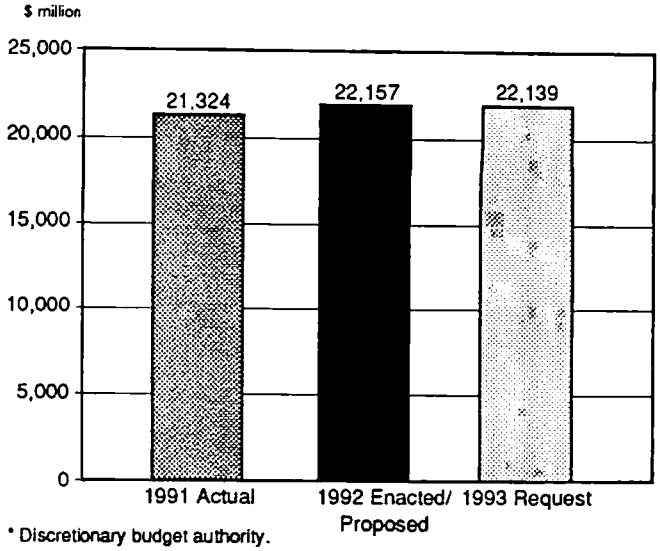
International Affairs Budget Request FY 1993

[The following is a reprint of a U.S. State Department, Bureau of Public Affairs, report released on January 29, 1992.]

FY 1993 International Affairs Budget: Fulfilling Freedom's Challenge

The demise of the Soviet Union in 1991, which confirmed the failure of communism, marked the end of the containment era in American foreign policy. These dramatic events give fresh meaning to the fundamental goal of our international affairs programs: to exert effective leadership in a world community increasingly receptive to democracy, market economics, and multilateral cooperation against aggression. Five major interrelated challenges that guide international affairs programs worldwide now have special relevance to our changing relations with the peoples of the former Soviet Union, where the strategy of containment is being replaced by one of collective engagement.

FY 1993 International Affairs Budget: $22.1 billion*



* Discretionary budget authority.
Note: Excludes Monetary Fund quota increase in FY 1992.

These five broad challenges continue to be:

• **Promoting and consolidating democratic values**—in the wake of collapsing totalitarianism and the pressing need to respond positively to those nations voluntarily embracing our most basic political and economic values;

• **Promoting market economies and strengthening U.S. competitiveness**—to reinforce the spread of democratic values and accelerate trade, investment, and the application of principles of comparative advantage to achieve greater domestic and global prosperity;

• **Promoting peace**—through collective security, as demonstrated during the Persian Gulf crisis, to conclude and verify new arms control agreements and non-proliferation regimes, support UN peace-keeping efforts, and to consolidate recent gains in resolving conflict in Central America, Southeast Asia, and Southern Africa;

• **Protecting against transnational threats**—of environmental degradation, narcotics, terrorism, and other issues of importance on both domestic and foreign policy agendas; and

• **Meeting urgent humanitarian needs**—a deep concern to the American public and the Congress, whether the result of natural or human causes, will require internationally coordinated responses.

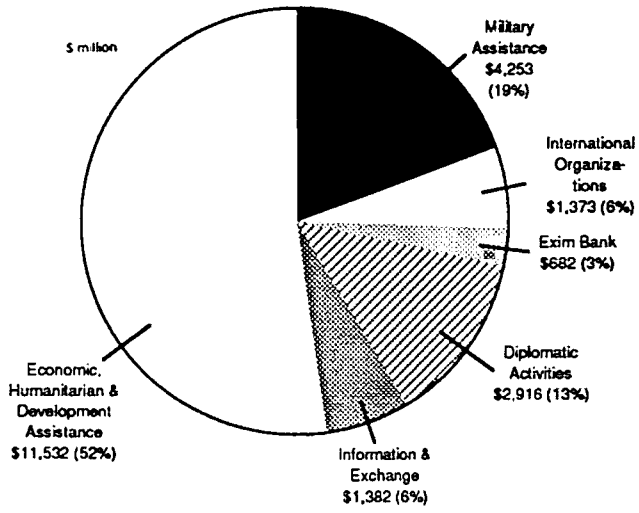
Effective international affairs programs of the future will focus increasingly on political/economic issues. Success will also necessitate strategies that emphasize new and more extensive bilateral and multilateral cooperation through the strengthening of international institutions and by creating new arrangements to solve particular problems, such as the coordination of humanitarian assistance to the republics of the former Soviet Union. The U.S. private sector also will be engaged to a far greater extent than ever before in international affairs programs.

