senate agree to the same.

Amendment numbered 19:

That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following: *especially through small, family farm agriculture, to improve their facilities for transportation, storage, and distribution of food commodities,*

And the Senate agree to the same.

Amendment numbered 22:

That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following: *Congress within 10 days of the date of such determination.*"

And the Senate agree to the same.

Amendment numbered 25:

That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with amendments, as follows:

Omit the matter proposed to be inserted by the Senate amendment; and on page 15 of the House engrossed bill, immediately after line 5, insert the following:

"(e) *In order to carry out the purposes of this section, the President is authorized to participate in and provide, on such terms and conditions as he may determine, up to \$200,000,000 to the International Fund for Agricultural Development. There is authorized to be appropriated to the President without fiscal year limitation \$200,000,000 for such contribution.*

"(f) *No funds may be obligated to carry out subsection (e) unless—*
(1) *satisfactory agreement is reached on the Articles of Agreement for the International Fund for Agricultural Development;*

"(2) *such Articles of Agreement are reviewed and approved by the Senate Committee on Foreign Relations and the House Committee on International Relations;*

"(3) *all donor commitments to the International Fund for Agricultural Development total at least \$1,000,000,000 equivalent in convertible currencies, except that the United States contribution shall be proportionally reduced if this combined goal is not met; and*

"(4) *there is equitable burden sharing among the different categories of contributors.*

"(g) *The President shall submit to the Congress full and complete data concerning United States participation in, and operation of, the International Fund for Agricultural Development in the annual presentation materials on proposed economic assistance programs.*"

And the Senate agree to the same.

Amendment numbered 32:

That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following: *of commodities.*

And the Senate agree to the same.

Amendment numbered 33:

That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with amendments as follows:

Restore the matter proposed to be stricken out by the Senate amendment; omit the matter proposed to be inserted by the Senate amend-

ment; and on page 7 of the House engrossed bill, in line 5, immediately after "planning" insert the following: *and to carry out the program described in section 406 (a) (1) of this Act,*

And the Senate agree to the same.

Amendment numbered 34:

That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with amendments as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following: *and which programs are directed at and likely to achieve the policy objectives of,*

On page 7 of the House engrossed bill, in line 12, immediately after "1961" and before the comma insert *and are consistent with the policy objectives of this Act,*

And the Senate agree to the same.

Amendment numbered 35:

That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following: *, except that for any fiscal year the total value of such payments may not exceed 15 per centum of the total value of all agreements entered into under title I of this Act for such fiscal year. Such payments*

And the Senate agree to the same.

Amendment numbered 38:

That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SEC. 207. Title I of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new section:

"SEC. 111. Not more than 25 per centum of the food aid commodities provided under this title in each fiscal year shall be allocated and agreed to be delivered to countries other than those with an annual per capita gross national product of \$300 or less and affected by inability to secure sufficient food for their immediate requirements through their own production or commercial purchase from abroad, unless the President certifies to the Congress that the use of such food assistance is required for humanitarian food purposes and neither House of Congress disapproves such use, by resolution, within thirty calendar days after such certification. In determining per capita gross national product for the purposes of this section, the President is authorized and directed to make use of data developed by the World Bank for its most recent annual report and relied upon by the Secretary of the Treasury. A reduction below 75 per centum in the proportion of food aid allocated and agreed to be delivered to countries with a per capita gross

national product of \$300 or less and affected by inability to secure sufficient food for their immediate requirements through their own production or commercial purchase from abroad which results from significantly changed circumstances occurring after the initial allocation shall not constitute a violation of the requirements of this section. Any reallocation of food aid shall be in accordance with this section so far as practicable. The President shall report promptly any such reduction, and the reasons therefor, to the Congress."

And the Senate agree to the same.

Amendment numbered 54:

That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

REPORT REGARDING IMPLEMENTATION OF RECOMMENDATIONS OF WORLD FOOD CONFERENCE

Sec. 213. The Congress calls upon the President to strengthen the efforts of the United States to carry out the recommendations of the World Food Conference. The President shall submit a detailed report to the Congress not later than November 1, 1976, with respect to the steps he has taken to carry out the recommendations of the World Food Conference, including steps to fulfill the commitment of the United States and to encourage other nations to increase their participation in efforts to improve the food security of the poorest portion of the world's population.

And the Senate agree to the same.

Amendment numbered 56:

That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment as follows:

On page 14 of the Senate engrossed amendments, in line 10, strike out "215" and insert in lieu thereof 214

And the Senate agree to the same.

Amendment numbered 57:

That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following: \$618,800,000

And the Senate agree to the same.

Amendment numbered 58:

That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following: \$745,000,000

And the Senate agree to the same.

Amendment numbered 59:

That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with amendments as follows:

Strike out the matter proposed to be stricken out by the Senate amendment; and on page 14 of the House engrossed bill, strike out "(a)" in line 2.

And the Senate agree to the same.

Amendment numbered 60:

That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following: \$243,100,000

And the Senate agree to the same.

Amendment numbered 61:

That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following: \$275,600,000

And the Senate agree to the same.

Amendment numbered 66:

That the House recede from its disagreement to the amendment of the Senate numbered 66, and agree to the same with amendments as follows:

On page 17 of the House engrossed bill, in line 23, strike out "subsection" and insert in lieu thereof *subsections*; and on page 18 of the House engrossed bill, in line 8, strike out the close quotation mark and the second period.

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

"(c) Of the amount authorized to be appropriated by subsection (a), not less than \$1,000,000 shall be available to support the southern African student program and the southern African training program, for the purpose of providing educational assistance to Southern Africans."

And the Senate agree to the same.

Amendment numbered 68:

That the House recede from its disagreement to the amendment of the Senate numbered 68, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

Of the amounts made available under this section, not less than \$30,000,000 shall be available during the period beginning July 1, 1975, and ending September 30, 1977, only for reimbursement to private voluntary agencies of the United States for costs incurred with respect to the shipment of food and nonfood commodities provided through private donations.

And the Senate agree to the same.

Amendment numbered 71:

That the House recede from its disagreement to the amendment of the Senate numbered 71, and agree to the same with amendments as follows:

Restore the matter proposed to be stricken out by the Senate amendment; and on page 20 of the House engrossed bill, beginning in line 23, strike out "meets the United Nations' criteria for relatively least developed countries" and insert in lieu thereof *the agency primarily responsible for administering part I of this Act determines is relatively least developed based on the United Nations Conference on Trade and Development list of 'relatively least developed countries'*

And the Senate agree to the same.

Amendment numbered 74:

That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

HUMAN RIGHTS AND DEVELOPMENT ASSISTANCE

SEC. 310. Part I of the Foreign Assistance Act of 1961 is amended by inserting immediately after section 115 the following new section:

"SEC. 116. HUMAN RIGHTS.—(a) No assistance may be provided under this part to the government of any country which engages in a consistent pattern of gross violations of internationally recognized human rights, including torture or cruel, inhuman, or degrading treatment or punishment, prolonged detention without charges, or other flagrant denial of the right to life, liberty, and the security of person, unless such assistance will directly benefit the needy people in such country.

"(b) In determining whether this standard is being met with regard to funds allocated under this part, the Committee on Foreign Relations of the Senate or the Committee on International Relations of the House of Representatives may require the Administrator primarily responsible for administering part I of this Act to submit in writing information demonstrating that such assistance will directly benefit the needy people in such country, together with a detailed explanation of the assistance to be provided (including the dollar amounts of such assistance) and an explanation of how such assistance will directly benefit the needy people in such country. If either committee or either House of Congress disagrees with the Administrator's justification it may initiate action to terminate assistance to any country by a concurrent resolution under section 617 of this Act.

"(c) In determining whether or not a government falls within the provisions of subsection (a), consideration shall be given to the extent of cooperation of such government in permitting an unimpeded investigation of alleged violations of internationally recognized human rights by appropriate international organizations, including the International Committee of the Red Cross, or groups or persons acting under the authority of the United Nations or of the Organization of American States.

"(d) The President shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate, in the annual presentation materials on proposed economic development assistance programs, a full and complete report regarding the steps he has taken to carry out the provisions of this section."

And the Senate agree to the same.

Amendment numbered 76:

the Senate numbered 76, and agree to the same with amendments as follows:

Omit the matter proposed to be inserted by the Senate amendment.

On page 13 of the House engrossed bill, in line 12, strike out "subsection" and insert in lieu thereof *subsections*; in line 25, strike out the close quotation mark and the second period; and immediately after line 25, insert the following:

"(d) For the purpose of assuring that development assistance furnished under this chapter is increasingly concentrated in countries which will make effective use of such assistance to help the poor toward a better life (especially such countries which are suffering from the worst and most widespread poverty and are in greatest need of outside assistance), the President shall establish appropriate criteria to assess the commitment and progress of countries in meeting the objectives set forth in subsection (c) of this section and in other sections of this chapter. In establishing such criteria, the President shall specifically take into account their value in assessing the efforts of countries to—

"(1) increase agricultural productivity per unit of land through small-farm labor-intensive agriculture;

"(2) reduce infant mortality;

"(3) control population growth;

"(4) promote greater equality of income distribution, including measures such as more progressive taxation and more equitable returns to small farmers; and

"(5) reduce rates of unemployment and underemployment. The President shall endeavor to bring about the adoption of similar criteria by international development organizations in which the United States participates. Presentation materials submitted to the Congress with respect to assistance under this chapter, beginning with fiscal year 1977, shall contain detailed information concerning the steps being taken to implement this subsection."

And the Senate agree to the same.

Amendment numbered 80:

That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with amendments as follows:

Omit the matter proposed to be inserted by the Senate amendment; and on page 23 of the House engrossed bill, strike out lines 13 through 15, and insert in lieu thereof the following:

(A) in subsection (c), by inserting "and for each of the fiscal years 1976 and 1977, \$25,000,000," immediately after "\$19,000,000,"; and

And the Senate agree to the same.

Amendment numbered 83:

That the House recede from its disagreement to the amendment of the Senate numbered 83, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

(3) in section 221, by striking out "\$355,000,000" and inserting in lieu thereof "\$430,000,000";

And the Senate agree to the same.

Amendment numbered 84:

That the House recede from its disagreement to the amendment of the Senate numbered 84, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

(4) in section 222 (c), by striking out "\$550,000,000" and inserting in lieu thereof "\$600,000,000"; and

And the Senate agree to the same.

Amendment numbered 85:

That the House recede from its disagreement to the amendment of the Senate numbered 85, and agree to the same with amendments as follows:

Restore the matter proposed to be stricken out by the Senate amendment; and on page 24 of the House engrossed bill, in line 2, strike out "(3)" and insert in lieu thereof (5)

And the Senate agree to the same.

Amendment numbered 88:

That the House recede from its disagreement to the amendment of the Senate numbered 88, and agree to the same with amendments as follows:

Restore the matter proposed to be stricken out by the Senate amendment.

On page 24 of the House engrossed bill, in line 16, strike out "on a pilot basis"; in line 17, strike out "such" and insert in lieu thereof *housing*; in line 17, immediately after "issued" and before the comma, insert *under this title*; and strike out line 23 and insert in lieu thereof the following: *not exceed \$25,000,000 in any fiscal year, and the average face value of guaranties issued in any fiscal year shall not exceed \$15,000,000. Notwithstanding the provisions of the first sentence of this subsection, the President is authorized to issue housing guaranties until September 30, 1977, as follows: In Israel, not exceeding a face amount of \$50,000,000, and in Portugal, not exceeding a face amount of \$20,000,000.*

And the Senate agree to the same.

Amendment numbered 103:

That the House recede from its disagreement to the amendment of the Senate numbered 103, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following: *FOOD AND AGRICULTURAL*

And the Senate agree to the same.

Amendment numbered 104:

That the House recede from its disagreement to the amendment of the Senate numbered 104, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following: *Food and Agricultural*

And the Senate agree to the same.

Amendment numbered 106:

That the House recede from its disagreement to the amendment of the Senate numbered 106, and agree to the same with an amendment as follows:

Omit the matter proposed to be inserted by the Senate amendment.

And the Senate agree to the same.

Amendment numbered 122:

That the House recede from its disagreement to the amendment of the Senate numbered 122, and agree to the same with amendments as follows:

Omit the matter proposed to be inserted by the Senate amendment; and on page 36 of the House engrossed bill, in line 14, immediately after the close quotation mark, insert the following: , (B) *inserting "(1)" immediately after "(a)" and (C) adding at the end of the subsection the following new paragraph:*

"(2) *The Congress reaffirms its support for the work of the Inter-American Commission on Human Rights. To permit such Commission to better fulfill its function of insuring observance and respect for human rights within this hemisphere, not less than \$357,000 of the amount appropriated for fiscal year 1976 and \$358,000 of the amount appropriated for fiscal year 1977, for contributions to the Organization of American States, shall be used only for budgetary support for the Inter-American Commission on Human Rights.*"

And the Senate agree to the same.

Amendment numbered 124:

That the House recede from its disagreement to the amendment of the Senate numbered 124, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

ASSISTANCE TO FORMER PORTUGUESE COLONIES IN AFRICA

SEC. 314. Section 496 of the Foreign Assistance Act of 1961 is amended—

(1) by inserting "(a)" immediately after the section caption;

(2) by striking out "\$5,000,000" and inserting in lieu thereof "\$7,750,000";

(3) by striking out "\$20,000,000" and inserting in lieu thereof "\$17,250,000"; and

(4) by adding at the end thereof the following new subsections:

"(b) *Notwithstanding the provisions of section 620(r) of this Act, the United States is authorized to forgive the liability incurred by the*

Government of the Cape Verde Islands for the repayment of a \$3,000,000 loan on June 30, 1975.

"(c) The President is authorized to use up to \$30,000,000 of the funds made available under this part for the fiscal year 1976, in addition to funds otherwise available for such purposes, to provide development assistance in accordance with chapter 1 or relief and rehabilitation assistance in accordance with chapter 9 (including assistance through international or private voluntary organizations) to countries and colonies in Africa which were, prior to April 25, 1974, colonies of Portugal."

And the Senate agree to the same.

Amendment numbered 125:

That the House recede from its disagreement to the amendment of the Senate numbered 125, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

FURNISHING OF SERVICES AND COMMODITIES

SEC. 315. Section 607(a) of the Foreign Assistance Act is amended by deleting the second full sentence, and inserting in lieu thereof the following: "Such advances or reimbursements may be credited to the currently applicable appropriation, account, or fund of the agency concerned and shall be available for the purposes for which such appropriation, account, or fund is authorized to be used, under the following circumstances:

"(1) Advances or reimbursements which are received under this section within one hundred and eighty days after the close of the fiscal year in which such services and commodities are delivered.

