

# CRS Issue Brief

## Foreign Aid and the International Affairs Budget for FY1995

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## Foreign Aid and the International Affairs Budget for FY1995

### SUMMARY

President Clinton sent to Congress a \$20.9 billion budget request for foreign policy discretionary spending in FY1995, a proposal about \$600 million, or 2.9%, above FY1994 spending on international affairs. Administration officials say the proposal marks a comprehensively restructured post-Cold War foreign policy budget framework. The proposal abandons the traditional budget structure based on a series of foreign aid programs, contributions to international organizations, and operating costs of U.S. foreign affairs agencies, and instead organizes spending under six major objectives of the Administration's foreign policy:

- Promoting U.S. trade and investment
- Building democracy
- Promoting sustainable development
- Promoting peace
- Providing humanitarian assistance
- Advancing diplomacy

Although the organization of the President's foreign affairs budget departs significantly from the traditional framework, changes in spending priorities appear to be substantial in only a few areas. At the program level, substantial increases are sought for four activities: contributions to the World Bank and other international financial institutions -- up \$624 million, or 42%; population programs -- up \$83 million, or 17%; environment activities -- up \$58 million, or 20%; and international drug control programs -- up \$75 million, or 47%.

For foreign aid country recipients, the distribution would not differ significantly from current amounts under the President's proposal for next year. Israel and

Egypt, at \$3 billion and \$2.1 billion, respectively, would continue as the largest U.S. aid recipients. The President proposes \$900 million and \$380 million for regional assistance to the former Soviet Union and Eastern Europe, respectively, levels comparable to the FY1994 regular aid programs.

Congress passed the FY1995 budget resolution (H.Con.Res. 218) on May 11, approving the President's foreign policy spending proposal.

Congressional action on three foreign policy appropriations bills began in late May when the House approved H.R. 4426, the FY1995 Foreign Operations Appropriations. The \$13.6 billion bill, which includes most foreign aid funding, cut the request by about \$400 million, or 3%. The Senate approved a slightly higher amount, \$13.7 billion, in mid-July. House and Senate conferees reached agreement on July 29 to a level of about \$13.68 billion, \$345 million below the President's request. Conferees also added supplemental funds for emergency Rwandan aid (\$50 million) and for Jordan debt forgiveness (\$99 million).

For State Department, related agencies, and U.N. contributions (H.R. 4603), the House recommended \$5.63 billion, about \$200 million, or 3%, less than requested. The Senate recommended \$5.72 billion, slightly more than the House, but less than the Administration request.

The House and Senate passed H.R. 4554, both approving \$1.25 billion for food aid in FY1995, an amount similar to the President's request.

## **MOST RECENT DEVELOPMENTS**

*By July 22, all three appropriation bills containing foreign policy funds had passed both houses. Conferees agreed on July 29 to a \$13.68 Foreign Operations Appropriations (H.R. 4426), about \$345 million less than the President's request. Conferees attached supplemental funding for Rwandan emergency relief (\$50 million) and Jordan debt forgiveness (\$99 million). The House passed the conference report on Aug. 4. For foreign food aid, P.L. 480, the House (June 17) and Senate (July 20) passed H.R. 4554 containing \$1.25 billion, roughly the amount requested. Congressional action, however, shifts funds from loan programs to support higher grant emergency food relief in developing countries. On the third bill, H.R. 4603, the House recommended \$5.63 billion, or 3% less than requested for State Department, related agencies, and U.N. contributions; the Senate recommended \$5.72 billion. The House passed H.R. 4603 (June 27), transferring \$10 million from USIA's Radio Construction to fund Radio Free Asia. The Senate passed it (July 22), recommending a separate account of \$18 million for Radio Free Asia, and amended it to authorize the President to transfer up to \$100 million from State Department funds for Rwandan humanitarian relief.*

*A Senate Foreign Relations subcommittee marked up and approved on June 15 the President's foreign aid reform legislative initiative -- the Peace, Prosperity, and Democracy Act of 1994, H.R. 3765/S. 1856. No date for full committee action has been set. The House Foreign Affairs Committee tentatively has scheduled a markup session in late September.*

## **BACKGROUND AND ANALYSIS**

U.S. foreign policy continues to face a new international environment characterized by the collapse of the Soviet empire and the threat it posed to U.S. security and world peace; rising concern over other security issues, such as regional conflicts and weapons proliferation; increasing international economic competition affecting a broad array of U.S. programs at a time of fewer resources; and U.S. interest in promoting democratic change and respect for human rights. These changes on the global landscape raise particular questions for the direction of American foreign policy and patterns of spending in support of those policy goals. Both the President and Congress have sought in the past two years to alter traditional allocations of budget resources for foreign policy that many contend no longer reflect current needs. Much of the debate has centered on changes in spending for foreign aid programs, international broadcasting, U.S. participation in international institutions, and the organization and conduct of diplomacy. Foreign policy spending, many argue, should also be examined to identify areas for budget reductions in order to devote more resources to domestic initiatives and deficit reduction.

President Clinton sent to Congress on Feb. 7, 1994, the broad outlines of a \$20.9 billion international affairs budget request for FY1995 that Administration officials say constitutes a comprehensively restructured post-Cold War foreign policy budget framework. The proposal abandons the traditional budget structure based on a series of foreign aid programs, contributions to international organizations, and operating costs of U.S. foreign affairs agencies. Instead, the President's request is organized according to six major objectives of the Administration's foreign policy:

- Promoting U.S. prosperity through trade, investment and employment
- Building democracy
- Promoting sustainable development
- Promoting peace
- Providing humanitarian assistance
- Advancing diplomacy

These six new budget categories match the organizational framework of the Administration's legislative initiative -- called the Peace, Prosperity, and Democracy Act of 1994 (H.R. 3765/S. 1856) -- to replace the Foreign Assistance Act of 1961 with a new foreign aid rationale and policy goals. House and Senate authorization committees have held several hearings on the President's proposed policy bill. But an overloaded congressional calendar dominated by domestic issues, the absence of strong backing from the State Department and White House, and congressional concerns over portions of the bill have delayed further action. A Senate Foreign Relations subcommittee approved a modified bill on June 15. But at present, it is unclear whether legislation will move beyond committee review this year. And without enactment of a foreign aid reform initiative, appropriations bills are not following the alternative foreign policy budget framework proposed for FY1995. (For an assessment of the initiative, see CRS Report 94-23 FAN, *Foreign Aid Reform Legislation: Background, Contents and Issues.*)

This issue brief focuses on budget issues related to foreign policy programs. It discusses the scope of the international affairs budget and the components of foreign policy programs. Important matters concerning trade and investment policy, defense strategy and structure, arms control, and technology transfer, among others, that tend not to be driven by foreign policy budget decisions are not discussed.