FY 1993 International Affairs Budget Overview

SUMMARY

The President requests $22.1 billion in budget authority (the authority to commit funds) and $20.6 billion in outlays (actual spending) for international affairs programs in fiscal year (FY) 1993. The request is within the limits on budget authority and outlays set by the Budget Enforcement Act of 1990.

FY 1993 International Affairs Budget
$22.1 Billion in Budget Authority



The President's budget proposes several important shifts in emphasis and priorities in response to changing world events. The request for military assistance represents an 11 percent decrease from the level proposed for FY 1992. Significant increases are proposed for contributions to UN peace-keeping operations and assistance to Central and Eastern Europe and the republics of the former Soviet Union. Increased aid levels are reinforced by the expansion of diplomatic as well as information and exchange activities into the new independent states and the Middle East. Assistance to support humanitarian endeavors and movements toward democracy worldwide, as well as activities that open markets to U.S. trade and encourage economic reforms abroad, continue to be high priorities.

The following cross-cutting priorities are supported by funding in several international affairs budget accounts.

Aid to the former Soviet Union and Central and Eastern Europe. The President's budget requests $620 million in new appropriations for fiscal years 1992 and 1993 for assistance to the republics of the former Soviet Union. Funding will be used to deliver emergency humanitarian relief and provide technical assistance to support democratic reform and promote economic restructuring. The request includes:

- $500 million for a special Humanitarian and Technical Assistance Account to meet emerging humanitarian and special assistance needs as they arise;

• $100 million in Economic Support Funds for technical assistance activities to promote democratic reforms and economic restructuring

• $10 million in Development Assistance funds targeted at development activities in republics with lower per capital incomes;

• $10 million in P.L. 480 Food for Peace money for the "Farmer-to-Farmer" program to send U.S. farmers and agribusiness experts to provide training and advice to counterparts in the new independent states.

U.S. Assistance and Credits for the Former Soviet Union, 1991-93
($ Millions)

	Available Under Existing Legislation				Requires New Appropriation			TOTAL
PROGRAM	FY 91 Actual	FY 92 Estimate	FY 93 Estimate	Total	FY 92 Prop.	FY 93 Prop.	Total	991-93 Total
Grant Assistance (Budget Authority								
DoD Assistance**								
Transportation Funds	--	100	--	100	--	--	--	100
Nuclear Disarmament	--	400	--	400	--	--	--	100
Humanatarian/Technical								
Humanatarian/Technical Asst.	--	--	--	--	150	350	500	500
Economic Support Funds	5	80*	--	85	--	100	100	185
USAID Disaster Asst, Medical	5	25	--	30	--	--	--	30
USAID Development Asst.	--	5*	--	5	--	10	10	15
PL. 480. Farmer-to-Farmer	--	10	11	10	11	10	10	20
USDA Technical Asst**	--	5	15	20				
Food Assistance**								
USDA Food Aid	--	165	--	165	--	--	--	165
DoD Surplus Stock Donations	--	45	--	45	--	--	--	45
Subtotal Grants	10	835	15	860	150	470	620	1,480
Credit Programs (Face Value)**								
USDA Export Credit Guarantees	1,915	1,835	0	5,750	--	--	--	3,730
TOTAL	1,925	2,670	15	4,610	150	470	620	5,230

* Use of these FY 1992 funds subject to congressional notification procedures.
** Not considered international affairs spending for purpose of the Budget Enforcement Act.