"(2) Advances or reimbursements received pursuant to agreements executed under this section in which reimbursement will not be completed within one hundred and eighty days after the close of the fiscal year in which such services and commodities are delivered: Provided, That such agreements require the payment of interest at the current rate established pursuant to section 2 (b) (1) (B) of the Export-Import Bank Act of 1945 (59 Stat. 526), and repayment of such principal and interest does not exceed a period of three years from the date of signing of the agreement to provide the service: Provided further, That funds available for this paragraph in any fiscal year shall not exceed \$1,000,000 of the total funds authorized for use in such fiscal year by chapter 1 of part I of this Act, and shall be available only to the extent provided in appropriation Acts. Interest shall accrue as of the date of disbursement to the agency or organization providing such services."

And the Senate agree to the same.

Amendment numbered 126:

That the House recede from its disagreement to the amendment of the Senate numbered 126, and agree to the same with amendments as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SEC. 316. Section 661 of the Foreign Assistance Act of 1961 is amended by striking out "in each of the fiscal years 1975 and 1976" and inserting in lieu thereof "in the fiscal year 1975, \$2,000,000 in the fiscal year 1976, and \$2,000,000 in the fiscal year 1977."

On page 37 of the House engrossed bill, in line 23, strike out "316" and insert in lieu thereof 317

On page 38 of the House engrossed bill, immediately after line 11, insert the following:

DISCRIMINATION AGAINST UNITED STATES PERSONNEL

SEC. 318. Part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 666. DISCRIMINATION AGAINST UNITED STATES PERSONNEL.—(a) The President shall not take into account, in assigning officers and employees of the United States to carry out any economic development assistance programs funded under this Act in any foreign country, the race, religion, national origin, or sex of any such officer or employee. Such assignments shall be made solely on the basis of ability and relevant experience.

"(b) Effective six months after the date of enactment of the International Development and Food Assistance Act of 1975, or on such earlier date as the President may determine, none of the funds made available under this Act may be used to provide economic development assistance to any country which objects to the presence of any officer or employee of the United States who is present in such country for the purpose of carrying out any program of economic development assistance authorized by the provisions of this Act on the basis of the race, religion, national origin, or sex of such officer or employee.

"(c) The Secretary of State shall promulgate such rules and regulations as he may deem necessary to carry out the provisions of this section."

And the Senate agree to the same.

Amendment numbered 128:

That the House recede from its disagreement to the amendment of the Senate numbered 128, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

OPERATING EXPENSES

SEC. 319. Part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 667. OPERATING EXPENSES.—Nothing in this Act is intended to preclude the Committees on Appropriations, in appropriation legislation, from setting a ceiling on operating expenses of the agency primarily responsible for administering part I and limiting the availability of other sums therefor."

And the Senate agree to the same.

Amendment Numbered 129:

That the House recede from its disagreement to the amendment of the Senate numbered 129, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

LIMITATION ON ASSISTANCE TO CHILE

SEC. 320. Notwithstanding any other provision of law, the total amount of economic assistance (including but not limited to housing guaranties and sales under title I of the Agricultural Trade Development and Assistance Act of 1954) that may be made available to Chile may not exceed \$90,000,000 during the fiscal year 1976.

And the Senate agree to the same.

Amendment numbered 130:

That the House recede from its disagreement to the amendment of the Senate numbered 130, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SETTLEMENT OF DEBT OWED THE UNITED STATES

SEC. 321. No debt owed to the United States by any foreign country with respect to the payment of any loan made under any program funded under this Act may be settled in an amount less than the full amount of such debt unless the Congress by concurrent resolution approves of such settlement.

And the Senate agree to the same.

Amendment numbered 131:

That the House recede from its disagreement to the amendment of the Senate numbered 131, and agree to the same with an amendment as follows:

On page 31 of the Senate engrossed amendments, in line 10, strike out "320" and insert in lieu thereof 322

And the Senate agree to the same.

THOMAS E. MORGAN,
CLEMENT J. ZABLOCKI,
WAYNE L. HAYS of Ohio,
DANTE B. FASCELL,
CHARLES C. DIGGS,
WILLIAM S. BROOMFIELD,
PAUL FINDLEY,

Managers on the Part of the House.

HUBERT HUMPHREY,
GALE W. MCGEE,
HERMAN TALMADGE,
JAMES B. ALLEN,
GEORGE MCGOVERN,
CLIFFORD P. CASE,
JACOB K. JAVITS,
ROBERT DOLE,

HENRY BELLMON,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE
COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9005) to authorize assistance for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

Except for clarifying, clerical, and necessary conforming changes, the differences between the two Houses and the adjustments made in the committee of conference are noted below. (The amendments not dealt with below because they deal with clarifying, clerical, and necessary conforming changes are 2, 3, 8, 10, 17, 20, 23, 26, 28, 40, 47, 49, 63, 64, 65, 67, 72, 73, 75, 77, 78, 79, 80, 82, 85, 86, 87, 89, 92, 98, 99, 100(a), 102, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, and 119.)

The committee of conference agreed to authorizations for fiscal years 1976 and 1977 in the amounts shown in the table on the following page.

(15)

FUNDS AUTHORIZED FOR FISCAL YEARS 1976 AND 1977 BY
H.R. 9005

[In millions of dollars]

	Executive request (H. Doc. 94-158)		House recommendations ¹		Senate recommendations ¹		Conference agreement ¹	
	Fiscal year 1976	Fiscal year 1977	Fiscal year 1976	Fiscal year 1977	Fiscal year 1976	Fiscal year 1977	Fiscal year 1976	Fiscal year 1977
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Food and nutrition.....	² \$628.8	\$760.0	\$628.8	\$760.0	³ \$500.4	³ \$631.6	\$618.8	\$745.0
Population planning and health.....	219.1	251.6	248.1	280.6	³ 203.7	³ 236.2	243.1	275.6
Education and human re- sources development.....	89.2	101.8	89.2	101.8	³ 74.0	³ 86.6	89.2	101.8
Technical assistance, energy, research, reconstruction, selected development prob- lems.....	⁴ 54.3	⁴ 48.0	99.55	104.5	99.55	104.5	99.55	104.5
	⁵ 38.1	⁵ 48.0						
American schools and hospi- tals abroad.....	10.0	10.0	25.0	25.0	25.0	25.0	25.0	25.0
Local currency.....	(7.0)	(7.0)	(7.0)	(7.0)	(7.0)	(7.0)	(7.0)	(7.0)
International organizations.....	189.5	214.9	194.5	219.9	194.5		194.5	219.9
Indus Basin:								
Loans.....	⁶ 10.0		⁶ 10.0		⁶ 10.0		⁶ 10.0	
Grants.....	27.0		27.0		27.0		27.0	
International Fund for Agri- cultural Development.....	⁷ 200.0		⁽⁸⁾	⁽⁸⁾	⁹ 200.0	⁽⁹⁾	⁹ 200.0	⁽⁹⁾
Disaster assistance.....	¹⁰ 20.0	¹⁰ 20.0	25.0	25.0	¹⁰ 20.0	¹⁰ 20.0	25.0	25.0
Sahel.....					50.0	50.0	5.0	
Cyprus.....	¹¹ 25.0		⁽¹¹⁾		¹¹ 30.0		¹¹ 30.0	
Operating expenses.....	⁽¹²⁾	⁽¹²⁾	⁽¹²⁾	⁽¹²⁾	¹³ 174.4	¹⁴ 174.4	⁽¹²⁾	⁽¹²⁾
Total new funds.....	1,511.0	1,454.3	1,347.15	1,516.8	1,608.55	¹⁵ 1,328.3	1,567.15	1,496.8
Reflows.....			¹⁶ 250.0	¹⁷ 403.0				
Total.....	1,511.0	1,454.3	1,597.15	1,919.8	1,608.55	¹⁵ 1,328.3	1,567.15	1,496.8

¹ Bill includes authorization of such amounts as may be necessary for the interim quarter for programs funded in fiscal year 1976, but not to exceed one-fourth of the amount authorized for fiscal year 1976. (See "Amendment No. 127" below.)

² Reflects reduction of \$10,000,000 in food and nutrition and corresponding increase in Indus Basin loans.

³ Excludes operating expenses, for which authorization is included below.

⁴ For purposes of old section 106—selected development problems.

⁵ For purposes of old section 107—selected countries and organizations.

⁶ The Foreign Assistance Act of 1967 authorized \$51,220,000 for loans for the Indus Basin development for use beginning in fiscal year 1969. This authorization adds \$10,000,000 to the authorization, which is without fiscal year limitation.

⁷ The executive branch has made known its intention to request \$200,000,000 for the International Fund for Agricultural Development upon successful completion of international negotiations.

⁸ House earmarked \$200,000,000 of repayments on past AID loans during fiscal years 1976 and 1977.

⁹ Authorization without fiscal year limitation.

¹⁰ Permanent authorization ceiling against which appropriations may be made to replenish funds used.

¹¹ \$25,000,000 requested for Cyprus for fiscal year 1976 under the international security program. House has not acted on this request. Authorization is without fiscal year limitation.

¹² Included above in program accounts.

¹³ Deducted from program accounts.

¹⁴ Deducted from program accounts. Estimated level under authorization of such amounts as may be necessary.

¹⁵ Includes no authorization for International Organizations and Programs.

¹⁶ Estimate based on \$353,000,000 for all of fiscal year 1976, minus amounts already turned over to the Treasury as of the date of House passage of H.R. 9005, Sept. 10, 1975.

¹⁷ Estimated.

TITLE I—INTERNATIONAL DISASTER ASSISTANCE

AMENDMENT NO. 1

INTERNATIONAL DISASTER ASSISTANCE AUTHORIZATION

The House bill authorized \$25 million for each of the fiscal years 1976 and 1977.

The Senate amendment authorized appropriation from time to time of such amounts as may be necessary, provided that the level of funds available which have not been previously obligated shall not exceed \$20 million, such amounts to remain available until expended.

The committee of conference agreed to authorize \$25 million for each of the fiscal years 1976 and 1977, with such amounts authorized to remain available until expended.

AMENDMENT NO. 4

AFRICAN DROUGHT AREA DEVELOPMENT PROGRAMS

The Senate amendment (1) struck the word "Sahel" from the title of the section of the Foreign Assistance Act dealing with assistance for the drought-stricken areas of Africa, (2) reaffirmed Congressional support for United States Government consultations and planning toward the development and support of a comprehensive long-term African Sahel development program, (3) authorized the President to furnish assistance to carry out a long-term development program for the drought areas, (4) set forth guidelines for development of the long-term program, including devoting sufficient resources by 1985 to reduce the need for more costly measures later, (5) authorized the appropriation of \$50 million for each of the fiscal years 1976 and 1977 for development of the drought areas, and (6) called on the President to submit to the Congress not later than April 30, 1976, a comprehensive proposal for carrying out the provisions of this section.

The House bill did not contain a comparable provision.

The House receded, with amendments which (1) deleted the specific authority for the President to furnish assistance to carry out a long-term development program for the drought areas, in favor of authority to develop a comprehensive proposal for such a program, (2) deleted the reference to devoting sufficient resources by 1985 to reduce the need for more costly measures later, and (3) replaced the authorization to appropriate \$50 million in each of the fiscal years 1976 and 1977 with an authorization to appropriate \$5 million for the fiscal year 1976 to carry out the purposes of the section (planning, consultation, and program development).

It was not the intention of the committee of conference, in making these changes in the Senate amendment, to indicate a lessening of

support for long-term development of the drought areas or for implementation of an adequate program for those areas in the short term. On the contrary, the committee of conference reaffirmed congressional interest in the long-term development of the area, authorized the appropriation of \$5 million specifically for the purpose of developing proposals in consultation with other potential donors, and called on the President to submit a comprehensive proposal so that the Congress can review it. However, the committee of conference should not be considered as having endorsed particular activities or specific levels of future funding for the drought area, pending congressional consideration of a comprehensive proposal.

The committee of conference is of the view that in the meantime the Executive should carry out activities for the drought areas which are not dependent on comprehensive long-range development proposals. Such activities should be carried out in accordance with current policy guidelines for development assistance under chapter 1, at levels at least as high as those proposed for this fiscal year in A.I.D.'s congressional presentation materials.

AMENDMENT NO. 5

CYPRUS RELIEF AND REHABILITATION

The Senate amendment authorized the appropriation of \$30 million for relief and rehabilitation of refugees and other needy people in Cyprus.

The House bill did not contain a comparable provision.

The House receded, with an amendment providing that the funds be used in accordance with the provisions of section 491 of the Foreign Assistance Act, which sets forth policy and general authority for international disaster assistance.

It was the view of the committee of conference that authorization for this activity was more appropriately contained in this bill than in a bill for international security assistance, as proposed by the Executive.

AMENDMENT NO. 6

INDOCHINA MIGRATION AND REFUGEE ASSISTANCE ACT AMENDMENTS

The Senate amendment made provisions of the Indochina Migration and Refugee Assistance Act applicable to refugees from Laos.

The House bill did not contain a comparable provision.

The Senate receded. The committee of conference was sympathetic to the intent of the Senate amendment, but the provision would have been subject to point of order in the House as not germane to the bill.

TITLE II—FOOD AID TO POOR COUNTRIES

AMENDMENT NO. 7

PUBLIC LAW 480 FOOD TO BE MADE AVAILABLE TO COUNTRIES
REQUIRING IT

The House bill added policy language to Public Law 480 stating that the President shall give priority consideration to making avail-

able the maximum feasible volume of food commodities to those countries most seriously affected by food shortages and inability to meet immediate food requirements.

The Senate amendment qualified this policy language by stating that the food commodities must be "required" by those countries.

The House receded.

AMENDMENT NO. 9

PUBLIC LAW 480 FOOD TO BE PROVIDED TO COUNTRIES UNABLE TO
MEET REQUIREMENTS COMMERCIALY

The House bill added policy language to Public Law 480 stating that the President shall give priority consideration to making available the maximum feasible volume of food commodities to those countries most seriously affected by food shortages and inability to meet immediate food requirements.

The Senate amendment added, after requirements: "which such countries are unable to meet on a normal commercial basis."

The House receded with a clarifying amendment deleting the words, "which such countries are unable to meet," which are redundant.

AMENDMENT NO. 11

RELATION OF FOOD AID TO RECIPIENTS' AGRICULTURAL CONSUMPTION

The House bill required that in furnishing food aid, the President shall relate U.S. assistance to efforts by aid-receiving countries to increase their own agricultural production.

The Senate amendment required U.S. assistance to be related also to efforts by aid-receiving countries to increase their consumption.

The Senate receded.

AMENDMENT NO. 12

EMPHASIS ON SMALL, FAMILY FARM AGRICULTURE; TRANSPORTATION
STORAGE, AND DISTRIBUTION OF FOOD

The House bill required Public Law 480 food aid to be related to efforts by aid-receiving countries to increase their own agricultural production, with emphasis on development of labor-intensive small-farm agriculture.

The Senate amendment deleted the clause putting emphasis on labor-intensive, small-farm agriculture and added a clause stating that the U.S. aid should be related also to self-help efforts to improve facilities for transportation, storage, and distribution of food commodities.