## Foreign Policy as Part of the Federal Budget

Foreign policy programs are generally funded within the part of the Federal budget known as the International Affairs Budget Function, also referred to as Function 150. Although small in terms of overall Federal spending -- the foreign policy budget represented about 1.2% of total Federal outlays in FY1993 -- in recent years the size and composition of the international affairs budget have been controversial, with the Administration requesting higher amounts than Congress has been willing to approve. After growing rapidly in the early 1980s and peaking in FY1985 at \$26.4 billion, the level of funding for Function 150 declined in the latter half of the 1980s to an average of about \$18 billion. In the more recent period, FY1990-1993, foreign policy appropriations rose somewhat to average about \$20.5 billion. Congressional reductions to the President's request last year cut foreign policy appropriations in FY1994 to \$19.8 billion (these

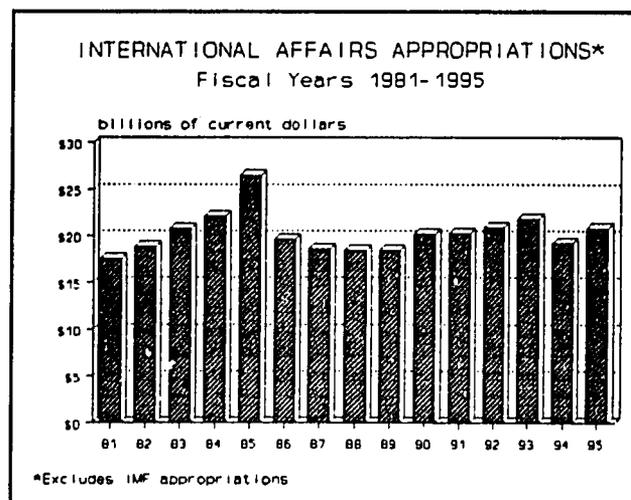


Figure 1

figures are unadjusted for inflation). Foreign policy programs have been the target of further budget savings -- measures that have rescinded, or canceled, previously approved appropriations. Thus far in FY1994, Congress has rescinded over \$500 million in international affairs spending, bringing the overall foreign policy budget down to \$19.3 billion. (A CBO "scorekeeping" adjustment added back into the FY1994 international affairs baseline a \$919 million transfer from the defense budget for additional assistance to the former Soviet Union. This brings the adjusted FY1994 spending level for foreign policy programs to about \$20.2 billion.)

In 1990, Congress established separate budget caps for the three major components of Federal spending: international affairs, defense, and domestic. Funds from one category could not be transferred to another. With the budget caps in place during the early 1990s, debate over how much to appropriate in the foreign policy area focused largely on priorities and budget trade-offs within the international affairs account itself. The caps for these individual categories, however, expired beginning in FY1994, and the competition for limited resources broadened to include all components of Federal spending. During the FY1994 debate, continuing pressure to reduce the deficit, rebuild the American economy, and adjust to a post-Cold War security environment brought the international affairs account under close scrutiny, the result of which was a \$2 billion cut from FY1993 levels. Similar pressures are expected for FY1995.

## **Foreign Policy Budget for FY1995**

### **Major Features of the FY1995 Foreign Policy Budget Request**

Although the organization of the President's foreign affairs budget into the six new categories noted above abandons the traditional framework, changes in spending priorities appear substantial in only a few areas. Overall, the \$20.9 billion request for discretionary spending is nearly \$600 million, or 2.9% higher than international affairs funding for FY1994. The new budget recommendation also includes a \$670 million peacekeeping supplemental for FY1994 that is not reflected in these comparisons. (See box note below for an explanation of different FY1994 baselines that affect comparisons of the FY1995 request with current levels.)

**Table 1** details the FY1995 budget request according to the six objectives that resources are intended to promote. Among these six objectives, Sustainable Development is the category receiving the largest budget increase (+14.3%). Smaller increases are requested for programs under Promoting Peace (+4.2%) and Advancing Diplomacy (+3.7%). Programs promoting humanitarian assistance activities would be cut by 4.5%, although the Administration says that reductions will not occur in emergency food and refugee areas. Activities aimed at Democracy Building would be reduced by 14.7% in FY1995, although this cut is entirely the effect of including in the FY1994 baseline a \$919 million Defense Department transfer for assistance to the former Soviet Union. Excluding this special transfer and comparing amounts approved in regular FY1994 appropriations bills, Building Democracy programs would grow by over 18% in FY1995. Budget levels for Trade and Investment activities would fall by 19% from FY1994 levels, a comparison that includes a congressional initiative for FY1994 to transfer \$300 million in former Soviet assistance to the Export-Import Bank for support of lending activities in Russia and the other republics. Otherwise, Trade and Investment programs would be funded essentially at current levels.

**Table 1. INTERNATIONAL AFFAIRS BUDGET**

(budget authority in millions of dollars)

	FY1994 Enacted	FY1995 Request	FY1994 +/- FY1995 (\$)	FY1994 +/- FY1995 (%)
<b>Promoting Trade &amp; Investment</b>				
Export-Import Bank	\$994 <sup>a</sup>	\$796	-\$198	-19.9%
* Food/Exports - P.L. 480, <sup>b</sup> Title I	\$368	\$312	-\$56	-15.2%
* Trade & Development Agency	\$40	\$45	\$5	12.5%
* Overseas Private Investment Corp	\$17	\$20	\$3	17.6%
* OPIC Non-Credit Activities	\$-133	\$-135	-\$2	---
<b>Total, Trade &amp; Investment</b>	<b>\$1,288</b>	<b>\$1,038</b>	<b>-\$248</b>	<b>-19.3%</b>
<b>Building Democracy</b>				
* Former Soviet Union (FSU)	\$549 <sup>a</sup>	\$900	\$351	+63.9%
* FSU aid transfer from DOD	\$919	---	---	---
* Central and East Europe	\$390	\$380	-\$10	-2.6%
* Countries in Transition	\$124	\$143	\$19	15.3%
USIA Information & Exchange	\$1,346	\$1,430	\$84	6.2%
<b>Total, Democracy</b>	<b>\$3,328</b>	<b>\$2,853</b>	<b>-\$489</b>	<b>-14.7%</b>
<b>Promoting Sustainable Development</b>				
* Multilateral Development Banks	\$1,479	\$2,002	\$523	35.3%
IMF/ESAF	---	\$100	\$100	---
* Economic Growth	\$1,384	\$1,317	-\$67	-4.8%
* Food/Development - P.L. 480, Title III	\$255	\$160	-\$95	-37.3%
* Population	\$502	\$585	\$83	16.5%
* Environment	\$292	\$350	\$58	19.9%
* Democratic Participation	\$163	\$179	\$16	9.8%
* Peace Corps	\$220	\$226	\$6	2.7%
* Inter-American Foundation	\$31	\$31	\$0	.0%
* African Development Foundation	\$17	\$17	\$0	.0%
* Debt Reduction	\$7	\$7	\$0	.0%
<b>Total, Sustainable Development</b>	<b>\$4,350</b>	<b>\$4,974</b>	<b>\$624</b>	<b>14.3%</b>
<b>Promoting Peace</b>				
* Regional Peace & Security	\$5,430	\$5,460	\$30	.6%
* (of which: Middle East)	(\$5,176)	(\$5,225)	(\$49)	(.6%)
* (of which: military loan subsidy)	(\$47)	(\$60)	(\$13)	(27.7)
Peacekeeping	\$477	\$608	\$131	27.5%
* Non-proliferation & Disarmament	\$94	\$111	\$17	18.1%
* Narcotics, Terrorism, Crime Prevention	\$172	\$252	\$80	46.5%
<b>Total, Promoting Peace</b>	<b>\$6,173</b>	<b>\$6,431</b>	<b>\$258</b>	<b>4.2%</b>
<b>Promoting Humanitarian Assistance</b>				
* Refugees	\$720	\$683	-\$37	-5.1%
* Disasters & Crisis/Transition Initiative	\$161	\$170	\$9	5.6%
* Food/Emergencies - P.L. 480, Title II	\$822	\$773	-\$49	-6.0%
<b>Total, Humanitarian Assistance</b>	<b>\$1,703</b>	<b>\$1,626</b>	<b>-\$77</b>	<b>-4.5%</b>
<b>Advancing Diplomacy</b>				
State Department Operations	\$2,527	\$2,623	\$95	3.8%
Other State Department	\$49	\$42	-\$7	-14.3%
U.N. & Other Int'l Organizations Assessed	\$861	\$914	\$53	6.2%
* USAID Operating Expenses	\$559	\$567	\$8	1.4%
<b>Total, Advancing Diplomacy</b>	<b>\$3,996</b>	<b>\$4,146</b>	<b>\$150</b>	<b>3.7%</b>
Other Int'l Affairs Programs	\$74	\$74	\$0	-.0%
Special Defense Acquisition Fund	-\$266	\$-282	-\$16	6.0%
Rescissions not included above	-\$374	---	---	---
<b>Total, International Affairs Programs</b>	<b>\$20,270</b>	<b>\$20,860</b>	<b>\$590</b>	<b>2.9%</b>