These funds will be combined with $860 million in resources available under existing legislation, including:

• About $210 million in food assistance ($165 million in food aid and $45 million in surplus Department of Defense stocks);

• $100 million in Department of Defense money for transportation of humanitarian relief;

• $400 million in Defense funds for assistance in eliminating nuclear arms and chemical weapons;

• $30 million in U.S. Agency for International Development (USAID) funds to provide urgently needed medical supplies supplies, and

• $120 million in USAID and U.S. Commodity Credit Corporation (CCC) funds for technical assistance activities.[1]

The United States also has announced $3.75 billion in Commodity Credit Corporation export guarantees for the purchase of food. About $3 billion has already been used to buy and ship more than 19.5 million tons of U.S. commodities. Together with the $1.5 billion in existing and proposed grant assistance described above, the President proposes to provide more than $5 billion in assistance to republics of the former Soviet Union. The U.S. assistance is only part of a global response, with over 50 nations and multinational institutions committed to providing over $27 billion to the new independent states.

The $450 million FY 1993 request for Central and Eastern Europe represents a $50 million, or 13%, increase over the level proposed for FY 1992 in the President's budget.

The program funded by these resources has three objectives.

The **first** is to advance democratic reforms that will form the foundation for enduring political freedom and encourage broad-based participation in civic and economic affairs.

The **second** is to support the efforts of the Central and East European countries to restructure their economies by establishing market-based economies to replace the collapsing centrally planned systems.

The **third** is to improve the quality of life of a population that is simultaneously enduring the legacy of the old order, such as environmental degradation and lack of housing, and the hardships associated with the democratic structural changes underway in the region.

In addition, the budget:

• Requests a third annual contribution of $70 million to capitalize the European Bank for Reconstruction and Development (EBRD). The Bank makes loans in support of market-oriented reforms in the region.

• Supports activities of the Peace Corps in six Central and East European countries and up to 500 volunteers in the former Soviet republics.

• Continues [diplomatic] post openings, initiated in FY 1992, in the Baltics and former Soviet republics in FY 1993.

• Proposes the issuance of insurance and up to $125 million in loan guarantees to the former republics of the Soviet Union by the Overseas Private Investment Corporation (OPIC).

The President's proposals for assistance to the republics of the former Soviet Union and Central and Eastern Europe will benefit not only the citizens of these regions but also citizens of the United States. By promoting trade, developing private markets, supporting freedom, and reducing

[1]Some of thee funds are subject to Congressional notification procedures.

the nuclear threat, U.S. assistance will bring direct economic and security benefits back to the American people.

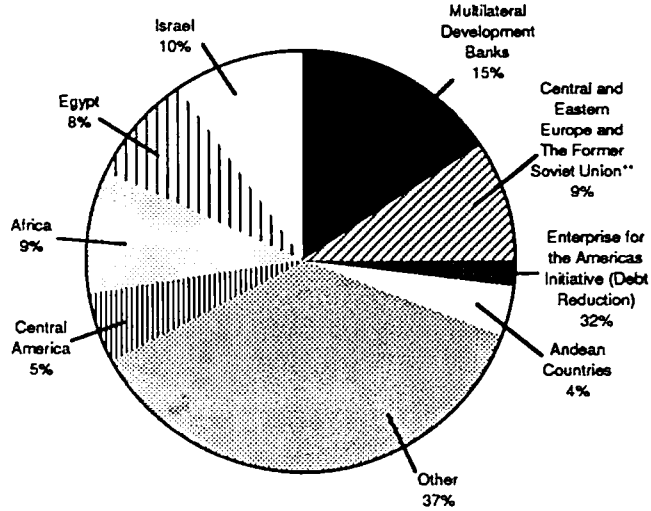
Support for International Organizations and Multilateral Peacekeeping. The budget proposes $350 million as an amendment to the FY 1992 budget and $350 million in the FY 1992 budget to support the U.S. share of new and expected international peacekeeping activities undertaken by the United Nations in Cambodia, Yugoslavia, El Salvador, Africa, and the Middle East. Increasingly, security assistance funds also are being used for voluntary contributions to peacekeeping operations, such as in Cyprus and the Sinai. The goals of these peacekeeping missions are reinforced by other U.S. international affairs programs, such as through the use of development and disaster assistance programs of the USAID and the State Department's refugee assistance program.