The House receded, but with an amendment retaining the House language except for striking the words, "labor-intensive" and substituting the words "small, family farm" for the words "small-farm" agriculture.

AMENDMENT NO. 13

EXPANSION OF FOOD CONSUMPTION

The House bill required Public Law 480 food aid to be related to efforts by aid-receiving countries to increase their own agricultural production.

The Senate amendment added further that U.S. aid should be related to self-help efforts also to insure the expansion of food consumption in balance with increases in food production and food aid supplies.

The Senate receded.

AMENDMENT NO. 14

PUBLIC LAW 480 ALLOCATIONS TO BE BASED ON MARKET POTENTIAL

The Senate amendment required that the President in furnishing food aid shall assure that commodity allocation or concessional financing is based on the potential for expanding U.S. agricultural markets abroad.

The House bill did not contain a comparable provision.

The committee of conference adopted the Senate provision with a modifying amendment which requires that special consideration be given to market potential for U.S. farm sales.

AMENDMENT NO. 15

FOOD AID PROGRAM TO RECOGNIZE AND SUPPORT AMERICAN FARM ECONOMY

The Senate amendment required that the President shall give appropriate recognition and support to a strong and viable U.S. farm economy in providing for food security of consumers in the United States and worldwide.

The House bill did not contain a comparable provision.

The House receded.

AMENDMENT NO. 16

WORLD FOOD CONFERENCE TARGET

The House bill urged the President to maintain a significant U.S. contribution to the World Food Conference target of 10 million tons of food assistance annually, and to encourage other countries to maintain and increase their contributions as well.

The Senate amendment made clear that the World Food Conference target of 10 million tons of food assistance is directed "to needy nations."

The House receded.

AMENDMENT NO. 18

INCREASED AGRICULTURAL CONSUMPTION AS A SELF-HELP MEASURE

The House bill required that the self-reliance efforts of friendly countries to be taken into account shall include efforts to increase their agricultural production.

The Senate amendment added increased agricultural consumption as a self-help measure.

The Senate receded.

AMENDMENT NO. 19

SELF-HELP THROUGH SMALL, FAMILY FARM AGRICULTURE AND IMPROVED FOOD, TRANSPORTATION, STORAGE, AND DISTRIBUTION

The House bill required that the self-reliance efforts of friendly countries to be taken into account in carrying out Public Law 480 shall include agricultural production increase efforts "especially through labor-intensive, small-farm agriculture."

The Senate amendment deleted the reference to labor-intensive, small-farm agriculture and added a reference to self-help efforts to improve facilities for transportation, storage, and distribution of food commodities.

The Committee of Conference agreed to retain the language of both the House and the Senate, but to modify the House language, as in Amendment No. 12, by deleting the words "labor-intensive" and substituting "small, family farm" agriculture for "small-farm" agriculture.

AMENDMENTS NO. 21 AND 22

WAIVER OF PROHIBITIONS ON PUBLIC LAW 480 TITLE I SALES TO COUNTRIES TRADING WITH CUBA OR NORTH VIETNAM

The House bill authorized the President to waive prohibitions on Public Law 480 Title I sales, if he determines that such waiver is in the national interest and reports his determination to the Congress.

The Senate amendment substituted "waiver" for "determination" in the House language and added that such waiver must be reported to the Congress within 10 days.

The Committee of Conference agreed to require that a "determination" be reported to the Congress within 10 days.

AMENDMENT NO. 24

BLENDED AND PROTEIN FORTIFIED FOODS

The Senate amendment mandated the President to require that, to the maximum practicable extent, processed U.S. grain products, including blended and protein fortified foods, be supplied under each Public Law 480 Title I grain sales agreement. The Senate amendment also authorized waiver of repayment of Title I sales to the extent that the costs of processing, enrichment, or fortification of high-protein blended or fortified foods are included in the sales price.

The House bill did not contain a comparable provision.

The Senate receded. The Committee of Conference was cognizant of the desirability of (1) recovering and maintaining for the United States a fair share of the international market for processed American grain products and of (2) the contribution blended and fortified food products can make to improving nutritional levels of the neediest individuals in the developing world, to which the Senate amendment was directed. However, without prejudice to the substance of the

Senate proposals, the provisions in question were deleted because they exceeded the scope of the House bill and were thus subject to a point of order when the conference report would be considered in the House. Since under House rules the failure of any provision of a conference report to comply with the germaneness rule would endanger the entire conference report, the Senate conferees receded.

AMENDMENT NO. 25

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

The Senate amendment authorized United States participation in the International Fund for Agricultural Development and authorized the appropriation of \$200 million for that purpose. The amendment provided that no funds could be obligated unless (1) agreement is reached on Articles of Agreement for the Fund, (2) the Articles are reviewed and approved by the appropriate committees of the Congress, (3) commitments of all donors to the Fund equal at least \$1 billion, and (4) different categories of donors share the burden equitably. The amendment also provided that the President must make reports to the Congress concerning the Fund.

The House bill did not contain a comparable provision. (The House bill instead contained a \$200 million earmarking of payments on past aid loans for that purpose—see Amendment No. 59.)

The House receded, with an amendment transferring the authorization from title II to title III of the bill, where it is more appropriately placed.

AMENDMENT NO. 27

SENATE FOREIGN RELATIONS COMMITTEE TO RECEIVE PUBLIC LAW 480 NOTIFICATIONS

The Senate amendment required certain notifications regarding the activities of Public Law 480, now required to be submitted to the Senate Agriculture Committee, to be submitted to the Senate Foreign Relations Committee as well.

The House bill did not contain a comparable provision.

The House receded.

AMENDMENT NO. 29

PROHIBITION ON USE OF LOCAL CURRENCIES FOR DEVELOPMENT OF ABORTIFACIENTS OR ABORTION TECHNIQUES

The Senate amendment prohibited the use of local currencies generated by sale of Public Law 480 commodities for development of abortifacients or techniques of abortion.

The House bill did not contain a comparable provision.

The Senate receded.

AMENDMENT NO. 30

AGRICULTURAL CONSUMPTION AS A SELF-HELP MEASURE

The House bill permitted forgiveness of payment for Public Law 480, Title I sales under specified circumstances for countries under-

taking self-help measures "to increase agricultural production, improve storage and distribution, and reduce population growth in accordance with section 109" of Public Law 480.

The Senate amendment added increasing agricultural consumption to the list of self-help measures to be considered.

The Senate receded.

AMENDMENT NO. 31

TRANSPORTATION OF FOOD AS A SELF-HELP MEASURE

The House bill permitted forgiveness of payment for Public Law 480, Title I sales under specified circumstances, for countries undertaking self-help measures "to increase agricultural production, improve storage and distribution, and reduce population growth in accordance with section 109" of Public Law 480.

The Senate amendment added transportation to the list of self-help measures to be considered.

The House receded.

AMENDMENT NO. 32

SELF-HELP IN STORAGE, DISTRIBUTION, AND TRANSPORTATION SPECIFIED TO REFER TO FOOD COMMODITIES

The House bill permitted forgiveness of payment for Public Law 480, Title I sales under specified circumstances, for countries undertaking self-help measures "to increase agricultural production, improve storage and distribution, and reduce population growth in accordance with section 109" of Public Law 480.

The Senate amendment specified that the phrase "improve storage, transportation, and distribution" refer to "food commodities."

The Committee of Conference agreed to retain the words "of commodities", because that the phrase food commodities was too narrow.

AMENDMENT NO. 33

ELIGIBILITY OF FARMER-TO-FARMER PROGRAM UNDER PAYMENT FORGIVENESS PROCEDURE

The House bill permitted forgiveness of payment for Public Law 480, Title I sales under specified circumstances, for countries undertaking certain self-help measures in accordance with section 109 of Public Law 480.

The Senate amendment extended the forgiveness procedure to cover the funding of certain aspects of the farmer-to-farmer program authorized under Public Law 480.

The House receded with a technical amendment.

AMENDMENT NO. 34

APPLICABILITY OF DEVELOPMENT AID PROVISIONS TO LOCAL CURRENCY USES UNDER FORGIVENESS AGREEMENTS

The House bill required that uses of local currencies in accordance with agreements permitting forgiveness of payment for Public Law

480, Title I sales be "subject to the policies, procedures, restrictions, and other provisions applicable to funds provided under sections 103 and 104 of the Foreign Assistance Act of 1961."

The Senate amendment required that such uses of local currencies be for "programs . . . directed at and likely to achieve the policy objectives of" sections 103 and 104 of the Foreign Assistance Act and of Public Law 480.

The House receded with an amendment which modified the Senate language to provide that the programs which may be financed under the forgiveness procedure be for programs directed to and likely to achieve the policy objectives of sections 103 and 104 of the Foreign Assistance Act and be "consistent with" the objectives of Public Law 480.

AMENDMENT NO. 35

PERCENTAGE LIMITATION ON FORGIVENESS AGREEMENTS

The Senate amendment limited agreements for forgiveness of payment of Public Law 480 Title I loan obligations under the procedures described in section 205 of this bill to 10 percent of the value of each sales agreement entered into for any fiscal year.

The House bill did not contain a comparable provision.

The committee of conference agreed to the Senate provision but with modifications of the Senate language. The limitation on the percentage of the value of Title I agreements which could be granted back was changed from 10 percent of each Title I agreement to 15 percent of *all* Title I agreements for any fiscal year.

AMENDMENT NO. 36

PRIORITIES FOR ENTERING INTO SALES AGREEMENTS UNDER TITLE I OF PUBLIC LAW 480

The House bill required that priority be given to certain countries in entering into agreements for the sale of agricultural commodities for dollars on credit terms.

The Senate amendment added clarifying language that priority be given to certain countries in entering into agreements for the sale of agricultural commodities for dollars on credit terms "under this title" (title I of Public Law 480).

The House receded.

AMENDMENT NO. 37

INCLUSION OF IMPROVED SYSTEMS OF TRANSPORTATION OF AGRICULTURAL COMMODITIES IN MEASURING SELF-HELP

The House bill required priority in Title I sales to be given to countries agreeing to use the local currency proceeds for certain specified purposes, including services designed to improve marketing, storage, and distribution systems for agricultural commodities.

The Senate amendment added to those specified purposes services designed to improve transportation systems for agricultural commodities.

The House receded.

AMENDMENT NO. 38

ASSISTANCE TO MOST SERIOUSLY AFFECTED COUNTRIES

The House bill added a new section 111 to Title I of Public Law 480 mandating that not more than 30 percent of the volume of food aid commodities provided under Title I shall be allocated to countries other than those most seriously affected by inability to meet their immediate food needs, unless the President certifies that such food assistance is required for humanitarian food purposes and neither House of Congress disapproves by resolution within 30 days. The House language provided further that in determining which countries are most seriously affected for purposes of this section, the President may be guided by the United Nations designation of countries as "most seriously affected" by the current economic crisis. A reduction below 70 percent in the proportion of food aid allocated to most seriously affected countries resulting from significantly changed circumstances occurring after the initial allocation shall not constitute a violation of this section; any reallocation of food aid shall be in accordance with this section so far as practicable, with the President promptly reporting any such reduction and the reasons therefor to the Congress.

The Senate amendment added a new section 111 of Title I of Public Law 480 mandating that not more than 20 percent of the value of all commodities provided under Title I shall be allocated and agreed to be delivered to countries other than those with a per capita gross national product of \$250 or less, and affected by inability to meet their immediate food needs, unless the President certifies that such food assistance is required for humanitarian food purposes and neither House of Congress disapproves by resolution within 30 days. The Senate amendment further provided that in determining per capita gross national product for purposes of this section, the President is to use data developed by the World Bank for its most recent annual report and relied upon by the Secretary of the Treasury. A reduction below 80 percent in the proportion of food aid allocated to most seriously affected countries which results from critical and unforeseeable circumstances occurring after the initial allocation shall not constitute a violation of this section; any reallocation of food aid shall be in accord with this section so far as practicable, with the President to report any such reduction and the reasons therefor to the Congress.

The committee of conference agreed to the Senate provision but with several modifications of the Senate language. The limitation on Title I allocations was changed to 25 percent of the volume of food aid commodities allocated and agreed to be delivered to countries other than those having an annual per capita gross national product of \$300 or less, as determined by the most recent annual report of the World Bank, unless significantly changed circumstances cause reallocations to be required outside the boundaries of this limitation.

While it has been the clear intention during the consideration of this provision that the allocation formula would apply over a fiscal year period, the words "in each fiscal year" were inserted for clarification. It is the intention of the managers that this allocation formula shall take effect for the entire 1976 fiscal year, and shall include agreements entered into prior to enactment of this provision but after the beginning of the current fiscal year.

It is the expectation of the committee of conference that, for the purposes of fiscal year 1976, an initial allocation shall be made and conveyed by the President to the Congress within 10 days of the enactment of this legislation, which covers the entire Title I food program for the current fiscal year. This allocation must be in accord with the criteria of this section. For fiscal year 1977, the initial allocation shall be made prior to the start of that fiscal year. The ratio applying to both allocations and agreements to deliver shall be calculated at the end of each fiscal year for that year. The interim quarter is not exempted from the criterion of this section, and for the purposes of their application the quarter may be included in fiscal year 1976 if so designated at the time of the initial allocation for that year. For the period after fiscal year 1977, the committee of conference took note of the current expiration date of Public Law 480 Title I sales authority which is scheduled for December 31, 1977.

The term "agreements to deliver" refers to written agreements to extend financing for sales of U.S. commodities under the authority of Title I of Public Law 480, which have been approved and signed by both contracting parties.

AMENDMENT NO. 39

OVERALL MINIMUM FOR TITLE II DISTRIBUTION

The House bill required that the minimum quantity of agricultural commodities distributed under Title II shall be 1.5 million tons each fiscal year.

The Senate amendment set the minimum at 1.3 million tons.

The House receded. The term "tons" as used in this provision and elsewhere in this bill is intended to refer to "metric tons grain equivalent" as commonly used in international agricultural trade.

AMENDMENT NO. 41

TITLE II VOLUNTARY AGENCIES MINIMUM

The House bill required that the minimum distributed through nonprofit voluntary agencies and the World Food Program shall be one million tons for each fiscal year.

The Senate amendment set the minimum at 900,000 tons.

The Senate receded.

AMENDMENT NO. 42

GENERATION OF FOREIGN CURRENCIES UNDER TITLE II SUBJECT TO WRITTEN AGREEMENT

The House bill prohibited Public Law 480, Title II, agreements permitting generation of foreign currency proceeds unless the spe-

cific uses of the proceeds are set forth and agreed to by the United States and the recipient country.

The Senate amendment provided that the uses must be set forth "in a written agreement" between the United States and the recipient country.

The House receded.