\* Denotes program or activity currently defined as "Foreign Aid."

a. Congress shifted \$300 million from FSU aid to Exim Bank for FSU programs.

b. "P.L. 480" refers to the food aid program of Public Law 84-480.

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## Varying Ways to Present FY1994 International Affairs Spending

Using different assumptions and accounting methods, the International Affairs budget estimates for FY1994 issued by the Office of Management and Budget (OMB), the Congressional Budget Office (CBO), and various congressional committees are not consistent with one another. This effects not only the total figures cited for FY1994, but also how the FY1995 request compares to current spending. This is not unusual -- in most years there will be some variance in budget estimates, largely due to different scorekeeping rules used by OMB and Congress. The differences for FY1994, however, are unusually large: over \$1 billion in some cases. Much of this variation has to do with the accounting of a special \$1.609 billion FY1993 aid supplemental for the former Soviet Union. Congress enacted the supplemental as part of the regular FY1994 Foreign Operations Appropriations, drawing on unspent FY1993 funds from both the International Affairs and Defense budgets. OMB and CBO "scored" part of this as an FY1993 appropriation, but included \$919 million transferred in FY1994 from the Defense Department to the Agency for International Development as part of the FY1994 International Affairs total. The House Appropriations Committee, in compiling the Foreign Operations spending total, added the entire \$1.609 billion supplemental to the FY1994 baseline. FY1994 estimates shown in this Issue Brief use the OMB/CBO method and will not match those issued by the House Appropriations Committee.

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At the program level, substantial increases are sought for four activities:

- Contributions to the World Bank and other international financial institutions (IFIs) -- up \$623 million, or 42%;
- Population programs -- up \$83 million, or 17%;
- Environment activities -- up \$58 million, or 20%;
- International drug control programs -- up \$75 million, or 47%.

Of the four, population and environment are areas the Administration has clearly elevated in terms of policy and budget emphasis. Increases proposed for the IFIs, however, are similar to last year's Administration request to cover growing U.S. arrearages to these institutions -- a request rejected by Congress. Likewise, the narcotics budget increase comes after sharp congressional cuts for FY1994. The new recommendation essentially would restore program resources to FY1993 levels.

The most significant reduction in the FY1995 budget request falls on P.L. 480 food aid, funding for which has been split among three elements in support of the foreign policy goals of trade, sustainable development, and humanitarian assistance. Combined, food aid programs would be cut by \$200 million, or 14%. For most other international affairs activities, the new budget seeks funding at or near current levels. **Table 1** provides details of FY1994 and FY1995 funding amounts.

## Foreign Aid Sub-Set of the International Affairs Budget

In the past, U.S. foreign assistance has been the largest, discrete subcomponent of the international affairs budget, representing about two-thirds of the budget function in recent years. Under the President's new foreign policy budget structure, however,

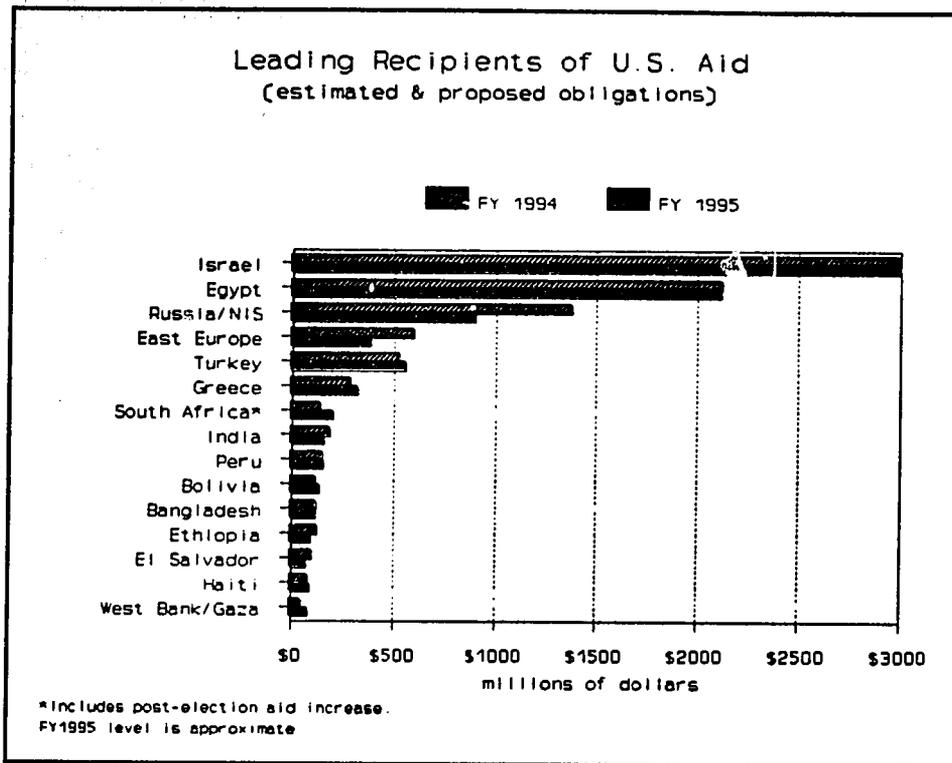
"foreign aid" is not identified as a single element of the overall request. Instead, foreign aid programs are integrated among the six policy objectives. **Table 1**, above, identifies each foreign aid program with a "\*". **Table 2**, below, summarizes the foreign assistance budget portion for each of the six objectives. For one objective -- humanitarian assistance -- the totals in **Tables 1 and 2** will match because all elements of the humanitarian objective are "foreign aid" programs under the current budget configuration. For the other five objectives, however, there are differences between figures in the two tables because at least one of the program elements presently falls within non-foreign aid parts of the budget -- either in Conduct of Foreign Affairs, Foreign Information and Exchange Activities, or International Financial Programs.