The budget reaffirms the President's commitment to eliminate arrearages owed to the United Nations and other international organizations. A third "installment" of $115 million is requested to make payments on arrearages. Advance appropriations are requested for the fourth and final installments to be paid in FY 1994 and FY 1995.

Supporting Democracy, Promoting Economic Growth, and Meeting Urgent Humanitarian Needs. In addition to aid to the new independent states, the President's budget continues development and humanitarian assistance programs to support democratic change, movement toward free and open markets, and economic growth and development and to alleviate human suffering and assist refugees. The Enterprise for the Americas Initiative seeks to promote strong economic growth in Latin America through trade liberalization, investment reform, and debt reduction. USAID's $100 million Capital Projects Fund is proposed to help recipient countries invest in high priority, developmentally sound infrastructure projects.

War on Drugs. The President's budget requests nearly $580 million for international counter-narcotics programs to combat the flow of illegal drugs into the United States. Included in this total is funding from International Narcotics Matters, Development Assistance, Economic Support Funds, Foreign Military Financing, and programs of the U.S. Information Agency (USIA). These programs help dismantle major drug-trafficking organizations, reduce illicit crop production, and interdict drugs as they move from source countries through transit countries to the United States.

FY 1993 Economic, Development, and Humanitarian Assistance: $11.5 billion*



* Discretionary budget authority.
**Includes $450 million in aid to Central and Eastern Europe, $470 million in aid to the former Soviet Union, and $70 million for the European Bank for Reconstruction and Development..

COMPOSITION OF THE BUDGET

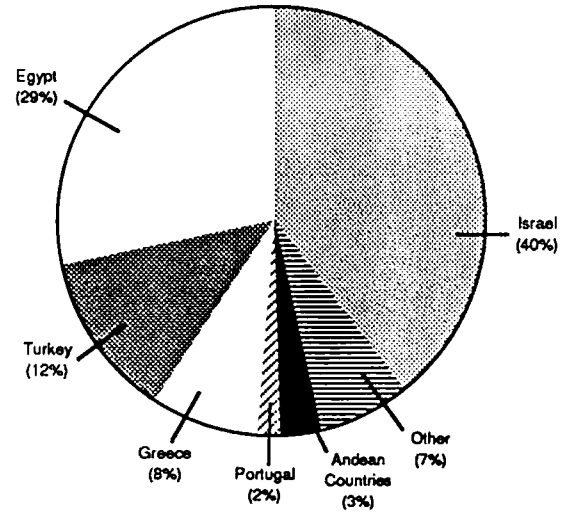
More than half of the FY 1993 international affairs budget is for economic, development, and humanitarian assistance. Military assistance

accounts for 19 percent of the budget (and has decreased 11 percent in absolute terms) and diplomatic activities account for 13 percent. Of the $15.8 billion proposed for foreign assistance (humanitarian, economic, and military), $5.1 billion is requested for assistance to Israel and Egypt.

The economic, development, and humanitarian assistance programs support a broad range of activities, from providing economic support for emerging democracies to combating malnutrition and famine in drought stricken countries. Programs are being carried out in more than 70 countries around the world. With the demise of the Soviet Union, aid to Central and Eastern Europe and the new independent states has increased significantly.

Military assistance is concentrated in fewer countries, with the bulk of the assistance supporting military modernization in Israel, Egypt, and key NATO and regional allies, or to countries assisting in the war on drugs.

FY 1993 Request for Military Assistance: $4.5 billion*



* Program level; includes $365 million in loans, requiring only $63 million in budget authority.

CHANGES TO THE FY 1992 BUDGET

The FY 1993 budget amends the President's FY 1992 budget for international affairs in the following ways:

- Requests $350 million in budget authority and $350 million in outlays for U.S. contributions to UN peacekeeping activities and withdraws the original request for a Presidential Contingency Fund ($20 million in budget authority, $9 million in outlays).

- Requests $150 million in budget authority and $68 million in outlays for aid to the former republics of the Soviet Union.

- For programs in the pending Foreign Operations appropriations bill, adjusts budget accounts for the effects of credit reform (increases budget authority $51 million) and reestimates spending rates (decreases outlays by $290 million).