AMENDMENTS NO. 43 AND 44

USE OF FOREIGN CURRENCY PROCEEDS UNDER TITLE II AGREEMENTS

The House bill provided that no Public Law 480 Title II assistance may be provided under an agreement permitting generation of foreign currency proceeds unless the currencies are used for specified purposes.

The Senate amendment contained the same prohibition unless "such agreement provides that the currencies will be" used for the specified purposes.

The House receded.

AMENDMENT NO. 45

APPLICABILITY OF DEVELOPMENT AID PROVISIONS TO LOCAL CURRENCY USES UNDER TITLE II AGREEMENTS

The House bill required that uses of local currencies under Title II agreements be "in accordance with the limitations, restrictions, and other provisions applicable to funds provided under" the relevant section of the Foreign Assistance Act.

The Senate amendment struck this requirement.

The House receded.

AMENDMENT NO. 46

ADVISORY COMMITTEE

The House bill provided that the members of the Public Law 480 advisory committee (which consists of high executive branch officials and the chairmen and ranking members of the House International Relations and Agriculture Committees and the Senate Foreign Relations and Agriculture and Forestry Committees) may have designees representing them on the advisory committee.

The Senate amendment added a stipulation that the designees to the advisory committee must be members of the relevant congressional committees, or in the case of executive branch members, shall have had Senate confirmation.

The House receded.

AMENDMENT NO. 48

YEAR COVERED BY REPORTS TO THE CONGRESS

The House bill did not contain a comparable provision.

The Senate amendment changed the year for which the President is required to file annual reports from calendar year to fiscal year.

The House receded.

AMENDMENT NO. 50

DATE FOR FILING REPORT TO THE CONGRESS

The House bill required the submission by the President of a revised global assessment of food production and needs and a revised food assistance program not later than October 1 of each year.

The Senate amendment required the report to be made by November 1, rather than October 1.

The House receded.

AMENDMENT NO. 51

RECIPIENTS OF PRESIDENTIAL REPORT

The House bill required the revised global food needs assessment and food aid program to be submitted to the "Congress".

The Senate amendment required this information to be submitted to the House Committees on Agriculture and International Relations, and the Senate Committees on Foreign Relations and Agriculture and Forestry.

The House receded.

AMENDMENT NO. 52

REQUIREMENT OF CONGRESSIONAL APPROVAL OF INTERNATIONAL FOOD RESERVE SYSTEM

The House bill authorized and encouraged the President to seek international agreement for a system of national food reserves.

The Senate amendment provided that any such agreement be "subject to congressional approval."

The House receded. Before any such agreement should enter into force, it is the intention of this provision that the President obtain congressional approval of such agreement.

AMENDMENT NO. 53

HOLDING OF FOOD RESERVES

The House bill authorized and encouraged the President to seek international agreement for a system of national food reserves.

The Senate amendment deleted the word "national".

The House receded.

AMENDMENT NO. 54

REPORT ON WORLD FOOD CONFERENCE FOLLOWUP

The Senate amendment called on the President to strengthen U.S. efforts to carry out recommendations of the World Food Conference and required him to submit, within 90 days after enactment of this bill, a report on steps he has taken to carry out Conference recommendations.

The House bill did not contain a comparable provision.

The House receded with an amendment changing the date for submission of such report to November 1, 1976.

AMENDMENT NO. 55

LONG-TERM COMMERCIAL AGREEMENTS

The Senate amended section 22(f) of the Agricultural Adjustment Act of 1933 by adding a new paragraph. The new paragraph required Presidential consultation with respect to any trade or other international agreement involving any agricultural commodity covered by price support programs, other than agreements already statutorily authorized, prior to entering into discussions to negotiate such agreement, and every 90 days thereafter until such negotiations have been completed. The consultation was to be with the House and Senate Agriculture Committees and the Senate Foreign Relations Committee.

The House bill did not contain a comparable provision.

The Senate receded because of a possible point of order against the amendment in the House.

AMENDMENT NO. 56

FARMER-TO-FARMER PROGRAM

The Senate amendment modified section 406(a) of Public Law 480 by vesting the authority thereunder in the President, instead of the Secretary of Agriculture as in present law; by striking existing language stating the farmer-to-farmer program shall be carried out "through existing agencies of the Department of Agriculture"; and by changing paragraph (a)(5) concerning coordination to provide authority to coordinate the program with other U.S. foreign assistance activities.

The House bill did not contain a comparable provision.

The House receded. In so doing the managers on the part of the House insisted and the managers on the part of the Senate agreed that nothing in the amendment is to be construed as authorizing any activities duplicating or competing with those of the Peace Corps, or as weakening the coordination with Peace Corps activities required under section 406(a)(5) of Public Law 480 prior to the enactment of this bill. The Peace Corps has a well demonstrated capability to administer such a program and is expected to have an important role in the effective operations of a "farmer-to-farmer" exchange.

The transfer of the authority in section 406 from the Secretary of Agriculture to the President is not to be construed as intent by the conferees to remove from the Agriculture Department the administration of the research program authorized in section 406(a)(4).

TITLE III—DEVELOPMENT ASSISTANCE

AMENDMENT NO. 57

FOOD AND NUTRITION AUTHORIZATION, FY 1976

The House bill authorized the appropriation of \$628.8 million for food and nutrition for FY 1976, including operating expenses.

The Senate amendment authorized the appropriation of \$500.4 million, excluding operating expenses.

The committee of conference agreed on an authorization of \$618.8 million, including operating expenses. (For discussion of operating expenses, see Amendment No. 128.)

AMENDMENT NO. 58

FOOD AND NUTRITION AUTHORIZATION, FY 1977

The House bill authorized the appropriation of \$760 million for food and nutrition for FY 1977, including operating expenses.

The Senate amendment authorized the appropriation of \$631.6 million, excluding operating expenses.

The committee of conference agreed on an authorization of \$745 million, including operating expenses. (For discussion of operating expenses, see Amendment No. 128.)

AMENDMENT NO. 59

RECEIPTS FROM PAST AID LOANS

The House bill authorized the appropriation of payments on past aid loans for use for the International Fund for Agricultural Development (for which \$200 million was earmarked) and other activities in the area of food and nutrition.

The Senate amendment did not contain a comparable provision. (The Senate, however, authorized the appropriation of \$200 million for the International Fund for Agricultural Development—see Amendment No. 25.)

The House receded.

AMENDMENT NO. 60

POPULATION PLANNING AND HEALTH AUTHORIZATION, FY 1976

The House bill authorized the appropriation of \$248.1 million for population planning and health for FY 1976, including operating expenses.

The Senate amendment authorized the appropriation of \$203.7 million, excluding operating expenses.

The committee of conference agreed on an authorization of \$243.1 million, including operating expenses. (For discussion of operating expenses, see Amendment No. 128.)

AMENDMENT NO. 61

POPULATION PLANNING AND HEALTH AUTHORIZATION, FY 1977

The House bill authorized the appropriation of \$280.6 million for population planning and health for FY 1977, including operating expenses.

The Senate amendment authorized the appropriation of \$236.2 million, excluding operating expenses.

The committee of conference agreed on an authorization of \$275.6 million, including operating expenses. (For discussion of operating expenses, see Amendment No. 128.)

AMENDMENT NO. 62

POPULATION EARMARKING

The House bill earmarked 67 percent of the funds appropriated for population planning and health purposes in any fiscal year to be used for population planning.

The Senate amendment contained the same earmarking, but made it clear that the earmarking applies both to separate population programs and to population programs carried out as an element of health programs.

The House receded.

AMENDMENT NO. 63

SOUTHERN AFRICAN EDUCATIONAL ASSISTANCE

The Senate amendment earmarked \$1 million of funds appropriated for education and human resource development purposes to be used to support southern African student and training programs in southern Africa.

The House bill did not contain a comparable provision.

The House receded, with an amendment substituting "for Southern Africans" for "in southern Africa".

AMENDMENT NO. 64

EARMARKING OF OCEAN FREIGHT COSTS

The Senate amendment earmarked \$14.75 million in FY 1976 and \$16.1 million in FY 1977, out of the funds made available under section 106 of the Foreign Assistance Act, to reimburse voluntary agencies for ocean freight costs.

The House bill did not contain a comparable provision.

The committee of conference agreed to an earmarking of a total of \$30 million for the period from July 1, 1975 through September 30, 1977.

AMENDMENT NO. 65

INTERMEDIATE TECHNOLOGY

The Senate amendment requires A.I.D. to prepare a proposal on coordination of private efforts in intermediate technology, to keep the House International Relations and the Senate Foreign Relations Committees informed during its development, to transmit the proposal to those committees no later than March 31, 1976, and to refrain from implementing the proposal for 30 days unless both committees approve earlier implementation.

The House bill did not contain a comparable provision.

The House receded.

AMENDMENT NO. 66

INTER-AMERICAN SAVINGS AND LOAN BANK

The Senate amendment amended the Home Owners' Loan Act of 1933 to permit savings and loan associations to invest up to 1 percent

of their capital, up to a ceiling of \$3.5 million, in the Inter-American Savings and Loan Bank.

The House bill did not contain a comparable provision.

The Senate receded, because the provision would have been subject to point of order in the House as not germane to the bill.

AMENDMENT NO. 71

COST SHARING

The House bill permitted the President to waive the requirement that a recipient country put up at least 25 percent of the cost of each project or activity in the case of a project or activity in a country which meets the United Nations criteria for relatively least developed countries.

The Senate amendment struck out the House provision.

The committee of conference agreed to permit the President to waive the requirement in the case of a project or activity in a country which A.I.D. determines is "relatively least developed" based on the UNCTAD list.

AMENDMENT NO. 74

HUMAN RIGHTS AND DEVELOPMENT ASSISTANCE

The House bill prohibited development aid to the government of any country engaging in a consistent pattern of gross violations of internationally recognized human rights, unless (1) the President determines and reports to the Congress that the aid will benefit needy people, describing the aid and explaining how it will benefit needy people, and (2) neither House disapproves. In deciding if any government falls within such provisions, consideration must be given to the extent of its cooperation with investigations by international agencies.

The Senate amendment prohibited development aid to such a government unless the aid will benefit needy people. In determining whether the standard is met, the Senate Foreign Relations Committee or the House International Relations Committee may require a written report from A.I.D. demonstrating either that (1) the government is not engaging in such practices, or (2) the aid will benefit the needy and will not be used to maintain in power the authorities responsible for such practices. If either committee or either House disagrees, it may initiate action to terminate aid under section 617 of the Foreign Assistance Act.

The committee of conference agreed to prohibit development aid to such a government unless the aid will benefit needy people. In determining whether the standard is met, either committee may require a written report from A.I.D. demonstrating that the aid will benefit needy people, describing the aid, and explaining how it will benefit needy people. If either committee or either House disagrees, it may initiate action to terminate aid under section 617 of the Foreign Assistance Act. In deciding if any government falls within such provisions, consideration must be given to the extent of its cooperation with investigations by international agencies. The President is to report annually on steps taken to carry out this section.

AMENDMENT NO. 76

CRITERIA FOR ALLOCATION OF DEVELOPMENT AID

The Senate amendment provided that development aid is to be increasingly concentrated on countries making maximum efforts to carry out land reforms, increase food production, reduce infant mortality, and control population growth, and the President is to establish criteria to measure progress toward these objectives. The President is also to propose similar criteria for international organizations and to report to the Congress on implementation of these provisions.

The House bill did not contain a comparable provision.

The committee of conference agreed that for the purpose of assuring that development aid is increasingly concentrated in countries which will make effective use of aid to help the poor toward a better life (especially such countries which are suffering from the worst and most widespread poverty and are in greatest need of outside assistance), the President is to establish criteria to assess commitment and progress of countries in meeting development objectives set forth in chapter 1 of part I of the Foreign Assistance Act. In establishing the criteria, the President is to take into account their value in assessing the efforts of countries to (1) increase agricultural productivity per unit of land through small-farm labor-intensive agriculture, (2) reduce infant mortality, (3) control population growth, (4) promote greater equality of income distribution, including measures such as more progressive taxation and more equitable returns to small farmers, and (5) reduce rates of unemployment and underemployment. The President is also to propose similar criteria for international organizations and to report to the Congress on implementation of these provisions.

Although explicit reference to certain specific measures of land reform were deleted from the text of the bill, the committee of conference wishes to stress that more equitable distribution of land tenure, more efficient use of land, and encouragement of operator-ownership of farms are among the important objectives of development sought by chapter 1 of part I of the Foreign Assistance Act, and should be considered as such for purposes of this subsection.

AMENDMENT NO. 81

AMERICAN SCHOOLS AND HOSPITALS ABROAD

The House bill limited American schools and hospitals funding in any fiscal year to no more than four institutions in the same country, of which not more than one may be a university and one a hospital.

The Senate amendment struck out the House provision.

The House receded.

AMENDMENT NO. 83

WORLDWIDE HOUSING GUARANTIES

The Senate amendment increased the ceiling on issuing authority for worldwide housing guaranties from \$355 million to \$505 million.

The House bill did not contain a comparable provision.

The committee of conference agreed to increase the ceiling from \$355 million to \$430 million.

AMENDMENT NO. 84

HOUSING PROJECTS IN LATIN AMERICAN COUNTRIES

The Senate amendment increased the ceiling on issuing authority for Latin American housing guaranties from \$550 million to \$650 million.

The House bill did not contain a comparable provision.

The committee of conference agreed to increase the ceiling from \$550 million to \$600 million.

AMENDMENT NO. 88

HOUSING GUARANTY GUIDELINES

The House bill restricted housing guaranties to projects in countries receiving development aid, projects coordinated with such aid, and projects designed to demonstrate feasibility and suitability of housing or institutional arrangements on a pilot basis. Not less than 90 percent of guaranties are to be for housing suitable for families below the median income, and no more than \$5 million in guaranties may be authorized for any country in any fiscal year.

The Senate amendment did not contain a comparable provision.

The committee of conference agreed to adopt the House provision, with amendments (1) deleting the requirement that projects be "on a pilot basis"; (2) raising the ceiling on guaranties authorized for any country in any fiscal year from \$5 million to \$25 million, and providing that the guaranties authorized in any fiscal year average no more than \$15 million; and (3) permitting issuance of \$50 million in guaranties for housing in Israel and \$20 million in guaranties for housing in Portugal. The \$15 million average is to be determined by taking the total of all guaranties authorized for all countries during the fiscal year (and outstanding at the end of the fiscal year), and dividing by the total number of countries receiving the guaranties.

The committee of conference made specific exceptions from the general guidelines for Israel and Portugal, because it believes that the housing guaranty programs in those two countries should not be abruptly cut off, but should continue during a two-year transition period through the end of FY 1977.

AMENDMENTS NO. 90 AND 91

FAMINE PREVENTION—PLACEMENT IN PUBLIC LAW 480

The House bill added to the Foreign Assistance Act, part I, chapter 2, a new Title XII—Famine Prevention and Freedom from Hunger.