**Table 2. Foreign Aid Components of the International Affairs Budget**  
(millions of dollars)

	FY1994 Enacted	FY1995 Request	FY1994 +/- FY1995 (\$)	FY1994 +/- FY1995 (%)
Trade and Investment	\$292	\$242	-\$50	-17.1%
Democracy	\$1,982	\$1,423	-\$559	-28.2%
Sustainable Development	\$4,348	\$4,874	+\$525	+12.1%
Peace	\$5,718	\$5,837	+\$119	+2.1%
Humanitarian	\$1,703	\$1,626	-\$77	-4.5%
Diplomacy	\$559	\$567	+\$8	+1.4%
Rescissions	-\$374	---	+\$374	---
<b>Total, "Foreign Aid"</b>	<b>\$14,228</b>	<b>\$14,569</b>	<b>+\$341</b>	<b>+2.4%</b>

The 3% growth in foreign assistance generally matches the overall increase sought for international affairs as a whole. Sustainable Development activities, largely due to higher spending for the Multilateral Development Banks (MDBs), population, and environment programs, is the area proposed for the largest growth in FY1995. Spending for Trade and Investment and Humanitarian operations decline, due almost entirely to cuts proposed in U.S. food aid programs funded under each category. The proposed reduction for Democracy activities is the result of increasing the FY1994 baseline by the \$919 million DOD transfer to aid the former Soviet Union, noted above.

**Foreign Aid Country Allocation Request.** Like many program components of the international affairs budget, the distribution by country of foreign assistance among major recipients would not differ significantly from current amounts under the President's proposal for next year. Israel and Egypt, at \$3 billion and \$2.1 billion, respectively, would continue as the largest U.S. aid recipients. The President proposes \$900 million and \$380 million for regional assistance to the former Soviet Union and Eastern Europe, respectively, levels comparable to the FY1994 regular aid programs. Assistance for Greece and Turkey, long-time recipients of U.S. military aid, would increase slightly. India and Bangladesh, receiving mostly U.S. food aid, and Peru and Bolivia, major Andean drug producing nations, are also among significant recipients of American aid. The President's proposal includes substantial increases in two areas that support newly emerging interests. Stemming from pledges made in 1993, the United States plans to nearly double -- to \$80 million -- economic assistance to the West Bank and Gaza. Following the April 1994 elections in South Africa, President Clinton announced that U.S. economic aid for South Africa would increase to \$136 million this year and total \$528 million over the next 3 years -- about double what had been projected prior to the elections. Other export and investment programs are expected to bring total U.S. support for South Africa to over \$600 million through FY1996.



## Components of the New Foreign Policy Budget Framework

Although the formulation of the foreign policy budget represents an alternative structure, the six objectives of President Clinton's proposal are not necessarily new. Democracy promotion and fostering peace and security, for example, have been long-standing pursuits. The following discussion begins with a guide to understanding the proposed framework, followed by an explanation of each of the six objectives and the major changes contained in the FY1995 request.

### Understanding the New Budget Concept

As the Administration asks Congress to adopt a considerably altered foreign policy budget framework, efforts to explain and understand the new concepts and organizing principles resulted in substantial congressional questioning and examination of the alternative structure. One of the first questions raised upon receipt of any new budget request is how the spending allocations and priorities compare to recent and current appropriation patterns. For some aspects of the restructured international affairs budget, this is a relatively routine process. Although budget components may be grouped under new policy objective names, a number of individual elements -- State Department operations, for example -- are presented in the same manner as before and can be compared easily. The objective of trade and investment, for another example, brings together into one category four export and investment promotion activities that have been functioning for many years and have an established pattern of spending and program trends.

With such considerable change elsewhere to the construction and terminology of the FY1995 budget, other comparisons become far more difficult, especially when trying

to assess narrow elements of the budget or how new initiatives correspond to current activities. The category of Building Democracy, for example, establishes a new program classification called Countries in Transition. This is intended to aid nations that are emerging from conflict or authoritarian rule; it includes portions of current U.S. assistance extended to selected countries under the Economic Support Fund (ESF) and the International Military Education and Training Program (IMET). The same applies to the category of Promoting Peace and its subdivision of Regional Peace and Security, which combines parts of current ESF and military assistance to support Middle East and other regional peace efforts. Consequently, for these and other cases, there are not precise equivalents between current and proposed budget categories.

Administration officials have answered congressional questions regarding FY1995 budget comparisons by re-casting FY1994 foreign policy spending estimates along the six new categories for FY1995, as shown in **Table 1** above. But the executive branch has resisted reformulating the new FY1995 proposal in terms of the existing budget structure, making for difficult and imprecise analysis of spending patterns over time.

Another aspect of the budget that raises questions in Congress is the extent to which the spending proposal accurately portrays total resources dedicated to particular activities, especially those of high congressional interest. Although the new framework is organized around key foreign policy objectives, the budget proposal does not necessarily reflect total U.S. resources requested for a particular objective and tends to understate the extent of resources allocated in selected areas. Under the proposed organizational structure, an entire budget activity is assigned to the foreign policy objective that it is most directly intended to support. U.S. assistance to Eastern Europe and the former Soviet Union (FSU), for example, is placed entirely within the category of Building Democracy, premised on the rationale that beyond everything else, U.S. assistance for the region is to help in their transition to democratic societies. In fact, however, aspects of East Europe and FSU aid directly support and correspond to other objectives. Some portions of the aid package promote economic growth, protect the environment, and help with population programs, all key strategies of Sustainable Development. The same holds true for U.S. assistance to Egypt, which addresses broad economic growth, population, and democracy issues, but is justified and counted entirely within the category Promoting Peace. Because some Sustainable Development activities are within other budget categories, budget requests for Sustainable Development strategies of economic growth, population, environment, and democratic participation exclude and understate total resources proposed in these areas.

### **Promoting U.S. Prosperity Through Trade and Investment**

Placing trade and investment at the top of the list of foreign policy budget categories, the Clinton Administration stated that "America's prosperity is tied irreversibly to the growth and integration of the global economy. Ensuring our economic security is the central objective of the Clinton Administration and at the heart of our foreign policy." This category includes export-import financing, food export promotion through P.L. 480's Title I program, trade and development activities, and overseas investment credit and noncredit activities. The overall FY1995 request for Trade and Investment activities is \$1.04 billion, as shown in **Table 1**. Since three of the programs (OPIC, Eximbank, and P.L. 480 Title I) provide loans and loan guarantees for trade and investment purposes, Congress need appropriate only the subsidy value of the lending or guarantee activity -- that is, what is necessary to cover the estimated

risk to the United States of issuing the loan or guarantee. The actual amount of exports and investments financed by these agencies will be significantly larger than the subsidy appropriation.

### **Building Democracy**

President Clinton has continued the efforts of previous Administrations to foster the emergence of democratic states around the world. Programs under this objective total \$2.85 billion for FY1995 and are divided into four areas: democracy-building efforts in countries making the transition to a democratic society, assistance to the former Soviet Union, aid to Central and Eastern Europe, and activities of the U.S. Information Agency, including international broadcasting, and the National Endowment for Democracy. Countries in Transition is a new category of assistance intended to focus on emerging democratic states, in some cases those that have recently resolved internal conflict disputes. Economic and military aid are planned to help build democratic institutions, enhance civil-military relations, and confront security threats that might reverse the move towards democracy. The budget calls for \$143 million in assistance to countries in transition, a 15% increase from equivalent programs for FY1994. The largest country recipients under this category include El Salvador (\$30 million), Haiti (\$15 million), Nicaragua (\$12 million), and Cambodia (\$10 million). Funds will also be allocated to address regional activities such as election support in Africa (\$20 million), Administration of Justice program in Latin America (\$15 million), and mine clearing in numerous conflict areas around the world (\$5 million).