PROGRAM HIGHLIGHTS

International Development and Humanitarian Assistance (Budget Subfunction 151)

The United States plays a major role in addressing suffering and promoting sustained economic growth by fostering sound economic policies and developing the human resource potential in countries in the developing world. Programs in this category help promote the growth of market-oriented economies, finance development projects, and provide expert advice to foreign governments and private entities. Stronger economies will stimulate demand for U.S. exports,

create more jobs for American workers, and expand investment opportunities. These programs also provide relief supplies and funds to meet natural and man-made disasters and to aid refugees abroad and to resettle them in the United States.

Republics of the Former Soviet Union. The President's budget requests $620 million in new appropriations to help the new independent states make their transitions to more peaceful, democratic, and market-oriented nations. Of this amount, $500 million is for a special Humanitarian and Technical Assistance Account to fund humanitarian relief and technical assistance in democratic reform and economic restructuring. (The FY 1992 request is $150 million and $350 million is requested for FY 1993). In addition, $100 million in Economic Support Funds, $10 million in Development Assistance, and $10 million in P.L. 480 Food for Peace funds are requested for assistance to the new independent states (described below).

International Development and Humanitarian Assistance Discretionary Budget Totals ($ million)

	1991	1992	1993
Budget Authority	7,240	8,252	8,410
Outlays	5.631	7,102	7,425

Central and Eastern Europe. The budget proposes $450 million, a $50 million increase over the amount requested for FY 1992, to provide much needed technical resources to (now) 10 countries. Aid will be targeted toward, among other things, establishing viable private sectors in recipient countries by supporting (1) enterprise funds to make grants and loans to private businesses, (2) privatization of government industry, and (3) further development of democratic processes.

Counter-narcotics. The Department of State has primary responsibility for developing, implementing, and monitoring U.S. international counternarcotics strategies and programs in support of the President's National Drug Control Strategy. In FY 1993, $173 million is requested to support these programs through the Department's Bureau of International Narcotics Matters. Of this amount, $102 million is for activities in Latin America, including $58 million to carry out the President's Andean strategy to counter cocaine production and trafficking in Colombia, Peru, and Bolivia, and $27 million is to combat cocaine and heroin trafficking and opium production in Mexico. Also included in the FY 1993 request is $40 million for inter-regional aviation support activities. These programs are complemented by about $10 million in development assistance programs devoted to counternarcotics.

Development Assistance. The budget proposes $2.9 billion for bilateral development assistance to more than 70 countries. This program provides economic resources to developing countries with the aim of bringing the benefits of development to the poor. Development assistance combines a continued emphasis on sustainable, broad-based economic growth and humanitarian assistance with initiatives that are responsive to rapidly changing world events.

Two new initiatives proposed for FY 1995 are a $100-million Capital Projects Fund to help recipient countries invest in the infrastructure necessary to development and a $25-million Asian

Environmental Initiative to address the serious environmental problems that constrain continued Asian economic growth. The Asian Environmental Initiative will be implemented in partnership with 16 other U.S. Government agencies, the U.S. private sector, and the countries of Asia The budget also requests $10 million in Development Assistance funds for urgent basic human needs in the new independent states with lower per capita income levels. (An additional $5 million will be reprogrammed in FY 1992 for development assistance, subject to Congressional notification procedures.)

Initiatives announced last year and proposed for continuation include support for democracy, a partnership with American business to expand its involvement in developing countries, and programs to strengthen and increase participation of families in the development process and to stem the spread of AIDS.

Food Aid. The President's budget requests a total of $1.3 billion in food assistance under the P.L. 480 Food for Peace program. This program taps the abundant agricultural productivity of the United States to develop future export markets and help needy people around the world. The request includes $356 million for the long-term loan program (Title I), $640 million for emergency and humanitarian relief (Title II), and $327 million for the bilateral grant "Food for Development" program (Title III). Of the total budget, $13 million will be used to provide "Farmer-to-Farmer" training and technical expertise, including $10 million to send farmers and agribusiness experts to support private farming and the creation of private agricultural markets in the former republics of the Soviet Union.