The Senate amendment struck the House language placing the Famine Prevention title in the Foreign Assistance Act and substituted therefor language making the Famine Prevention title a new title V in Public Law 480.

The Senate receded. However, the Senate conferees clearly agreed that the jurisdictional responsibility in the Senate over this title of

the Foreign Assistance Act would be vested with the Senate Committee on Agriculture and Forestry notwithstanding the fact that funds to carry out the activities will come primarily from section 103 of the Foreign Assistance Act and that administration of such activities will be under the responsibility of the Agency for International Development. The Committee on Agriculture and Forestry has always had jurisdiction over the legislation creating the system of land grant institutions and over legislation related to agricultural colleges and experiment stations, agricultural economics and research, human nutrition and home economics, and agricultural education extension services. The conferees of the Committee on Agriculture and Forestry agreed to cooperate fully with the Foreign Relations Committee of the Senate which has jurisdiction over other aspects of the Foreign Assistance legislation to coordinate the activities of Title XII with other foreign assistance activities.

AMENDMENT NO. 93

FAMINE PREVENTION—GENERAL PROVISIONS

The House bill provided that the United States should strengthen the capacities of the U.S. land-grant and other eligible universities in program-related agricultural institutional development and research "consistent with sections 103 and 103A" (Food and Nutrition and Agricultural Research) of the Foreign Assistance Act.

The Senate amendment struck the reference to consistency with sections 103 and 103A of the Foreign Assistance Act.

The Senate receded.

AMENDMENT NO. 94

FAMINE PREVENTION—CONSUMPTION

The House bill provided that the United States should strengthen the capacities of the U.S. land-grant and other eligible universities to participate in the United States Government's international efforts to more effectively apply agricultural sciences to the goal of increasing world food production.

The Senate amendment added after production, "and consumption", so that the goal is defined as "increasing world food production and consumption."

The Senate receded.

AMENDMENT NO. 95

FAMINE PREVENTION—DEFINITION OF UNIVERSITIES

The House bill provided that the term "universities" be defined as those colleges or universities commonly known as land-grant universities and other U.S. universities which meet certain enumerated criteria.

The Senate amendment struck this House language and substituted language repeating the House definition of land-grant and other universities; adding to the definition those colleges commonly known as

sea-grant colleges; and specifying "colleges" as well as universities among those in the definition provided they meet the enumerated criteria.

The House receded.

AMENDMENT NO. 96

FAMINE PREVENTION—AQUACULTURE

The Senate amendment added to the Famine Prevention title a new subsection 501(f) stating that the term agriculture, as used in this title, shall include aquaculture and fisheries.

The House bill did not contain a comparable provision.

The House receded.

AMENDMENT NO. 97

FAMINE PREVENTION—FISHERMEN

The Senate amendment added to the Famine Prevention title a new subsection stating that, as used in this title, the term farmers shall be considered to include fishermen and other persons employed in obtaining food resources from water.

The House bill did not contain a comparable provision.

The House receded.

AMENDMENT NO. 100

FAMINE PREVENTION—COMMERCE DEPARTMENT

The House bill stated that programs under the Famine Prevention title shall be carried out so as to build, whenever practicable, on existing programs and institutions including those of the U.S. Agriculture Department.

The Senate amendment added to the U.S. Agriculture Department, the U.S. Department of Commerce.

The House receded.

AMENDMENT NO. 101

FAMINE PREVENTION—FOCUS OF ACTIVITIES

The House bill stated that to the maximum extent practicable activities under this section shall (1) be designed to achieve the most effective interrelationship among teaching, research, and extension work in agriculture; (2) focus on agricultural producers' needs; and (3) be adapted to local circumstances.

The Senate amendment added a further emphasis, that such activities shall (4) be carried out within the developing countries.

The House receded.

AMENDMENTS NOS. 103 AND 104

FAMINE PREVENTION—NAME OF BOARD

The House bill provided for establishment of a Board for International Agricultural Development.

The Senate amendment changed the name of the Board to Board for International Food Resource Development.

The committee of conference agreed that the name of the Board is to be the Board for International Food and Agricultural Development.

AMENDMENT NO. 105

FAMINE PREVENTION—SIZE OF BOARD

The House bill established a Board consisting of seven members. The Senate amendment provided that the Board shall be "not less than" seven members.

The Senate receded.

AMENDMENT NO. 106

FAMINE PREVENTION—COMPOSITION OF BOARD

The House bill provided that not less than four members of the Board are to be from the eligible universities, and one of the seven shall be selected from a non-land-grant university.

The Senate amendment struck the provision concerning a non-land-grant university and stipulated that not less than one Board member be selected from a sea-grant institution as defined in this title, and one from other than a land-grant or sea-grant institution.

The House receded with an amendment deleting the new matter proposed by the Senate. The committee of conference intends that in the selection of membership to the Board, consideration must be given to including representatives of land-grant and sea-grant universities, as well as those of other institutions eligible under this title.

AMENDMENT NO. 120

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

The House bill authorized the appropriation of \$219.9 million for international organizations and programs for FY 1977.

The Senate amendment struck out the House provision.

The committee of conference noted that the Congress will have opportunities to review the extent of United States support for the United Nations and its activities in connection with other legislation.

AMENDMENT NO. 121

NAMIBIA INSTITUTE

The Senate amendment provided that up to \$250,000 of funds made available for international organizations and programs may be used for the Namibia Institute in FY 1976.

The House bill did not contain a comparable provision.

The House receded.

AMENDMENT NO. 122

INTER-AMERICAN COMMISSION ON HUMAN RIGHTS

The Senate amendment reaffirmed congressional support for the work of the Inter-American Commission on Human Rights and set a minimum level of \$357,000 in FY 1976 and \$358,000 in FY 1977, out of

total U.S. contributions to the Organization of American States, for budgetary support for the Commission.

The House bill did not contain a comparable provision.

The House receded.

It is the understanding of the committee of conference that funds made available under this section will be used, as necessary, and in accordance with OAS procedures, to supplement assessed contributions of the United States attributable to the Commission, in order to insure total U.S. contributions to the Commission from all sources at the levels specified in this section.

AMENDMENT NO. 123

INTERNATIONAL FERTILIZER DEVELOPMENT CENTER

The Senate amendment authorized the President to permit United States participation in the International Fertilizer Development Center and to use economic assistance funds to furnish assistance to the Center.

The House bill did not contain a comparable provision.

The House receded.

AMENDMENT NO. 124

ASSISTANCE TO FORMER PORTUGUESE COLONIES IN AFRICA

The Senate amendment specifically authorized the use of \$30 million of the funds appropriated under the Foreign Assistance Act for FY 1976 to provide economic and relief and rehabilitation assistance to former Portuguese colonies in Africa. (The Senate amendment also changed the section caption from "Assistance to the Cape Verde Islands" to "Assistance to Former Portuguese Colonies in Africa".)

The House bill did not contain a comparable provision.

The committee of conference agreed to authorize the use of up to \$30 million of the funds appropriated under part I of the Foreign Assistance Act for FY 1976 to provide development assistance or relief and rehabilitation assistance to the former Portuguese colonies. (The committee of conference also agreed to change the section caption as provided in the Senate amendment.)

AMENDMENT NO. 125

FURNISHING OF SERVICES AND COMMODITIES

The Senate amendment permitted A.I.D. to reuse up to \$1 million of reimbursements received in any fiscal year from countries for services or commodities furnished to such countries, even if the reimbursements are not received within 180 days of delivery in accordance with existing law, provided that the deferral of payment is made in accordance with an agreement requiring payment of interest at Export-Import Bank rates of interest, with repayment of principal and payment of interest to be completed within three years. Interest payments received in accordance with this section are to be paid into the Treasury.

The House bill did not contain a comparable provision.

The House receded, with an amendment authorizing funds received over 180 days from the end of the fiscal year to be available only to the extent provided for in appropriation acts.

AMENDMENT NO. 126

DISCRIMINATION AGAINST UNITED STATES PERSONNEL

The Senate amendment required the President not to discriminate on the basis of race, religion, national origin, or sex, in the assignment of officers and employees of the United States to serve abroad. Effective no later than 6 months after enactment of this act, no assistance may be provided under the Foreign Assistance Act or the Foreign Military Sales Act to any country objecting to a U.S. officer or employee carrying out those acts on the basis of race, religion, national origin, or sex. The Secretary of State is to promulgate appropriate regulations.

The House bill did not contain a comparable provision.

The House receded, with an amendment making the provision applicable only to economic development assistance programs funded under the Foreign Assistance Act and to personnel carrying out such programs. The Senate amendment as originally written would be subject to point of order in the House.

The committee of conference urges the Executive, in implementing this provision, to examine carefully any allegations of discrimination in the assignment of officers and employees of the United States. In particular, the conferees note, with concern, the instance of the U.S. embassy and consulates in South Africa, in which only one black officer, now reassigned, has ever served. Noting the particular importance to the United States of communicating with the majority African population in South Africa, the committee of conference urges the Executive to take affirmative action in the implementation of this provision with respect to South Africa.

AMENDMENT NO. 127

TRANSITION PROVISIONS FOR INTERIM QUARTER

The House bill authorized the appropriation for the interim quarter of one-fourth of the total amount authorized for FY 1976 by this bill.

The Senate amendment authorized appropriation of one-fourth of the amount authorized for each program or activity for FY 1976.

The Senate receded.

AMENDMENT NO. 128

OPERATING EXPENSES

The Senate amendment authorized \$174.4 million for operating expenses in a separate authorization category and reduced certain other authorization accounts accordingly.

The House bill did not contain a comparable provision.

The committee of conference agreed to delete the separate category for operating expenses, but inserted an amendment reaffirming the right of the Appropriations Committees, in appropriation legislation, to set a ceiling on A.I.D. operating expenses and to limit the availability of other sums therefor. In inserting this provision it was not the intent of the committee of conference either to add to or to subtract from the existing prerogatives of the Appropriations Committees.

AMENDMENT NO. 129

CEILING ON AID TO CHILE

The Senate amendment limited the total amount of economic assistance provided to Chile to \$90 million in FY 1976 and \$50 million in FY 1977.

The House bill did not contain a comparable provision.

The House receded, with an amendment deleting the FY 1977 limitation.

It is the understanding and the intention of the committee of conference that the \$90 million ceiling apply to all economic assistance to Chile, but not to humanitarian aid provided through private voluntary agencies under Title II of Public Law 480.

AMENDMENT NO. 130

SETTLEMENT OF DEBT OWED THE UNITED STATES

The Senate amendment prohibited settlement of any debt owed to the United States by any foreign country for less than the full amount of the debt unless the Congress approves by concurrent resolution.

The House bill did not contain a comparable provision.

The House receded, with an amendment making the provision applicable only to loans heretofore or hereafter made under any program funded under this bill. The Senate amendment, as originally written, would be subject to point of order in the House.

AMENDMENT NO. 131

PARTICIPATION BY OTHER COUNTRIES IN PROVIDING ASSISTANCE TO ISRAEL OR EGYPT

The Senate amendment expressed the sense of the Senate that the President should attempt to negotiate participation by Western Europe, Japan, and the United Nations in providing aid to Israel or Egypt.

The House bill did not contain a comparable provision.

The House receded.

AMENDMENT NO. 132

MEMBERSHIP OF NORTH VIETNAM OR SOUTH VIETNAM IN THE UNITED NATIONS

The Senate amendment expressed the sense of the Congress that the United States should veto admission of North Vietnam and South

Vietnam to the United Nations until they supply a full accounting of members of the U.S. Armed Forces missing in action in Southeast Asia.

The House bill did not contain a comparable provision.

The Senate receded, because the provision would have been subject to a point of order in the House.

AMENDMENT NO. 133

AGENCY FOR INTERNATIONAL DEVELOPMENT LOANS REPORT

The Senate amendment required A.I.D. to furnish a report on outstanding A.I.D. loans, indicating on a country-by-country basis with respect to each loan the terms, the repayment record, an estimate of the likelihood of repayment, and appropriate recommendations.

The House bill did not contain a comparable provision.

The Senate receded, since the bulk of the information required is already available in other reports provided to the Congress.

THOMAS E. MORGAN,
CLEMENT J. ZABLOCKI,
WAYNE L. HAYS of Ohio,
DANTE B. FASCELL,
CHARLES C. DIGGS,
WILLIAM S. BROOMFIELD,
PAUL FINDLEY,

Managers on the Part of the House.

HUBERT H. HUMPHREY,
GALE W. MCGEE,
HERMAN E. TALMADGE,
JAMES B. ALLEN,
GEORGE MCGOVERN,
CLIFFORD P. CASE,
JACOB K. JAVITS,
ROBERT K. DOLE,
HENRY BELLMON,

Managers on the Part of the Senate.

○

Ninety-fourth Congress of the United States of America

AT THE FIRST SESSION

*Begun and held at the City of Washington on Tuesday, the fourteenth day of January,
one thousand nine hundred and seventy-five*

An Act

To authorize assistance for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "International Development and Food Assistance Act of 1975".

TITLE I—INTERNATIONAL DISASTER ASSISTANCE

INTERNATIONAL DISASTER ASSISTANCE

SEC. 101. The Foreign Assistance Act of 1961 is amended—

(1) by amending the chapter heading for chapter 9 of part I to read "CHAPTER 9—INTERNATIONAL DISASTER ASSISTANCE";

(2) by repealing section 491;

(3) by inserting immediately after the chapter heading for such chapter 9 the following new sections:

"SEC. 491. POLICY AND GENERAL AUTHORITY.—(a) The Congress, recognizing that prompt United States assistance to alleviate human suffering caused by natural and manmade disasters is an important expression of the humanitarian concern and tradition of the people of the United States, affirms the willingness of the United States to provide assistance for the relief and rehabilitation of people and countries affected by such disasters.

"(b) Subject to the limitation on appropriations in section 492, and notwithstanding any other provision of this or any other Act, the President is authorized to furnish assistance to any foreign country or international organization on such terms and conditions as he may determine, for international disaster relief and rehabilitation, including assistance relating to disaster preparedness, and to the prediction of, and contingency planning for, natural disasters abroad.

"(c) In carrying out the provisions of this section the President shall insure that the assistance provided by the United States shall, to the greatest extent possible, reach those most in need of relief and rehabilitation as a result of natural and manmade disasters.

"SEC. 492. AUTHORIZATION.—There is authorized to be appropriated to the President to carry out section 491, \$25,000,000 for each of the fiscal years 1976 and 1977. Amounts appropriated under this section are authorized to remain available until expended. The President shall submit quarterly reports to the Committee on Foreign Relations of the Senate and to the Speaker of the House of Representatives on the programing and obligation of funds under this section.