### **Promoting Sustainable Development**

"Sustainable Development" has emerged as the core mission of the Agency for International Development (AID). It is a term that in the past has been closely associated with protecting the environment, but is subject to various interpretations and remains a somewhat elusive concept to define clearly. AID characterizes Sustainable Development as fostering "economic and social growth that does not exhaust the resources of a host country; that respects and safeguards the economic, cultural, and natural environment; that creates many incomes and chains of enterprises; that is nurtured by an enabling policy environment; and that builds indigenous institutions that involve and empower the citizenry." The Administration has developed four key strategies of sustainable development, each with a separate budget, that it says will replace the 33 goals of current economic aid programs.

- encouraging broad-based **economic growth** - \$1.3 billion;
- protecting the **global environment** - \$350 million;
- supporting **democratic participation** - \$179 million; and
- stabilizing world **population growth** - \$585 million.

By narrowing the list of major program objectives to four, AID hopes to better focus its activities and demonstrate impact and the achievement of specific results. The proposed budget, however, eliminates a specific earmark for development programs in Africa that has been a congressional priority since the account was established in 1988. Although the Administration says it will continue the current \$800 million program for Africa, advocates of sustained U.S. economic assistance for the region are likely to press for a specific line item appropriation during congressional consideration.

The Administration's proposed budget also includes several other foreign aid programs justified on the basis of the overall goal of Sustainable Development: U.S. contributions to the World Bank and other international financial institutions; the Peace Corps, the Inter-American and African Development Foundations; and portions of the food aid program.

### **Promoting Peace**

Ethnic conflict, regional instability, weapons proliferation, and international crime and drug trafficking are replacing Soviet containment as the dominant security concerns. The basic issue is whether the international affairs budget sufficiently addresses new challenges to peace and security or is primarily still grounded in Cold War concepts. The total amount requested for the category of Promoting Peace in FY1995 is \$6.43 billion, up about \$258 million from FY1994. Traditional types of security assistance, including those for Israel and Egypt, would remain at current levels. The bulk of the increase for this category falls in the areas of U.N. peacekeeping, weapons proliferation, and crime and drugs.

### **Providing Humanitarian Assistance**

The Administration's FY1995 budget requests \$1.6 billion for humanitarian assistance -- refugees, disaster relief, AID's Transition Initiative, and food emergencies (P.L. 480 Title II). Of this total, \$20 million would support the Transition Initiative, a new activity for FY1995 designed to help countries that are emerging from civil strife or natural disasters to re-establish their political and economic institutions.

### **Advancing Diplomacy**

The final budget category is Advancing Diplomacy, an objective, the Administration says, that is essential for achieving the other five tenets of U.S. foreign policy. The effective use of diplomacy in crisis prevention, reporting, and international organization membership, it is argued, is the most cost-effective way to conduct U.S. foreign policy. Included in this category are State Department and AID operating expenses and U.S. contributions to the United Nations and other international organizations. The request totals \$4.15 billion for FY1995.

## **Congressional Response to the FY1995 Request**

Once submitted by the President, the international affairs budget is reviewed and debated by Congress in several legislative vehicles: the budget resolution, foreign aid and State Department authorization bills, and appropriations bills. Congress appropriates money for international affairs programs in three major spending bills. The Foreign Operations, Export Financing, and Related Appropriations Act includes money for nearly all foreign assistance programs and the Export-Import Bank. The Administration request for programs falling within the jurisdiction of the Foreign Operations bill is about \$14 billion, up \$500 million from amounts approved for FY1994. The State, Justice, Commerce, and Related Agencies Appropriations supports the State Department, USIA, U.S. assessed contributions to international organizations, and the expenses of other small foreign policy agencies. The Administration asked Congress to appropriate \$5.8 billion for these foreign policy programs, about \$360 million more than currently approved for FY1994. Finally, Congress funds the P.L. 480

food aid program within the Department of Agriculture appropriations. For FY1995, the President requests \$1.25 billion for P.L. 480, \$200 million below FY1994 amounts.

Despite efforts by the Administration to reorganize the foreign policy budget around the six objectives discussed above, House and Senate Appropriations Committees have structured their legislation along the traditional programmatic approach used in the past. In developing the Foreign Operations bill, the House Committee noted its support for the President's legislative initiative that shapes U.S. foreign assistance and other international affairs policy and budgets around precise foreign policy objectives. Nevertheless, in the absence of enactment by Congress of the Peace, Prosperity, and Democracy Act of 1994, the Committee decided to appropriate funds according to the current program structure. Tables 3, 4, and 5, below, organize the three appropriations measures along the traditional framework -- the way that Congress is considering foreign policy appropriations bills for FY1995.

### **FY1995 Budget Resolution**

On May 11, Congress approved the FY1995 budget resolution (H.Con.Res. 218), a measure that established budget authority and outlay ceilings for FY1995 spending for the international affairs and other Federal budget accounts. As passed, the resolution adopts the President's foreign policy budget as requested. H.Con.Res. 218, however, also includes \$6.6 billion in additional cuts that have not been allocated among the various budget functions. During the consideration of appropriation measures, decisions will be made as to where these further reductions will fall, some of which may effect the international affairs account.

### **The Peace, Prosperity, and Democracy Act of 1994**

As noted above, simultaneously with submission of the FY1995 budget request, the President sent to Congress the Peace, Prosperity, and Democracy Act of 1994 (H.R. 3765/S. 1856). This Act, which repeals the Foreign Assistance Act of 1961 and other related foreign aid laws, sets out the structure and authorities for a new foreign aid rationale and policy. As introduced, the bill does not have a budgetary aspect; normal authorizations for foreign aid spending levels are not included. As Congress reviews the proposal, it will likely give serious consideration to re-inserting authorization figures that establish ceilings for amounts that can be appropriated. Authorizing committees have held hearings on the President's policy bill. But a heavy congressional calendar dominated by domestic issues, the absence of strong backing from the State Department and White House, and congressional concerns over portions of the bill have delayed further action. A subcommittee of the Senate Foreign Relations Committee marked up the bill in mid-June, and the House Foreign Affairs Committee tentatively plans to work on the legislation in late September. But chances for full consideration in 1994 appear slim to most observers.

### **Foreign Operations Appropriations**

Acting first, the House voted a \$13.61 billion Foreign Operations Appropriations (H.R. 4426), an amount \$408 million below (-3%) the President's request. The Senate bill added \$68 million to the House recommendation (\$13.68 billion total), with most of the increases designated for development assistance programs supporting children, AIDS prevention, and health initiatives. Conferees settled on an amount slightly less

than the Senate-approved level of \$13.68 billion. (See **Table 3**, below, for program details.) Major highlights of House and Senate action:

- Approved \$1.9 billion for the **multilateral development banks**, an amount that included most of increases sought by the President; conferees agreed to only \$25 million (\$100 million requested) for the IMF facility focusing on the poorest countries.
- For AID's **sustainable development** programs, conferees agreed to \$1.25 billion, \$42 million above the President's request; conferees further urged AID to continue high levels of funding for child survival, AIDS prevention and control, and other health activities. Also included was a modified Senate amendment stating that the budget for AID's Population Office shall be at least the same in FY1995 as the current year.
- Continued a separate line-item for **Africa**, set at \$802 million. AID said it would spend \$783 million in Africa, but without a specific earmark.
- Supported the President's proposed increase for **South Africa**; the House rejected an amendment to keep aid levels at current amounts.
- Reduced aid to the **former Soviet Union**, citing concerns over Administration management of the program. The House trimmed the \$900 million request by \$25 million, but rejected an amendment to make a deeper cut of \$348 million. The Senate Committee cut further to \$839 million. The Senate included language cutting off aid if Russian troops were not out of Estonia by Aug. 31 (the House set a Dec. 31 deadline). (Russia announced on July 26 that all military forces would be withdrawn from Estonia by the end of August.) Conferees agreed to \$850 million for the FSU and removed a cutoff date for aid if Russian troops remain in Estonia.
- Earmarked aid for **Israel and Egypt** at requested levels -- \$3 billion and \$2.1 billion, respectively.
- Supported the \$78.35 million request for **West Bank and Gaza**, of which \$20 million was recommended for the creation and expansion of small and medium-sized businesses.
- Rejected the President's request of \$152 million for State Department **international drug programs**, settling on \$105 million.
- Cut military loans for **Turkey and Greece** from \$770 million to \$620 million, to be allocated on a 10:7 basis. The House bill would further withhold 25% of the aid pending reports on Turkey's human rights record and the situation in Cyprus, and alleged Greek violations of sanctions against Serbia. The Senate modified these conditions by removing the withholding requirement and changing the language of the restrictions. Conferees agreed to withhold 10% of aid to Turkey and Greece pending the required certifications in the House bill.
- Conferees approved \$99 million to support **debt forgiveness for Jordan**, an action that will support forgiveness of up to \$220 million of Jordan's roughly \$700 million debt owed the United States. Conferees stated that subsequent debt forgiveness will require further steps towards reaching a final peace agreement with Israel.
- Conferees added \$50 million in emergency **humanitarian aid for Rwanda**.

- Conferees accepted a Senate amendment providing \$40 million in defense equipment to **Bosnia** if the arms embargo is lifted, \$25 million for the U.N. War Crimes Tribunal, and recommendations of \$15 million in medical supplies and winterization relief projects.

### **Commerce, Justice, and State Department Appropriations**

The House passed the Commerce, Justice, State and related agency appropriations for FY1995 on June 27, 1994; the Senate passed it on July 22. The House approved total State Department appropriations of \$4.18 billion, which is \$145.4 million above the FY1994 appropriations and \$120.6 million below the Administration request. The Senate recommended \$4.22 billion for State. The House provided \$1.35 billion for USIA appropriations, \$3.9 million above FY1994 appropriations and \$78.1 million below the Administration request. The Senate provided \$1.40 billion. Both House and Senate set the Arms Control and Disarmament Agency appropriations at \$54.5 million, \$1 million above the FY1994 level and \$6.8 million below the Administration request. Highlights of House and Senate appropriations activities include

- House and Senate approved \$670 million in **supplemental** appropriations to pay for assessments for U.S. **peacekeeping operations for FY1994**. This is the first-year amount of a multi-year plan to pay the \$1.1 billion for assessed U.S. peacekeeping contributions, which will be accumulated during FY1994.
- The House fully funded the FY1995 request of \$533.3 million for assessed **peacekeeping operations** and continue the second year of a multi-year program to pay off arrearages. The Senate funded FY1995 peacekeeping operations at \$500 million.
- The House approved \$913.9 million, as requested, for **U.S. contributions to international organizations**. The amount includes \$40.7 million to continue the multi-year program to pay off arrearages in this account. The Senate reduced this account to \$873.2 million, omitting arrearage payments and recommending withholding 20% of the funds to the U.N. until it establishes an office of Inspector General.
- The House reduced the request for State Department **Diplomatic and Consular Programs, Salaries and Expenses, and Acquisition and Maintenance of Buildings Abroad**, while the Senate approved levels equal to the Administration request.
- The Senate agreed to an amendment authorizing the President to transfer up to \$100 million from State Department funds for humanitarian assistance to Rwanda. The House had no similar provision.
- The House agreed to transfer \$10 million from USIA's Radio Construction to **Radio Free Asia**; The House Appropriations Committee had provided no funds for RFA. The Senate approved a separate account for RFA and funded it at \$18 million -- \$10 million for operating expenses and \$8 million for contributing to the establishment of a shortwave transmitter capability in the Pacific islands.
- Both House and Senate provided \$239.7 million to the **Board for International Broadcasting (BIB)** via a transfer from USIA's International Broadcasting Operations. The House provided that none of the funds be used for relocating RFE/RL from Munich, Germany; the Senate did not.

- The Senate concurred with the Administration request of no funding for the North/South Center, while the House provided \$5 million.
- The House provided no funding for TV Marti and \$8.6 million for Radio Marti. The Senate provides \$24.8 million for Cuba Broadcasting, \$2.8 million less than the Administration request.

### **Agricultural Appropriations**

The House (June 17) and the Senate (July 20) passed H.R. 4554 with identical provisions totalling \$1.25 billion for foreign food assistance, roughly the total requested by the Administration. Congressional action set Title I loan subsidies and ocean freight at \$267.7 million, \$100 million lower than the FY1994 level and \$44.8 million lower than the Administration request. Title II is maintained at \$821.1 million, nearly the same as the FY1994 level, but \$48.1 million more than the Administration request. The House and Senate action set Title III at \$157.4 million, nearly \$100 million less than the FY1994 level and \$2.6 million less than the Administration request.

### **LEGISLATION**

#### **P.L. 103-236, H.R. 2333**

Foreign Relations Authorization Act, Fiscal Years 1994 and 1995. Authorizes programs for the State Department, USIA, and related agencies. HR 2333 reported by House Committee on Foreign Affairs June 11, 1993 (H.Rept. 103-126); passed House June 22 (276-144). S. 1281 reported by Senate Committee on Foreign Relations July 23, 1993; passed Senate Feb. 2, 1994. Conference report (H.Rept. 103-482) passed House April 28 and Senate April 29. Signed into law Apr. 30, 1994.

#### **H.R. 4426 (Obey)**

Foreign Operations, Export Financing, and Related Programs Appropriations Bill, 1995. Reported by House Appropriations Committee May 23, 1994 (H.Rept. 103-524). Passed House, amended, May 25 (337-87). Reported by Senate Appropriations Committee June 16 (S.Rept. 103-287); passed Senate July 15 (84-9). Conferees reached agreement on July 29 (H.Rept. 103-633). Conference report passed House Aug. 4, 1994.

#### **H.R. 4554 (Durbin)**

Agriculture Appropriations 1995. Reported by House Appropriations Committee June 9, 1994 (H.Rept. 103-542); passed House, amended, June 17 (278-127). Reported by Senate Appropriations Committee June 23 (S.Rept. 103-290). Passed Senate July 20, 1994 (92-8).

#### **H.R. 4603 (Mollohan)**

Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations, FY1995. Reported by House Appropriations Committee June 21, 1994 (H.Rept. 103-552). Passed House on June 27 (286-112). Reported by Senate Appropriations Committee July 14, 1994 (S.Rept. 103-309); passed Senate July 22, 1994.