Enterprise for the Americas Initiative (EAI). The EAI aims to promote growth in Latin America and the Caribbean by engaging in discussions to reduce barriers to trade, supporting our neighbors' efforts to improve their investment climates, and reducing their external debt burdens as an incentive for economic reform. Through these efforts, the United States can improve the economic potential, not just of Latin America and the Caribbean, but of the United States as well. Promoting economic growth in Latin America will increase U.S. exports, create jobs for U.S. workers, and create investment opportunities.

The budget proposes $286 million in FY 1993 to cover the cost of reducing debt owed to the United States by countries undertaking growth-oriented economic reforms and investment liberalization. The Administration also is requesting $100 million in FY 1993 for the Multilateral Investment Fund. This fund, which will be administered by the Inter-American Development Bank, will provide technical advice and financial support to help countries liberalize their investment regimes. Japan, Canada, Spain, and Portugal have committed specific amounts for the Multilateral Investment Fund. Several other European and Latin American countries are in the process of determining the size of their contribution, which will bring the total capitalization near the $1.5 billion target.

Multilateral Development Banks. The Administration requests $1.8 billion for contributions to the multilateral development banks (MDBs) including $100 million for the Multilateral Investment Fund (described above). The MDBs are a key source of development loans to Third World countries. Ninety percent of the funds requested for 1993 represent installment payments to be made under previous multi-year agreements. A new, 4-year replenishment of resources is proposed for the Asian Development Fund, with an initial U.S. installment of $170 million in 1993. This will provide highly concessional loans to the smaller, poorer countries of the region. In addition to their traditional role in promoting economic reform and market-led growth in developing countries, a number of MDBs will play a critical role in restructuring the economies of Eastern Europe and the republics of the former Soviet Union.

Refugee Programs. The Department's FY 1993 budget request includes $550 million for Migration and Refugee Assistance (MRA) programs and $20 million to replenish the Emergency Refugee and Migration Assistance Fund. It is estimated that more than 16 million refugees will require some form of international assistance in FY 1993. Within the amount for MRA, a total of $265 million will support international efforts to provide protection, care and maintenance, local resettlement, and repatriation assistance to refugees and conflict victims abroad. Assistance will be used to support solutions to refugee situations whenever possible. The MRA request also includes $208 million to support the admission of about 122,000 refugees for resettlement in this country. Fifty million dollars is requested to support the resettlement of refugees in Israel.

International Organizations and Programs (Voluntary). In addition to the larger mandatory payments to the United Nations and related institutions discused below, the State Department makes voluntary contributions to 24 UN and other international organization programs that carry out development, humanitarian, and scientific activities. Budget authority of $257 million is requested for these contributions.

The largest of the recipient organizations is the UN Development Program (UNDP), which finances and coordinates technical assistance to developing countries through the various UN agencies. In 1991, the UNDP committed over $1 billion in technical aid. The 1993 U.S. contribution to UNDP is proposed to be $124 million. The UN Children's Fund (UNICEF), whose total program was over $390 million in 1991, is proposed to receive a $60-million voluntary contribution in 1993. Other programs receiving voluntary funding directly serve U.S. interests by controlling nuclear non-proliferation and improving the environment.

International Security Assistance (Budget Subfunction 152)

International security assistance consists of four components. Foreign Military Financing (FMF), the Economic Support Fund (ESF), International Military and Education Training (IMET), and Peacekeeping Operations (PKO). Using a mix of these components, the United States is able to help friendly and allied countries with both defense needs and economic well-being. Especially in the Third World, security assistance programs are intended to enhance the recipient nations' abilities to defend against aggression while undertaking those reforms necessary to assure long-term economic, political, and social stability. Security assistance provides funding for multilateral peacekeeping operations (Cyprus and Sinai) and for the training of recipient countries' military personnel in both professional skills and in the principles necessary for an armed forces to operate in a democratic society. It also enhances the ability of civilian and military officials to manage defense institutions and resources.