"SEC. 493. DISASTER ASSISTANCE—COORDINATION.—The President is authorized to appoint a Special Coordinator for International Disaster Assistance whose responsibility shall be to promote maximum effectiveness and coordination in responses to foreign disasters by United States agencies and between the United States and other donors. Included among the Special Coordinator's responsibilities

shall be the formulation and updating of contingency plans for providing disaster relief.”;

(4) by redesignating section 452 as section 494 and inserting it immediately after section 493;

(5) by redesignating sections 639A and 639B as sections 494A and 494B, respectively, and inserting them immediately after section 494;

(6) by repealing section 639;

(7) in section 494B, as redesignated by paragraph (5) of this section—

(A) by striking out “SAHEL” in the section caption,

(B) by inserting “(a)” immediately after the section caption,

(C) by striking out “supports” and inserting in lieu thereof “reaffirms its support of”, and

(D) by adding the following new subsections at the end thereof:

“(b) The President is authorized to develop a long-term comprehensive development program for the Sahel and other drought-stricken nations in Africa.

“(c) In developing this long-term program, the President shall—

“(1) consider international coordination for the planning and implementation of such program;

“(2) seek greater participation and support by African countries and organizations in determining development priorities; and

“(3) begin such planning immediately.

“(d) There is authorized to be appropriated to the President, to carry out the purposes of this section, in addition to funds otherwise available for such purposes, \$5,000,000 for the fiscal year 1976, which amount is authorized to remain available until expended. The President shall submit to the Foreign Relations and Appropriations Committees of the Senate and the International Relations and Appropriations Committees of the House of Representatives not later than April 30, 1976, a comprehensive proposal for carrying out the provisions of this section which shall include budget materials relating to programs for the fiscal year 1977.”; and

(8) by adding the following new section immediately after new section 494B:

“SEC. 495. CYPRUS RELIEF AND REHABILITATION.—The President is authorized to furnish assistance, on such terms and conditions as he may determine, for the relief and rehabilitation of refugees and other needy people in Cyprus. There is authorized to be appropriated for the purposes of this section, in addition to amounts otherwise available for such purposes, \$30,000,000. Such amount is authorized to remain available until expended. Assistance under this section shall be provided in accordance with the policy and general authority contained in section 491.”.

TITLE II—FOOD AID TO POOR COUNTRIES

POLICY

SEC. 201. Section 2 of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following:

"In furnishing food aid under this Act, the President shall—

"(1) give priority consideration, in helping to meet urgent food needs abroad, to making available the maximum feasible volume of food commodities (with appropriate regard to domestic price and supply situations) required by those countries most seriously affected by food shortages and by inability to meet immediate food requirements on a normal commercial basis;

"(2) continue to urge all traditional and potential new donors of food, fertilizer, or the means of financing these commodities to increase their participation in efforts to address the emergency and longer term food needs of the developing world;

"(3) relate United States assistance to efforts by aid-receiving countries to increase their own agricultural production, with emphasis on development of small, family farm agriculture, and improve their facilities for transportation, storage, and distribution of food commodities;

"(4) give special consideration to the potential for expanding markets for America's agricultural abundance abroad in the allocation of commodities or concessional financing; and

"(5) give appropriate recognition to and support of a strong and viable American farm economy in providing for the food security of consumers in the United States and throughout the world."

WORLD FOOD CONFERENCE TARGET

SEC. 202. The Agricultural Trade Development and Assistance Act of 1954 is amended by inserting immediately after section 2 the following new section:

"SEC. 3. Pursuant to the World Food Conference recommendation that donor countries provide a total of at least ten million tons of food assistance to needy nations annually, the President is urged to maintain a significant United States contribution to this goal and to encourage other countries to maintain and increase their contributions as well."

EXERCISE OF AUTHORITIES

SEC. 203. Section 103 of the Agricultural Trade Development and Assistance Act of 1954 is amended—

(1) by amending subsection (a) to read as follows:

"(a) take into account efforts of friendly countries to help themselves toward a greater degree of self-reliance, including efforts to increase their own agricultural production, especially through small, family farm agriculture, to improve their facilities for transportation, storage, and distribution of food commodities, and to reduce their rate of population growth;"

(2) in subsection (b), by inserting "and in section 106(b)(2)" immediately after "section 104"; and

(3) in subsection (d), by striking out the second proviso and inserting in lieu thereof "*Provided*, That this exclusion from the definition of 'friendly country' may be waived by the President if he determines that such waiver is in the national interest and reports such determination to the Congress within 10 days of the date of such determination,".

FOREIGN CURRENCIES FROM OVERSEAS SALES

SEC. 204. Section 104 of the Agricultural Trade Development and Assistance Act of 1954 is amended—

(1) by inserting immediately after “the House Committee on Agriculture” each time it appears “and the House Committee on International Relations”;

(2) by inserting immediately after “the Senate Committee on Agriculture and Forestry” each time it appears “and the Senate Committee on Foreign Relations”; and

(3) by repealing subsection (c).

USE BY FOREIGN COUNTRIES OF PROCEEDS OF SALES OF AGRICULTURAL COMMODITIES

SEC. 205. Section 106(b) of the Agricultural Trade Development and Assistance Act of 1954 is amended—

(1) by inserting “(1)” immediately after “(b)”;

(2) by adding at the end thereof: “In negotiating such agreements with recipient countries, the United States shall emphasize the use of such proceeds for purposes which directly improve the lives of the poorest of their people and their capacity to participate in the development of their countries.”; and

(3) by adding at the end thereof the following new paragraphs:

“(2) Greatest emphasis shall be placed on the use of such proceeds to carry out programs of agricultural development, rural development, nutrition, and population planning, and to carry out the program described in section 406(a)(1) of this Act, in those countries which are undertaking self-help measures to increase agricultural production, improve storage, transportation, and distribution of commodities, and reduce population growth in accordance with section 109 of this Act, and which programs are directed at and likely to achieve the policy objectives of sections 103 and 104 of the Foreign Assistance Act of 1961 and are consistent with the policy objectives of this Act, pursuant to agreements between the United States and foreign governments under which uses of such proceeds shall be made for such purposes. Such uses shall be deemed payments for the purpose of section 103(b) of this Act, except that for any fiscal year the total value of such payments may not exceed 15 per centum of the total value of all agreements entered into under title I of this Act for such fiscal year. Such payments shall be described in the reports required by section 408 of this Act and section 657 of the Foreign Assistance Act of 1961.

“(3) In entering into agreements for the sale of agricultural commodities for dollars on credit terms under this title, priority shall be given to countries which agree to use the proceeds from the sale of the commodities in accordance with the country's agricultural development plan which—

“(A) is designed to increase the access of the poor in the recipient country to an adequate, nutritious, and stable food supply;

“(B) provides for such objectives as—

“(i) making farm production equipment and facilities available to farmers,

“(ii) credit on reasonable terms and conditions for small farmers, and

H. R. 9005—5

“(iii) farm extension and technical information services designed to improve the marketing, storage, transportation, and distribution system for agricultural commodities and to develop the physical and institutional infrastructure supporting the small farmer;

“(C) provides for participation by the poor, insofar as possible, in the foregoing at the regional and local levels; and

“(D) is designed to reach the largest practicable number of farmers in the recipient country.”.

SALES AGREEMENTS WITH DEVELOPING COUNTRIES

SEC. 206. Section 109(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof: “In taking these self-help measures into consideration the President shall take into particular account the extent to which they are being carried out in ways designed to contribute directly to development progress in poor rural areas and to enable the poor to participate actively in increasing agricultural production through small farm agriculture.”.

ASSISTANCE TO MOST SERIOUSLY AFFECTED COUNTRIES

SEC. 207. Title I of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new section:

“SEC. 111. Not more than 25 per centum of the food aid commodities provided under this title in each fiscal year shall be allocated and agreed to be delivered to countries other than those with an annual per capita gross national product of \$300 or less and affected by inability to secure sufficient food for their immediate requirements through their own production or commercial purchase from abroad, unless the President certifies to the Congress that the use of such food assistance is required for humanitarian food purposes and neither House of Congress disapproves such use, by resolution, within thirty calendar days after such certification. In determining per capita gross national product for the purposes of this section, the President is authorized and directed to make use of data developed by the World Bank for its most recent annual report and relied upon by the Secretary of the Treasury. A reduction below 75 per centum in the proportion of food aid allocated and agreed to be delivered to countries with a per capita gross national product of \$300 or less and affected by inability to secure sufficient food for their immediate requirements through their own production or commercial purchase from abroad which results from significantly changed circumstances occurring after the initial allocation shall not constitute a violation of the requirements of this section. Any reallocation of food aid shall be in accordance with this section so far as practicable. The President shall report promptly any such reduction, and the reasons therefor, to the Congress.”.

CONTINUITY OF DISTRIBUTION UNDER TITLE II

SEC. 208. Section 201 of the Agricultural Trade Development and Assistance Act of 1954 is amended—

(1) by inserting “(a)” immediately after “SEC. 201.” ; and

(2) by adding at the end thereof the following new subsection:

“(b) The minimum quantity of agricultural commodities distributed

under this title shall be 1,300,000 tons of which the minimum distributed through nonprofit voluntary agencies and the World Food Program shall be one million tons in each fiscal year, unless the President determines and reports to the Congress, together with his reasons, that such quantity cannot be used effectively to carry out the purposes of this title: *Provided*, That such minimum quantity shall not exceed the total quantity of commodities determined to be available for disposition under this Act pursuant to section 401, less the quantity of commodities required to meet famine or other urgent or extraordinary relief requirements.”.

LIMITATION ON USE OF FOREIGN CURRENCIES

SEC. 209. Title II of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new section:

“SEC. 206. Except to meet famine or other urgent or extraordinary relief requirements, no assistance under this title shall be provided under an agreement permitting generation of foreign currency proceeds unless (1) the country receiving the assistance is undertaking self-help measures in accordance with section 109 of this Act, (2) the specific uses to which the foreign currencies are to be put are set forth in a written agreement between the United States and the recipient country, and (3) such agreement provides that the currencies will be used for purposes specified in section 103 of the Foreign Assistance Act of 1961. The President shall include information on currencies used in accordance with this section in the reports required under section 408 of this Act and section 657 of the Foreign Assistance Act of 1961.”.

ADVISORY COMMITTEE

7 SEC. 210. Section 407 of the Agricultural Trade Development and Assistance Act of 1954 is amended by inserting immediately before the period at the end of the first sentence “, or their designees (who shall be members of such committees or, in the case of members from the executive branch, who shall have been confirmed by the Senate)”.

REPORTS TO THE CONGRESS

SEC. 211. Section 408 of the Agricultural Trade Development and Assistance Act of 1954 is amended—

(1) by inserting “(a)” immediately after “Sec. 408.”;

(2) by striking out “calendar” in the first sentence and inserting in lieu thereof “fiscal”; and

(3) by adding the following new subsections:

“(b) In his presentation to the Congress of planned programming of food assistance for each fiscal year, the President shall include a global assessment of food production and needs, self-help steps which are being taken by food-short countries under section 109(a) of this Act, steps which are being taken to encourage other countries to increase their participation in food assistance or the financing of food assistance, and the relationship between food assistance provided to each country under this Act and other foreign assistance provided to such country by the United States and other donors.

“(c) Not later than November 1 of each calendar year the President shall submit to the House Committee on Agriculture, the House Committee on International Relations, the Senate Committee on Agriculture and Forestry, and the Senate Committee on Foreign Relations a

H. R. 9005—7

revised global assessment of food production and needs, and revised planned programming of food assistance for the current fiscal year, to reflect, to the maximum extent feasible, the actual availability of commodities for food assistance.”.

INTERNATIONAL FOOD RESERVE SYSTEM

SEC. 212. The Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new section:

“SEC. 412. The President is authorized and encouraged to seek international agreement, subject to congressional approval, for a system of food reserves to meet food shortage emergencies and to provide insurance against unexpected shortfalls in food production, with costs of such a system to be equitably shared among nations and with farmers and consumers to be given firm safeguards against market price disruption from such a system.”.

REPORT REGARDING IMPLEMENTATION OF RECOMMENDATIONS OF WORLD FOOD CONFERENCE

SEC. 213. The Congress calls upon the President to strengthen the efforts of the United States to carry out the recommendations of the World Food Conference. The President shall submit a detailed report to the Congress not later than November 1, 1976, with respect to the steps he has taken to carry out the recommendations of the World Food Conference, including steps to fulfill the commitment of the United States and to encourage other nations to increase their participation in efforts to improve the food security of the poorest portion of the world's population.

AMENDMENT TO FARMER-TO-FARMER PROGRAM

SEC. 214. Section 406 of the Agricultural Trade Development and Assistance Act of 1954 is amended—

(1) by striking out “the Secretary of Agriculture” in subsection (a) and inserting in lieu thereof “the President”;

(2) by striking in paragraph (1) of subsection (a) “through existing agencies of the Department of Agriculture”;

(3) by amending paragraph (5) of subsection (a) to read as follows:

“(5) to coordinate the program authorized in this section with other foreign assistance activities of the United States;”.

TITLE III—DEVELOPMENT ASSISTANCE

POLICY

SEC. 301. Section 102 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsections:

“(c) Assistance under this chapter should be used not simply for the purpose of transferring financial resources to developing countries, but to help countries solve development problems in accordance with a strategy that aims to increase substantially the participation of the poor. Accordingly, greatest emphasis shall be placed on countries and activities which effectively involve the poor in development, by expanding their access to the economy through services and institutions at the local level, increasing labor-intensive production, spreading pro-

ductive investment and services out from major cities to small towns and outlying rural areas, and otherwise providing opportunities for the poor to better their lives through their own effort.

“(d) For the purpose of assuring that development assistance furnished under this chapter is increasingly concentrated in countries which will make effective use of such assistance to help the poor toward a better life (especially such countries which are suffering from the worst and most widespread poverty and are in greatest need of outside assistance), the President shall establish appropriate criteria to assess the commitment and progress of countries in meeting the objectives set forth in subsection (c) of this section and in other sections of this chapter. In establishing such criteria, the President shall specifically take into account their value in assessing the efforts of countries to—

“(1) increase agricultural productivity per unit of land through small-farm labor-intensive agriculture;

“(2) reduce infant mortality;

“(3) control population growth;

“(4) promote greater equality of income distribution, including measures such as more progressive taxation and more equitable returns to small farmers; and

“(5) reduce rates of unemployment and underemployment.

The President shall endeavor to bring about the adoption of similar criteria by international development organizations in which the United States participates. Presentation materials submitted to the Congress with respect to assistance under this chapter, beginning with fiscal year 1977, shall contain detailed information concerning the steps being taken to implement this subsection.”.