TABLE 3. FOREIGN OPERATIONS APPROPRIATIONS

(millions of dollars)

	FY1992 Enacted	FY1993 Enacted	FY1994 Enacted	FY1995 Request	95 Request +/- FY94(%)	FY1995 House	FY1995 Senate	FY1995 Conf Rept
<b>Multilateral Economic Aid</b>								
World Bank - IBRD	69.1	62.2	27.9	23.3	-16.6%	23.0	23.0	23.0
World Bank - Int. Development Assoc.	1,044.3	1,024.3	1,024.3	1,250.0	+22.0%	1,235.0	1,207.8	1,235.0
World Bank - Int. Finance Corp.	39.7	35.8	35.8	88.7	+147.8%	68.7	68.7	68.7
World Bank - Environment Facility	--	30.0	30.0	100.0	+233.3%	88.8	98.8	90.0
Inter-American Dev. Bank (IDB)	85.1	166.7	151.3	150.2	-.8%	124.6	124.6	124.6
Asian Development Bank	124.9	100.5	75.5	170.0	+125.2%	168.0	168.0	168.0
African Development Bank/Fund	112.8	103.9	135.0	125.8	-9.3%	124.4	124.4	124.4
European Development Bank	69.0	60.0	.0	70.0	--	69.2	69.2	69.2
Other Mult. Dev. Banks	.0	.0	.0	23.8	--	.0	.0	.0
Subtotal, Mult. Devel. Banks	1,544.9	1,583.4	1,479.9	2,002.0	+35.3%	1,901.7	1,884.5	1,902.9
IMF-Enhanced Struc. Adjust. Fac.	.0	.0	.0	100.0	--	.0	25.0	25.0
Other international organizations	280.5	310.0	360.6	403.0	+11.8%	366.0	382.0	374.0
<b>Total Multilateral Aid</b>	<b>1,825.4</b>	<b>1,893.4</b>	<b>1,840.5</b>	<b>2,505.0</b>	<b>+36.1%</b>	<b>2,287.7</b>	<b>2,291.5</b>	<b>2,301.9</b>
<b>Bilateral Development Aid</b>								
Development aid accounts	1,039.6	1,037.5	811.9	811.0	-.1%	811.0	882.0	863.0
Population assistance	246.3	350.0	392.0	450.0	+15.0%	450.0	450.0	450.0
Development Fund for Africa	788.2	800.0	784.0	782.7	-.2%	790.0	802.0	802.0
International Disaster Asst.	69.0	149.0	146.0	170.0	+16.4%	170.0	170.0	170.0
Housing credits/guarantees	24.7	24.8	24.3	27.3	+12.3%	27.3	27.3	27.3
Debt reduction (Lat Am & Africa)	--	50.0	7.0	7.0	--	7.0	7.0	7.0
Other Development aid/rescissions	40.0	5.4	-4.1	2.0	--	2.0	2.0	2.0
<b>Total Bilateral Development Aid</b>	<b>2,207.8</b>	<b>2,416.7</b>	<b>2,161.1</b>	<b>2,250.0</b>	<b>+4.1%</b>	<b>2,257.3</b>	<b>2,340.3</b>	<b>2,311.3</b>
<b>Economic Initiatives</b>								
Economic Support Fund	2,984.0	2,670.0	2,384.6	2,414.5	+2.1%	2,389.0	2,359.2	2,349.0
Econ Support Fund Rescission	--	--	-203.0	--	--	--	--	--
Former Soviet Union-regular approp.	194.0	417.0	548.8*	900.0	+70.6%	875.5	839.0	850.0
Former Soviet Union-supplemental	--	690.0**	919.0**	--	--	--	--	--
Eastern Europe	364.2	400.0	390.0	380.0	-2.6%	360.0	359.0	359.0
Philippines--Mult. Asst. Initiative	78.5	40.0	(20.0)	--	--	--	--	--
Ireland Fund	19.7	19.7	19.6	20.0	+2.0%	19.6	15.0	19.6
<b>Total, Economic Initiatives</b>	<b>3,640.4</b>	<b>4,236.7</b>	<b>4,039.0</b>	<b>3,714.5</b>	<b>-12.4%</b>	<b>3,594.1</b>	<b>3,572.2</b>	<b>3,577.6</b>
<b>Other Economic Aid</b>								
Amer. Schools/Hospitals Abroad	28.6	30.0	--	--	--	--	--	--
Foreign Service Retirement	41.4	42.7	44.2	45.1	+2.0%	45.1	45.1	45.1
AID Operating and IG Expenses	611.3	551.3	543.9	566.1	+4.1%	556.6	556.9	556.6
African Development Foundation	12.8	16.9	16.9	16.9	--	16.9	16.9	16.9
Inter-American Foundation	24.6	31.0	31.0	31.0	--	31.0	31.0	31.0
Peace Corps	197.0	218.1	219.7	225.4	+2.6%	219.7	221.7	219.7
Int. Narcotics Control Program	147.8	147.8	100.0	152.4	+52.4%	115.0	100.0	105.0
Anti-Terrorism Program	11.8	15.6	15.2	15.2	--	15.2	15.2	15.2
Refugee Aid (regular & emergency)	670.0	670.0	720.0	682.9	-5.2%	732.7	721.0	727.0
Non-Prolif. & Disarmament Fund	--	--	10.0	10.0	.4%	10.0	10.0	10.0
<b>Total Other Economic Aid</b>	<b>1,645.3</b>	<b>1,723.4</b>	<b>1,700.9</b>	<b>1,745.0</b>	<b>+2.6%</b>	<b>1,742.2</b>	<b>1,716.8</b>	<b>1,726.5</b>
<b>Military Aid</b>								
Foreign Military Financing/FMF grants	3,992.3	3,300.0	3,149.3	3,162.5	+4%	3,149.3	3,151.3	3,151.3
FMF loan subsidy	50.1	149.0	46.5	59.6	+28.2%	47.9	47.9	47.9
[FMF program size]	4,396.3	4,155.0	3,918.8	3,932.5	+3%	3,768.9	3,770.9	3,770.9
Intl Military Ed & Training	44.6	42.5	21.3	25.5	+19.7%	25.5	25.5	25.5
Military to Military Contact	.0	.0	(10.0)	46.3	+363.0%	12.0	12.0	12.0
Peacekeeping Operations	27.6	27.2	75.6	75.0	-.8%	75.0	75.0	75.0
<b>Total Military Aid</b>	<b>4,114.6</b>	<b>3,518.7</b>	<b>3,292.7</b>	<b>3,368.9</b>	<b>+2.3%</b>	<b>3,309.7</b>	<b>3,311.7</b>	<b>3,311.7</b>
<b>Export Aid</b>								
Export-Import Bank	641.0	786.2	993.6*	795.4	-19.9%	787.5	782.1	782.1
Trade and Development Agency	34.5	40.0	40.0	45.0	+12.5%	45.0	45.0	45.0
Overseas Private Investment Corp	17.9	17.9	16.6	20.0	+20.5%	31.1	42.8	41.8
<b>Total, Export Aid</b>	<b>692.6</b>	<b>844.1</b>	<b>1,050.2</b>	<b>860.4</b>	<b>-18.1%</b>	<b>863.6</b>	<b>869.9</b>	<b>868.9</b>
Special Defense Acquisition Fund	--	--	-286.0	-282.0	+6.0%	-282.0	-282.0	-282.0
OPIC Offsetting collections	--	--	-133.0	-135.2	+1.7%	-135.2	-135.2	-135.2
Rescissions not included above	--	--	-257.1	--	--	--	--	--
<b>Total Foreign Operations</b>	<b>14,126.1</b>	<b>14,633.0</b>	<b>13,428.3</b>	<b>14,025.0</b>	<b>+4.4%</b>	<b>13,616.0</b>	<b>13,684.7</b>	<b>13,680.7</b>

\* Congress shifted \$300 million from FSU aid to the Exim Bank for FSU programs. Net FY1994 FSU total is \$848.8 million.