International Security Assistance:
Discretionary Budget Totals
($ million)

	1991	1992*	1993
Budget Authority	8,844	7,999	7,376
Outlays	9,561	7,628	7,366

*The President's budget proposes a $350 million amendment (budget authority and outlays) to the FY 1992 Peacekeeping Operations account to pay for contributions toward new and anticipated United Nations' peacekeeping activities. For display purposes only, this amendment is shown in Conduct of Foreign Affairs (Subfunction 153).

Middle East. Changing the Middle East from a war-torn and violent region to one where peace and cooperation can thrive remains one of the most critical challenges for the United States. Creating the security and prosperity necessary for that transition consumes almost three quarters of our security assistance budget, with just two countries (Egypt and Israel) accounting for about 60% of those expenditures. The success we have had in getting all Middle East parties to the bargaining table is in no small way due to the wise use of security assistance funds in the region.

Counter-narcotics. Our counternarcotics efforts in the Andean region are another important target for security assistance. Most of this assistance is in the form of Economic Support Funds that allow the recipient countries (Peru, Colombia, and Bolivia) wide latitude in employing resources to help alleviate economic dislocation and promote alternative economic activities in former drug producing areas. Military assistance is provided to those countries where the military plays a supporting role in active interdiction and other counternarcotics operations.

Defense Cooperation. Operations Desert Shield and Desert Storm demonstrated the critical importance of defense cooperation with friends and allies to our ability to defeat aggression. For example, key base rights countries such as Portugal, Greece, and Turkey gave the United States access to military facilities essential to rapid deployment and subsequent support of U.S. forces in the Persian Gulf theater and provided other important assistance. Security assistance programs have been and will remain key elements of such vital cooperative relationships.

Republics of the Former Soviet Union. For FY 1993, the President requests $100 million in Economic Support Funds to provide technical assistance to create and strengthen democratic institutions, develop private markets, improve food distribution and key humanitarian service systems, privatize governmental organizations, encourage defense conversion activities, and support energy conservation and environmental protection activities in the former republics of the Soviet Union. (An additional $80 million in FY 1992 ESF will be reprogrammed for technical assistance to the former Soviet Union, subject to congressional notification procedures.)

Conduct of Foreign Affairs (Budget Subfunction 153)

This category includes annual assessed payments that the United States makes to the United Nations its affiliated specialized agencies, and to other international organizations. It also includes the cost of State Department operations and diplomatic activities abroad.

Conduct of Foreign Affairs
Discretionary Budget Totals
($ million)

	1991	1992*	1993
Budget Authority	3,237	4,033	4,290
Outlays	3,283	3,908	4,106

*The President's budget proposes a $350 million amendment (budget authority and outlays) to the FY 1992 Peacekeeping Operations account to pay for contributions toward new and anticipated United Nations' peacekeeping activities. For display purposes only, this amendment is shown here (with other assessed contributions to the UN) but proposed for appropriation as part of International Security Assistance (Subfunction 152).

State Operations. The demise of the Soviet Union and the end oft he Cold War have produced unprecedented diplomatic challenges and opportunities for our overseas missions to advance American national interests, democratic values, and free market economic systems throughout the world. The FY 1993 request for State Operations of $2.1 billion provides ongoing costs, including operating costs for new post openings and expansions initiated in FY 1992 in the Baltics, republics of the former Soviet Union,and Cambodia. In addition, the FY 1993 request includes limited increases in funding for required investments to improve the Department's domestic passport operations and financial management systems.

Foreign Building Program. The $600-million request for FY 1993 represents the second year of the Department's comprehensive 5-year plan to address our most urgent capital requirements. Our request also includes funds for leases of overseas residential, office, and support facilities, as well as for critical maintenance and rehabilitation requirements. In addition, $140 million of this amount is included to complete construction of modern and secure facilities in Moscow.

International Organizations. The 1993 request recognizes our international obligations and reflects the President's strong commitment to the financial stability of the United Nations and other international organizations. Events in the Persian Gulf, combined with positive developments in Central America and Southeast Asia, confirm the important role multilateral organizations can play—with U.S. leadership—in helping to create a new world order based on democratic principles and rule of law. Continued success requires patience, including the flexibility to meet new and emerging requirements.