FOOD AND NUTRITION

SEC. 302. Section 103 of the Foreign Assistance Act of 1961 is amended—

(1) in subsection (a), by inserting “\$618,800,000 for the fiscal year 1976 and \$745,000,000 for the fiscal year 1977,” immediately after “1975,”; and

(2) by adding at the end thereof the following new subsections:

“(c) Assistance provided under this section shall be used primarily for activities which are specifically designed to increase the productivity and income of the rural poor, through such means as creation and strengthening of local institutions linked to the regional and national levels; organization of a system of financial institutions which provide both savings and credit services to the poor; stimulation of small, labor-intensive enterprises in rural towns; improvement of marketing facilities and systems; expansion of local or small-scale rural infrastructure and utilities such as farm-to-market roads, land improvement, energy, and storage facilities; establishment of more equitable and more secure land tenure arrangements; and creation and strengthening of systems to provide other services and supplies needed by farmers, such as extension, research, training, fertilizer, water, and improved seed, in ways which assure access to them by small farmers.

“(d) Foreign currency proceeds from sales of commodities provided under the Agricultural Trade Development and Assistance Act of 1954 which are owned by foreign governments shall be used whenever practicable to carry out the provisions of this section.

“(e) In order to carry out the purposes of this section, the President is authorized to participate in and provide, on such terms and conditions as he may determine, up to \$200,000,000 to the International Fund

for Agricultural Development. There is authorized to be appropriated to the President without fiscal year limitation \$200,000,000 for such contribution.

“(f) No funds may be obligated to carry out subsection (e) unless—

“(1) satisfactory agreement is reached on the Articles of Agreement for the International Fund for Agricultural Development;

“(2) such Articles of Agreement are reviewed and approved by the Senate Committee on Foreign Relations and the House Committee on International Relations;

“(3) all donor commitments to the International Fund for Agricultural Development total at least \$1,000,000,000 equivalent in convertible currencies, except that the United States contribution shall be proportionally reduced if this combined goal is not met; and

“(4) there is equitable burden sharing among the different categories of contributors.

“(g) The President shall submit to the Congress full and complete data concerning United States participation in, and operation of, the International Fund for Agricultural Development in the annual presentation materials on proposed economic assistance programs.”.

AGRICULTURAL RESEARCH

SEC. 303. Chapter 1 of part I of the Foreign Assistance Act of 1961 is amended by adding after section 103 the following new section:

“SEC. 103A. AGRICULTURAL RESEARCH.—Agricultural research carried out under this Act shall (1) take account of the special needs of small farmers in the determination of research priorities, (2) include research on the interrelationships among technology, institutions, and economic, social, and cultural factors affecting small-farm agriculture, and (3) make extensive use of field testing to adapt basic research to local conditions. Special emphasis shall be placed on disseminating research results to the farms on which they can be put to use, and especially on institutional and other arrangements needed to assure that small farmers have effective access to both new and existing improved technology.”.

POPULATION PLANNING AND HEALTH

SEC. 304. Section 104 of the Foreign Assistance Act of 1961 is amended—

(1) by inserting “(a)” immediately before “In”:

(2) by inserting “\$243,100,000 for the fiscal year 1976 and \$275,600,000 for the fiscal year 1977,” immediately after “1975,”;

(3) by adding at the end thereof the following new sentence: “Not less than 67 percent of the funds made available under this section for any fiscal year shall be used for population planning, either in separate programs or as an element of health programs.”; and

(4) by adding at the end thereof the following new subsection:

“(b) Assistance provided under this section shall be used primarily for extension of low-cost, integrated delivery systems to provide health and family planning services, especially to rural areas and to the poorest economic sectors, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems, and other modes of community outreach; health programs which emphasize disease prevention, environmental sanitation, and health education; and population planning programs which include education in

responsible parenthood and motivational programs, as well as delivery of family planning services and which are coordinated with programs aimed at reducing the infant mortality rate, providing better nutrition to pregnant women and infants, and raising the standard of living of the poor.”

EDUCATION AND HUMAN RESOURCES DEVELOPMENT

SEC. 305. (a) Section 105 of the Foreign Assistance Act of 1961 is amended—

(1) by inserting “(a)” immediately before “In”;

(2) by inserting “\$89,200,000 for the fiscal year 1976 and \$101,800,000 for the fiscal year 1977,” immediately after “1975,”; and

(3) by adding at the end thereof the following new subsections:

“(b) Assistance provided under this section shall be used primarily to expand and strengthen nonformal education methods, especially those designed to improve productive skills of rural families and the urban poor and to provide them with useful information; to increase the relevance of formal education systems to the needs of the poor, especially at the primary level, through reform of curricula, teaching materials, and teaching methods, and improved teacher training; and to strengthen the management capabilities of institutions which enable the poor to participate in development.

“(c) Of the amount authorized to be appropriated by subsection (a), not less than \$1,000,000 shall be available to support the southern African student program and the southern African training program, for the purpose of providing educational assistance to Southern Africans.”

TECHNICAL ASSISTANCE, ENERGY, RESEARCH, RECONSTRUCTION, AND SELECTED DEVELOPMENT PROBLEMS; INTERMEDIATE TECHNOLOGY

SEC. 306. The Foreign Assistance Act of 1961 is amended—

(1) by repealing sections 106, 107, and 241; and

(2) by inserting immediately after section 105 the following new sections:

“SEC. 106. TECHNICAL ASSISTANCE, ENERGY, RESEARCH, RECONSTRUCTION, AND SELECTED DEVELOPMENT PROBLEMS.—(a) The President is authorized to furnish assistance, on such terms and conditions as he may determine, for the following activities, to the extent that such activities are not authorized by sections 103, 104, and 105 of this Act:

“(1) programs of technical cooperation and development, particularly the development efforts of United States private and voluntary agencies and regional and international development organizations;

“(2) programs to help developing countries alleviate their energy problems by increasing their production and conservation of energy, through such means as research and development of suitable energy sources and conservation methods, collection and analysis of information concerning countries’ potential supplies of and needs for energy, and pilot projects to test new methods of production or conservation of energy;

“(3) programs of research into, and evaluation of, the process of economic development in less developed countries and areas, into the factors affecting the relative success and costs of development activities, and into the means, techniques, and such other

aspects of development assistance as the President may determine in order to render such assistance of increasing value and benefit;

“(4) programs of reconstruction following natural or manmade disasters;

“(5) programs designed to help solve special development problems in the poorest countries and to make possible proper utilization of infrastructure and related projects funded with earlier United States assistance; and

“(6) programs of urban development, with particular emphasis on small, labor intensive enterprises, marketing systems for small producers, and financial and other institutions which enable the urban poor to participate in the economic and social development of their country.

“(b) There is authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, \$99,550,000 for the fiscal year 1976 and \$104,500,000 for the fiscal year 1977, which amounts are authorized to remain available until expended. Of the amounts made available under this section, not less than \$30,000,000 shall be available during the period beginning July 1, 1975, and ending September 30, 1977, only for reimbursement to private voluntary agencies of the United States for costs incurred with respect to the shipment of food and nonfood commodities provided through private donations.

“SEC. 107. INTERMEDIATE TECHNOLOGY.—Of the funds made available to carry out this chapter for the fiscal years 1976, 1977, and 1978, a total of \$20,000,000 may be used for activities in the field of intermediate technology, through grants in support of an expanded and coordinated private effort to promote the development and dissemination of technologies appropriate for developing countries. The Agency for International Development shall prepare a detailed proposal to carry out this section and shall keep the Senate Foreign Relations Committee and the House International Relations Committee fully and currently informed concerning the development of the proposal. The proposal shall be transmitted to these committees no later than March 31, 1976, and shall not be implemented until thirty days after its transmittal or until passage by each committee of a resolution in effect approving its implementation.”.

COST-SHARING

SEC. 307. Section 110(a) of the Foreign Assistance Act of 1961 is amended by inserting immediately before the period at the end thereof the following: “and except that the President may waive this cost-sharing requirement in the case of a project or activity in a country which the agency primarily responsible for administering part I of this Act determines is relatively least developed based on the United Nations Conference on Trade and Development list of ‘relatively least developed countries’”.

DEVELOPMENT AND USE OF COOPERATIVES

SEC. 308. Section 111 of the Foreign Assistance Act of 1961 is amended to read as follows:

“SEC. 111. DEVELOPMENT AND USE OF COOPERATIVES.—In order to strengthen the participation of the rural and urban poor in their country’s development, high priority shall be given to increasing the use of funds made available under this Act for assistance in the development of cooperatives in the less developed countries which will

enable and encourage greater numbers of the poor to help themselves toward a better life. Not less than \$20,000,000 of such funds shall be used during the fiscal years 1976 and 1977, including the period from July 1, 1976, through September 30, 1976, only for technical assistance to carry out the purposes of this section.”.

INTEGRATING WOMEN INTO NATIONAL ECONOMIES

SEC. 309. Section 113 of the Foreign Assistance Act of 1961 is amended by striking out “Sections 103 through 107” and inserting in lieu thereof “Part I”.

HUMAN RIGHTS AND DEVELOPMENT ASSISTANCE

SEC. 310. Part I of the Foreign Assistance Act of 1961 is amended by inserting immediately after section 115 the following new section:

“SEC. 116. HUMAN RIGHTS.—(a) No assistance may be provided under this part to the government of any country which engages in a consistent pattern of gross violations of internationally recognized human rights, including torture or cruel, inhuman, or degrading treatment or punishment, prolonged detention without charges, or other flagrant denial of the right to life, liberty, and the security of person, unless such assistance will directly benefit the needy people in such country.

“(b) In determining whether this standard is being met with regard to funds allocated under this part, the Committee on Foreign Relations of the Senate or the Committee on International Relations of the House of Representatives may require the Administrator primarily responsible for administering part I of this Act to submit in writing information demonstrating that such assistance will directly benefit the needy people in such country, together with a detailed explanation of the assistance to be provided (including the dollar amounts of such assistance) and an explanation of how such assistance will directly benefit the needy people in such country. If either committee or either House of Congress disagrees with the Administrator’s justification it may initiate action to terminate assistance to any country by a concurrent resolution under section 617 of this Act.

“(c) In determining whether or not a government falls within the provisions of subsection (a), consideration shall be given to the extent of cooperation of such government in permitting an unimpeded investigation of alleged violations of internationally recognized human rights by appropriate international organizations, including the International Committee of the Red Cross, or groups or persons acting under the authority of the United Nations or of the Organization of American States.

“(d) The President shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate, in the annual presentation materials on proposed economic development assistance programs, a full and complete report regarding the steps he has taken to carry out the provisions of this section.”.

DEVELOPMENT ASSISTANCE

SEC. 311. Chapter 2 of part I of the Foreign Assistance Act of 1961 is amended—

(1) by amending section 209(c) to read as follows:

“(c) It is the sense of the Congress that the President should increase, to the extent practicable, the funds provided by the United States to multilateral lending institutions and multilateral organiza-

tions in which the United States participates for use by such institutions and organizations in making loans to foreign countries.”;

(2) by amending section 214—

(A) in subsection (c), by inserting “and for each of the fiscal years 1976 and 1977, \$25,000,000,” immediately after “\$19,000,000.”; and

(B) in subsection (d), by inserting “and for each of the fiscal years 1976 and 1977, \$7,000,000,” immediately after “\$6,500,000.”;

(3) in section 221, by striking out “\$355,000,000” and inserting in lieu thereof “\$430,000,000”;

(4) in section 222 (c), by striking out “\$550,000,000” and inserting in lieu thereof “\$600,000,000”; and

(5) in section 223—

(A) by striking out “June 30, 1976” in subsection (i) and inserting in lieu thereof “September 30, 1978”; and

(B) by adding at the end thereof the following new subsection:

“(j) Guaranties shall be issued under sections 221 and 222 only for housing projects which (1) except for regional projects, are in countries which are receiving, or which in the previous two fiscal years have received, development assistance under chapter 1 of part I of this Act, (2) are coordinated with and complementary to such assistance, and (3) are specifically designed to demonstrate the feasibility and suitability of particular kinds of housing or of financial or other institutional arrangements. Of the aggregate face value of housing guaranties hereafter issued under this title, not less than 90 per centum shall be issued for housing suitable for families with income below the median income (below the median urban income for housing in urban areas) in the country in which the housing is located. The face value of guaranties issued with respect to housing in any country shall not exceed \$25,000,000 in any fiscal year, and the average face value of guaranties issued in any fiscal year shall not exceed \$15,000,000. Notwithstanding the provisions of the first sentence of this subsection, the President is authorized to issue housing guaranties until September 30, 1977, as follows: In Israel, not exceeding a face amount of \$50,000,000, and in Portugal, not exceeding a face amount of \$20,000,000.”.

FAMINE PREVENTION

SEC. 312. Chapter 2 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new title:

“TITLE XII—FAMINE PREVENTION AND FREEDOM FROM HUNGER

“SEC. 296. GENERAL PROVISIONS.—(a) The Congress declares that, in order to prevent famine and establish freedom from hunger, the United States should strengthen the capacities of the United States land-grant and other eligible universities in program-related agricultural institutional development and research, consistent with sections 103 and 103A, should improve their participation in the United States Government’s international efforts to apply more effective agricultural sciences to the goal of increasing world food production, and in general should provide increased and longer term support to the application of science to solving food and nutrition problems of the developing countries.

“The Congress so declares because it finds—

“(1) that the establishment, endowment, and continuing support of land-grant universities in the United States by Federal, State, and county governments has led to agricultural progress in this country;

“(2) that land-grant and other universities in the United States have demonstrated over many years their ability to cooperate with foreign agricultural institutions in expanding indigenous food production for both domestic and international markets;

“(3) that, in a world of growing population with rising expectations, increased food production and improved distribution, storage, and marketing in the developing countries is necessary not only to prevent hunger but to build the economic base for growth, and moreover, that the greatest potential for increasing world food supplies is in the developing countries where the gap between food need and food supply is the greatest and current yields are lowest;

“(4) that increasing and making more secure the supply of food is of greatest benefit to the poorest majority in the developing world;

“(5) that research, teaching, and extension activities, and appropriate institutional development therefor are prime factors in increasing agricultural production abroad (as well as in the United States) and in improving food distribution, storage, and marketing;

“(6) moreover, that agricultural research abroad has in the past and will continue in the future to provide benefits for agriculture in the United States and that increasing the availability of food of higher nutritional quality is of benefit to all; and

“(7) that universities need a dependable source of Federal funding, as well as other financing, in order to expand, or in some cases to continue, their efforts to assist in increasing agricultural production in developing countries.

“(b) Accordingly, the Congress declares that, in order to prevent famine and establish freedom from hunger, various components must be brought together in order to increase world food production, including—

“(1) strengthening the capabilities of universities to assist in increasing agricultural production in developing countries;

“(2) institution-building programs for development of national and regional agricultural research and extension capacities in developing countries which need assistance;

“(3) international agricultural research centers;

“(4) contract research; and

“(5) research program grants.

“(c) The United States should—

“(1) effectively involve the United States land-grant and other eligible universities more extensively in each component;

“(2) provide mechanisms for the universities to participate and advise in the planning, development, implementation, and administration of each component; and

“(3) assist such universities in cooperative joint efforts with—

“(A) agricultural institutions in developing nations, and

“(B) regional and international agricultural research centers,

directed to strengthening their joint and respective capabilities and to engage them more effectively in research, teaching, and extension activities for solving problems in food production, distribution, storage, marketing, and consumption in agriculturally underdeveloped nations.