\*\* Congress approved \$1.609 billion, including Defense Department funds, in FY1993 supplemental aid for the former Soviet Union. Of this, \$919 million was transferred from DOD to AID in FY1994. The amount transferred from DOD appears in the baseline for FY1994.

TABLE 4. AGRICULTURE APPROPRIATIONS -- P.L. 480 FOOD AID

	FY1992 Enacted	FY1993 Enacted	FY1994 Enacted	FY1995 Request	95 Request +/-FY94(%)	95 House Passed	95 Senate Passed
<b>PL 480 Food Aid:</b>							
Title I-loan subsidies/ocean freight (Title I-program size)	442.3 (563.8)	389.8 (555.3)	367.8* (462.0)	312.5 (374.3)	-15.0% -19.0%	267.7 (291.3)	267.7 (291.3)
Title II-emergency & private grants	710.1	810.0	821.6	773.0	- 5.9%	821.1	821.1
Title III-Food for Development grants	333.6	333.6	255.1*	160.0	-37.3%	157.4	157.4
Debt restructuring	--	40.0	--	--	--	--	--
<b>Total, PL 480</b>	<b>1,496.0</b>	<b>1,573.4</b>	<b>1,444.5</b>	<b>1,245.5</b>	<b>-13.3%</b>	<b>1,246.2</b>	<b>1,246.2</b>

TABLE 5. STATE DEPARTMENT, USIA, &amp; RELATED AGENCIES APPROPRIATIONS

	FY1992 Enacted	FY1993 Enacted	FY1994 Enacted	FY1995 Request	95 Request +/-FY94(%)	95 House Passed	95 Senate Passed
<b>Department of State</b>							
<b>Administration of Foreign Affairs:</b>							
Diplomatic and Consular Programs <sup>a</sup>	--	--	1,705.3	1,781.1	+ 4.4%	1,700.9	1,781.1
Salaries and expenses	2,021.2	2,154.0	396.7*	391.4	- 1.3%	385.0	391.4
Office of Inspector General	23.0	24.1	23.5	23.8	+ 1.3%	23.9	23.9
Representation allowances	4.8	4.9	4.8	4.8	0.0%	4.8	4.8
Buying power maintenance	--	14.0	-8.8*	0.0	--	0.0	0.0
Protection-foreign missions & officials	10.5	10.8	10.5	8.6	-18.9%	9.6	9.6
Acquisition/maintenance of buildings	439.0	430.5	410.0	421.8	+ 2.9%	396.0	421.8
Moscow Embassy construction	100.0	140.0	0.0	0.0	0.0%	0.0	0.0
Emergencies-diplomatic & consular servs	7.2	9.4	7.8	6.5	-16.7%	6.5	6.5
Payment to American Institute in Taiwan	13.8	15.5	15.2	15.5	+ 2.0%	15.5	15.5
Foreign Service Retirement Fund	113.0	119.1	125.1	129.3	+ 3.4%	129.3	129.3
<b>Total, Administration of Foreign Affairs</b>	<b>2,732.5</b>	<b>2,922.3</b>	<b>2,699.8</b>	<b>2,782.8</b>	<b>+ 3.1%</b>	<b>2,671.5</b>	<b>2,783.9</b>
<b>International Organizations and Conferences</b>							
Contributions to int'l organizations	842.4	913.2	860.9	913.9	+ 6.2%	913.9	873.2
Contributions to int'l peacekeeping	457.2	460.3	401.6 <sup>b</sup>	533.3	+ 32.8%	533.3	500.0
Int'l conferences & contingencies	5.5	5.6	6.0	6.0	0.0%	6.0	6.0
<b>Total, Int'l Organizations &amp; Conferences</b>	<b>1,305.1</b>	<b>1,379.1</b>	<b>1,268.5</b>	<b>1,453.0</b>	<b>+ 14.5%</b>	<b>1,453.2</b>	<b>1,379.2</b>
International Commissions	40.2	44.7	46.1	48.0	+ 4.1%	41.1	41.1
U.S. Bilat Science & Tech agreements	4.5	4.5	4.3	0.0	-100.0%	0.0	0.0
Payment to the Asia Foundation	16.0	16.7	16.0	16.1	+ 0.6%	15.0	15.0
Russian, Eurasian, & E. Eur. res. & train.	4.8	5.0	0.0	0.0	0.0%	0.0	0.0
<b>Total, Department of State</b>	<b>4,103.1</b>	<b>4,372.3</b>	<b>4,034.7</b>	<b>4,299.9</b>	<b>+ 6.6%</b>	<b>4,180.8</b>	<b>4,219.2</b>
<b>United States Information Agency (USIA)</b>							
Salaries and expenses	466.6	487.2*	473.5*	494.9	+ 4.5%	476.4	480.4
Office of the Inspector General	4.2	4.4	4.2	4.2	0.0%	4.3	4.3
Education & cultural exchange programs	199.4	223.2*	241.2	221.8	- 8.0%	237.8	242.4
Radio construction	98.0	101.6*	73.1	99.3	+35.8%	85.3	93.2
<b>International Broadcasting</b>							
VOA/WORLDNET	230.7	252.3	254.3	243.8	- 4.1%	237.0	235.8
Broadcasting to Cuba	36.9	28.5	21.0	27.6	+31.4%	8.6	24.8
Radio Free Asia	--	--	--	10.0	--	10.0 <sup>c</sup>	18.0
Board for International Broadcasting <sup>d</sup>	201.9	220.0	210.0	256.7	+ 22.2%	239.7	239.7
Trust Fund Programs	--	--	.5	.7	+ 0.4%	2.8	3.2
East-West & other centers	29.5	36.7	33.7*	24.5	-27.3%	25.5	24.5
National Endowment for Democracy	27.5	30.0	35.0	45.0	+28.6%	33.0	35.0
<b>Total, U.S.I.A.</b>	<b>1,294.7</b>	<b>1,383.9</b>	<b>1,346.5</b>	<b>1,428.5</b>	<b>+ 6.9%</b>	<b>1,350.4</b>	<b>1,401.3</b>
<b>Arms Control &amp; Disarmament Agency</b>	<b>44.5</b>	<b>46.5</b>	<b>53.5</b>	<b>61.3</b>	<b>+14.6%</b>	<b>54.5</b>	<b>54.5</b>
<b>Miscellaneous Foreign Affairs<sup>e</sup></b>	<b>45.7</b>	<b>48.6</b>	<b>47.3</b>	<b>49.0</b>	<b>+ 3.6%</b>	<b>47.7</b>	<b>46.8</b>

\* Accounts adjusted by FY1994 rescissions.

a. Prior to FY1994, Diplomatic and Consular Programs and Salaries and Expenses were combined in one appropriation titled Salaries and Expenses.

b. Excludes a \$670 million FY1994 Presidential peacekeeping request; the House and Senate have agreed to the request.

c. A transfer from USIA's Radio Construction.

d. Prior to FY1995, BIB received separate appropriations, independent of USIA.

e. International Trade Commission, Japan-U.S. Friendship Commission, Competitiveness Policy Council, and Commissions for the Preservation of America's Heritage Abroad and Security and Cooperation in Europe. Excludes the U.S. Institute of Peace, which is part of the 150 budget function but is in the Department of Labor appropriations; for FY1995 the request is almost \$11 million, the same as enacted for FY1994.