The 1993 request of $1,373 million, consistent with statutory and policy restrictions, includes:

- Full funding ($1,258 million) of our assessed contributions to 51 international organizations, existing UN peacekeeping forces, and emerging peacekeeping requirements (such as the UN forces planned for Cambodia and, possibly, Yugoslavia) which are expected to be set up as a result of the dramatic pace of international change.

- $115 million to continue funding cumulative arrearages in with the President's plan for payment over a 5-year period (1991-95). We are also requesting advance appropriations for FY 1994 and FY 1995 of $115 million (each year) in order to ensure funding to complete the entire plan.

Foreign Information and Exchange (Budget Subfunction 154)

An important objective of the Administration is to increase international understanding of American society and U.S. foreign policy. USIA seeks to do this through personal contacts, academic and leadership exchanges, satellite television broadcasting, Voice of America (VOA) broadcasts by radio, distribution of books and periodicals, English-language teaching, and the operation of libraries and cultural centers abroad. The Board for International Broadcasting grants funds to Radio Free Europe/Radio Liberty to provide surrogate and alternative radio broadcasts to the people of Eastern Europe and the republics of the former Soviet Union. This category of spending also supports information and exchange activities between the United States and Asia.

U.S. Information Agency. USIA's radio broadcasts, educational and cultural exchanges, and other programs made valuable contributions to the political revolutions in the countries of Central and Eastern Europe and the republics of the former Soviet Union and will

continue to play an important role as these countries build and develop democratic institutions and market economies.

Foreign Information and Exchange Discretionary Budget Totals ($ million)

	1991	1992	1993
Budget Authority	1,242	1,306	1,382
Outlays	1,253	1,341	1,382

The FY 1993 request of $1,144 million for USIA provides funds to consolidate these successes of American values and diplomacy. USIA has already opened new posts in the Baltics and other areas of the former Soviet Union, and plans to open posts in Angola and Laos later this year. It also has augmented staff and program activities in key Central and East European posts, Moscow, and in the Persian Gulf and undertaken new educational and cultural exchange programs in the former Soviet Union and Central and Eastern Europe.

In 1993, USIA plans to build on these initiatives by opening more new posts in the republics of the former Soviet Union, enhancing program support for USIS Moscow, reestablishing a post in Cambodia, and significantly enhancing Voice of America broadcasts to China, including establishment of China research offices in Hong Kong and Washington, DC, and additional staffing and other improvements for the Chinese service.

The 1993 request also includes $106 million to continue the modernization of VOA's transmitting facilities. A major new relay station in Morocco will come on air in 1993. Work will be continued on a new station in Thailand, which will enhance broadcasts to China, South Asia, and the maritime provinces of the former Soviet Union. Construction of new facilities required for broadcasts to Africa, the Persian Gulf, and South Asia will also be undertaken..

Board for International Broadcasting. The FY 1995 budget request of $220 million maintains the surrogate/alternative broadcasts of Radio Free Europe/Radio Liberty at about the 1992 level. As democratic governments are established in the countries of Central and Eastern Europe and the republics of the former Soviet Union, and as these countries develop reliable free media, the need for these broadcasts will be reviewed.

International Financial Programs (Budget Subfunction 155)

This category of international affairs spending includes funding for two major financial institutions, the Export-Import Bank (Eximbank) and the International Monetary Fund.

The Export-Import Bank of the United States. Eximbank finances U.S. exports through a variety of direct loans, loan guarantees, and insurance programs. Eximbank programs assist U.S. exporters who require subsidized financing to compete with foreign exporters who receive subsidies from their governments. The requested FY 1993 appropriation of $682 million will support about $11.4 billion in face value of financing. In 1993, Eximbank will expand its assistance to small businesses, particularly through a working capital guarantee program.

International Financial Programs
Discretionary Budget Totals
($ million)

	1991	1992	1993
Budget Authority	761	12,881	682
Outlays	-30	91	312

FY 1992 includes $12.3 billion in budget authority for an IMF quota increase

Through the effort of Eximbank and other federal agencies, the developed countries have agreed to reduce subsidies for tied aid credits, in which export credits are offered in combination with direct foreign aid grants. This will support the Administration's free trade objectives.