“(d) As used in this title, the term ‘universities’ means those colleges or universities in each State, territory, or possession of the United States, or the District of Columbia, now receiving, or which may hereafter receive, benefits under the Act of July 2, 1862 (known as the First Morrill Act), or the Act of August 30, 1890 (known as the Second Morrill Act), which are commonly known as ‘land-grant’ universities; institutions now designated or which may hereafter be designated as sea-grant colleges under the Act of October 15, 1966 (known as the National Sea Grant College and Program Act), which are commonly known as sea-grant colleges; and other United States colleges and universities which—

“(1) have demonstrable capacity in teaching, research, and extension activities in the agricultural sciences; and

“(2) can contribute effectively to the attainment of the objectives of this title.

“(e) As used in this title, the term ‘Administrator’ means the Administrator of the Agency for International Development.

“(f) As used in this title, the term ‘agriculture’ shall be considered to include aquaculture and fisheries.

“(g) As used in this title, the term ‘farmers’ shall be considered to include fishermen and other persons employed in cultivating and harvesting food resources from salt and fresh waters.

“SEC. 297. GENERAL AUTHORITY.—(a) To carry out the purposes of this title, the President is authorized to provide assistance on such terms and conditions as he shall determine—

“(1) to strengthen the capabilities of universities in teaching, research, and extension work to enable them to implement current programs authorized by paragraphs (2), (3), (4), and (5) of this subsection, and those proposed in the report required by section 300 of this title;

“(2) to build and strengthen the institutional capacity and human resource skills of agriculturally developing countries so that these countries may participate more fully in the international agricultural problem-solving effort and to introduce and adapt new solutions to local circumstances;

“(3) to provide program support for long-term collaborative university research on food production, distribution, storage, marketing, and consumption;

“(4) to involve universities more fully in the international network of agricultural science, including the international research centers, the activities of international organizations such as the United Nations Development Program and the Food and Agriculture Organization, and the institutions of agriculturally developing nations; and

“(5) to provide program support for international agricultural research centers, to provide support for research projects identified for specific problem-solving needs, and to develop and strengthen national research systems in the developing countries.

“(b) Programs under this title shall be carried out so as to—

“(1) utilize and strengthen the capabilities of universities in—

“(A) developing capacity in the cooperating nation for classroom teaching in agriculture, plant and animal sciences,

human nutrition, and vocational and domestic arts and other relevant fields appropriate to local needs;

“(B) agricultural research to be conducted in the cooperating nations, at international agricultural research centers, or in the United States;

“(C) the planning, initiation, and development of extension services through which information concerning agriculture and related subjects will be made available directly to farmers and farm families in the agriculturally developing nations by means of education and demonstration; or

“(D) the exchange of educators, scientists, and students for the purpose of assisting in successful development in the cooperating nations;

“(2) take into account the value to United States agriculture of such programs, integrating to the extent practicable the programs and financing authorized under this title with those supported by other Federal or State resources so as to maximize the contribution to the development of agriculture in the United States and in agriculturally developing nations; and

“(3) whenever practicable, build on existing programs and institutions including those of the universities and the United States Department of Agriculture and the United States Department of Commerce.

“(c) To the maximum extent practicable, activities under this section shall (1) be designed to achieve the most effective interrelationship among the teaching of agricultural sciences, research, and extension work, (2) focus primarily on the needs of agricultural producers, (3) be adapted to local circumstances, and (4) be carried out within the developing countries.

“(d) The President shall exercise his authority under this section through the Administrator.

“SEC. 298. BOARD FOR INTERNATIONAL FOOD AND AGRICULTURAL DEVELOPMENT.—(a) To assist in the administration of the programs authorized by this title, the President shall establish a permanent Board for International Food and Agricultural Development (hereafter in this title referred to as the ‘Board’) consisting of seven members, not less than four to be selected from the universities. Terms of members shall be set by the President at the time of appointment. Members of the Board shall be entitled to such reimbursement for expenses incurred in the performance of their duties (including per diem in lieu of subsistence while away from their homes or regular place of business) as the President deems appropriate.

“(b) The Board’s general areas of responsibility shall include, but not be limited to—

“(1) participating in the planning, development, and implementation of,

“(2) initiating recommendations for, and

“(3) monitoring of,

the activities described in section 297 of this title.

“(c) The Board’s duties shall include, but not necessarily be limited to—

“(1) participating in the formulation of basic policy, procedures, and criteria for project proposal review, selection, and monitoring;

“(2) developing and keeping current a roster of universities—

“(A) interested in exploring their potential for collaborative relationships with agricultural institutions, and with

scientists working on significant programs designed to increase food production in developing countries,

“(B) having capacity in the agricultural sciences,

“(C) able to maintain an appropriate balance of teaching, research, and extension functions,

“(D) having capacity, experience, and commitment with respect to international agricultural efforts, and

“(E) able to contribute to solving the problems addressed by this title;

“(3) recommending which developing nations could benefit from programs carried out under this title, and identifying those nations which have an interest in establishing or developing agricultural institutions which engage in teaching, research, or extension activities;

“(4) reviewing and evaluating memorandums of understanding or other documents that detail the terms and conditions between the Administrator and universities participating in programs under this title;

“(5) reviewing and evaluating agreements and activities authorized by this title and undertaken by universities to assure compliance with the purposes of this title;

“(6) recommending to the Administrator the apportionment of funds under section 297 of this title; and

“(7) assessing the impact of programs carried out under this title in solving agricultural problems in the developing nations.

“(d) The President may authorize the Board to create such subordinate units as may be necessary for the performance of its duties, including but not limited to the following:

“(1) a Joint Research Committee to participate in the administration and development of the collaborative activities described in section 297 (a) (3) of this title; and

“(2) a Joint Committee on Country Programs which shall assist in the implementation of the bilateral activities described in sections 297 (a) (2), 297 (a) (4), and 297 (a) (5).

“(e) In addition to any other functions assigned to and agreed to by the Board, the Board shall be consulted in the preparation of the annual report required by section 300 of this title and on other agricultural development activities related to programs under this title.

“SEC. 299. AUTHORIZATION.—(a) The President is authorized to use any of the funds hereafter made available under section 103 of this Act to carry out the purposes of this title. Funds made available for such purposes may be used without regard to the provisions of sections 110 (b), 211 (a), and 211 (d) of this Act.

“(b) Foreign currencies owned by the United States and determined by the Secretary of the Treasury to be excess to the needs of the United States shall be used to the maximum extent possible in lieu of dollars in carrying out the provisions of this title.

“(c) Assistance authorized under this title shall be in addition to any allotments or grants that may be made under other authorizations.

“(d) Universities may accept and expend funds from other sources, public and private, in order to carry out the purposes of this title. All such funds, both prospective and in hand, shall be periodically disclosed to the Administrator as he shall by regulation require, but no less often than in an annual report.

"SEC. 300. ANNUAL REPORT.—The President shall transmit to the Congress, not later than April 1 of each year, a report detailing the activities carried out pursuant to this title during the preceding fiscal year and containing a projection of programs and activities to be conducted during the subsequent five fiscal years. Each report shall contain a summary of the activities of the Board established pursuant to section 298 of this title and may include the separate views of the Board with respect to any aspect of the programs conducted or proposed to be conducted under this title."

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SEC. 313. (a) Section 302 of the Foreign Assistance Act of 1961 is amended—

(1) in subsection (a), by (A) inserting immediately before the period "and for the fiscal year 1976, \$194,500,000 and for the fiscal year 1977, \$219,900,000. Of such amounts, not to exceed \$250,000 during the fiscal year 1976 shall be available for contribution to the Namibia Institute", (B) inserting "(1)" immediately after "(a)" and (C) adding at the end of the subsection the following new paragraph:

"(2) The Congress reaffirms its support for the work of the Inter-American Commission on Human Rights. To permit such Commission to better fulfill its function of insuring observance and respect for human rights within this hemisphere, not less than \$357,000 of the amount appropriated for fiscal year 1976 and \$358,000 of the amount appropriated for fiscal year 1977, for contributions to the Organization of American States, shall be used only for budgetary support for the Inter-American Commission on Human Rights.";

(2) in subsection (b) (1), by striking out "\$51,220,000" and inserting in lieu thereof "\$61,220,000";

(3) in subsection (b) (2), by inserting "and for use beginning in the fiscal year 1976, \$27,000,000," immediately after "fiscal year 1975, \$14,500,000,"; and

(4) in subsection (d) by striking out "1974 and 1975, \$18,000,000" and inserting in lieu thereof "1976 and 1977, \$20,000,000".

(b) Section 54 of the Foreign Assistance Act of 1974 is amended by striking out "part III" and inserting in lieu thereof "part I".

(c) Section 301 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

"(f) The President is hereby authorized to permit United States participation in the International Fertilizer Development Center and is authorized to use any of the funds made available under this part for the purpose of furnishing assistance to the Center on such terms and conditions as he may determine."

ASSISTANCE TO FORMER PORTUGUESE COLONIES IN AFRICA

SEC. 314. Section 496 of the Foreign Assistance Act of 1961 is amended—

(1) by inserting "(a)" immediately after the section caption:

(2) by striking out "\$5,000,000" and inserting in lieu thereof "\$7,750,000";

(3) by striking out "\$20,000,000" and inserting in lieu thereof "\$17,250,000"; and

(4) by adding at the end thereof the following new subsections:
“(b) Notwithstanding the provisions of section 620(r) of this Act, the United States is authorized to forgive the liability incurred by the Government of the Cape Verde Islands for the repayment of a \$3,000,000 loan on June 30, 1975.
“(c) The President is authorized to use up to \$30,000,000 of the funds made available under this part for the fiscal year 1976, in addition to funds otherwise available for such purposes, to provide development assistance in accordance with chapter 1 or relief and rehabilitation assistance in accordance with chapter 9 (including assistance through international or private voluntary organizations) to countries and colonies in Africa which were, prior to April 25, 1974, colonies of Portugal.”

FURNISHING OF SERVICES AND COMMODITIES

SEC. 315. Section 607(a) of the Foreign Assistance Act is amended by deleting the second full sentence, and inserting in lieu thereof the following: “Such advances or reimbursements may be credited to the currently applicable appropriation, account, or fund of the agency concerned and shall be available for the purposes for which such appropriation, account, or fund is authorized to be used, under the following circumstances:

“(1) Advances or reimbursements which are received under this section within one hundred and eighty days after the close of the fiscal year in which such services and commodities are delivered.

“(2) Advances or reimbursements received pursuant to agreements executed under this section in which reimbursement will not be completed within one hundred and eighty days after the close of the fiscal year in which such services and commodities are delivered: *Provided*, That such agreements require the payment of interest at the current rate established pursuant to section 2 (b)(1)(B) of the Export-Import Bank Act of 1945 (59 Stat. 526), and repayment of such principal and interest does not exceed a period of three years from the date of signing of the agreement to provide the service: *Provided further*, That funds available for this paragraph in any fiscal year shall not exceed \$1,000,000 of the total funds authorized for use in such fiscal year by chapter 1 of part I of this Act, and shall be available only to the extent provided in appropriation Acts. Interest shall accrue as of the date of disbursement to the agency or organization providing such services.”

SUPPORT OF REIMBURSABLE DEVELOPMENT PROGRAMS

SEC. 316. Section 661 of the Foreign Assistance Act of 1961 is amended by striking out “in each of the fiscal years 1975 and 1976” and inserting in lieu thereof “in the fiscal year 1975, \$2,000,000 in the fiscal year 1976, and \$2,000,000 in the fiscal year 1977.”

TRANSITION PROVISIONS FOR INTERIM QUARTER

SEC. 317. Part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

“SEC. 665. TRANSITION PROVISIONS FOR INTERIM QUARTER.—There are authorized to be appropriated for the period July 1, 1976, through September 30, 1976, such amounts as may be necessary to conduct programs and activities for which funding was authorized for fiscal year

1976 by the International Development and Food Assistance Act of 1975, in accordance with the provisions applicable to such programs and activities for such fiscal year, except that the total amount appropriated for such period shall not exceed one-fourth of the total amount authorized to be appropriated for the fiscal year 1976 for such programs and activities.”

DISCRIMINATION AGAINST UNITED STATES PERSONNEL

SEC. 318. Part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

“SEC. 666. DISCRIMINATION AGAINST UNITED STATES PERSONNEL.—

(a) The President shall not take into account, in assigning officers and employees of the United States to carry out any economic development assistance programs funded under this Act in any foreign country, the race, religion, national origin, or sex of any such officer or employee. Such assignments shall be made solely on the basis of ability and relevant experience.

“(b) Effective six months after the date of enactment of the International Development and Food Assistance Act of 1975, or on such earlier date as the President may determine, none of the funds made available under this Act may be used to provide economic development assistance to any country which objects to the presence of any officer or employee of the United States who is present in such country for the purpose of carrying out any program of economic development assistance authorized by the provisions of this Act on the basis of the race, religion, national origin, or sex of such officer or employee.

“(c) The Secretary of State shall promulgate such rules and regulations as he may deem necessary to carry out the provisions of this section.”

OPERATING EXPENSES

SEC. 319. Part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

“SEC. 667. OPERATING EXPENSES.—Nothing in this Act is intended to preclude the Committees on Appropriations, in appropriation legislation, from setting a ceiling on operating expenses of the agency primarily responsible for administering part I and limiting the availability of other sums therefor.”

LIMITATION ON ASSISTANCE TO CHILE

SEC. 320. Notwithstanding any other provision of law, the total amount of economic assistance (including but not limited to housing guaranties and sales under title I of the Agricultural Trade Development and Assistance Act of 1954) that may be made available to Chile may not exceed \$90,000,000 during the fiscal year 1976.

SETTLEMENT OF DEBT OWED THE UNITED STATES

SEC. 321. No debt owed to the United States by any foreign country with respect to the payment of any loan made under any program funded under this Act may be settled in an amount less than the full amount of such debt unless the Congress by concurrent resolution approves of such settlement.

H. R. 9005—21

PARTICIPATION BY OTHER COUNTRIES IN PROVIDING ASSISTANCE TO
ISRAEL OR EGYPT

SEC. 322. It is the sense of the Senate that the President should attempt to negotiate an equitable share of participation by the countries of Western Europe, Japan, and the United Nations in providing assistance to Israel or Egypt.

Speaker of the House of Representatives.

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

December 10, 1975

Dear Mr. Director:

The following bills were received at the White House on December 10th:

S. 240 ✓
H.R. 9005

Please let the President have reports and recommendations as to the approval of these bills as soon as possible.

Sincerely,

Robert D. Linder
Chief Executive Clerk

The Honorable James T. Lynn
Director
Office of Management and Budget
Washington, D. C.